THE EVOLUTION OF BRAND CO-CREATION: MODELS AND EXPLORATION OF STAKEHOLDERS’ MOTIVATIONS

Eric Kennedy

Dissertation Prepared for the Degree of

DOCTOR OF PHILOSOPHY

UNIVERSITY OF NORTH TEXAS

August 2017

APPROVED:

Francisco Guzmán, Major Professor
Audhesh Paswan, Committee Member
Robert Pavur, Committee Member
Wesley Randall, Chair of the Department of Marketing and Logistics
Marilyn Wiley, Dean of the College of Business
Victor Prybutok, Dean of the Toulouse Graduate School
Co-creation is an emerging phenomenon that occurs when two or more parties work together to create value. Co-creation, which is a key component to service dominant logic, is present in business to business, business to consumer, and consumer to consumer processes. This dissertation will focus on the business to consumer (and consumer to business) co-creation relationship. Much of the current business to consumer co-creation literature is qualitative in nature, with quantitative work just now beginning to emerge. As such, there is still much about the phenomenon of co-creation that is not understood. When looking at co-creation in the context of brand management, even less is known. In today’s age of digital interaction where consumers are gaining more power on a daily basis, practitioners and academics should understand the motivations for consumers to engage brands in co-creation and what the outcomes of these co-creation partnerships are. Because of this, the dissertation contains three essays with the purpose of (1) identifying the motivations for co-creation from consumer and brand perspectives, (2) exploring each of these motivators on their individual relationship to the outcome of co-creation, and (3) understanding how the perceived ability to influence a brand impacts the outcomes of co-creation.
ACKNOWLEDGEMENTS

I would like to take this opportunity to express my thanks to my major professor, Dr. Francisco Guzmán, for his boundless energy, enthusiasm, and guidance throughout the emotional roller coaster that is a dissertation. This journey has taken us to amazing destinations, and I look forward to continuing our collaboration in the many years to come. I am very grateful for the support, assistance, and suggestions of Dr. Audhesh Paswan and Dr. Robert Pavur throughout the dissertation process. Their patience and passion for knowledge continue to inspire me to always keep learning. I would also like to thank the members of my cohort, Kelly Naletelich and Seth Ketron, for their friendship, laughter, and being a support system throughout the program. I am confident we will all remain friends for many years to come.

Without a doubt, my family has been my support system throughout the PhD program, and have certainly carried me through to the end. To my wife Lori, who is pregnant with our third child at the time of this writing, thank you for walking this path with me as I left corporate America to enter academia. We were nervous about this decision, but I know we have no regrets now and are excited for the future. To my daughters Caydee and Harper, thank you for giving me the much-needed emotional relief, hugs, and laughter over the past three years. Time with you was a wonderful distraction from the rigor of this program. Finally, to my parents Keith and Cindy Kennedy, thank you for the never-ending support you have given us. I love you all, and would not be here without your help.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>iii</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>CO-CREATION OF BRAND IDENTITIES: CONSUMER AND INDUSTRY INFLUENCE AND MOTIVATIONS</td>
<td>3</td>
</tr>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Theoretical Background</td>
<td>6</td>
</tr>
<tr>
<td>Study 1</td>
<td>10</td>
</tr>
<tr>
<td>Study 2</td>
<td>16</td>
</tr>
<tr>
<td>General Discussion</td>
<td>21</td>
</tr>
<tr>
<td>Managerial and Theoretical Implications</td>
<td>25</td>
</tr>
<tr>
<td>Limitations and Future Research</td>
<td>26</td>
</tr>
<tr>
<td>References</td>
<td>27</td>
</tr>
<tr>
<td>EMPOWERING CO-CREATION: AN EXAMINATION OF THE FACTORS LEADING TO CONSUMER CO-CREATION OF BRAND</td>
<td>34</td>
</tr>
<tr>
<td>Introduction</td>
<td>34</td>
</tr>
<tr>
<td>Background and Hypotheses</td>
<td>35</td>
</tr>
<tr>
<td>Method</td>
<td>44</td>
</tr>
<tr>
<td>Study 1</td>
<td>45</td>
</tr>
<tr>
<td>Study 2</td>
<td>48</td>
</tr>
<tr>
<td>Study 3</td>
<td>50</td>
</tr>
<tr>
<td>Study 4</td>
<td>53</td>
</tr>
<tr>
<td>Study 5</td>
<td>55</td>
</tr>
<tr>
<td>General Discussion and Implications</td>
<td>58</td>
</tr>
<tr>
<td>Limitations and Future Research</td>
<td>61</td>
</tr>
<tr>
<td>References</td>
<td>62</td>
</tr>
<tr>
<td>WHEN PERCEIVED ABILITY TO INFLUENCE PLAYS A ROLE: BRAND CO-CREATION IN WEB 2.0</td>
<td>67</td>
</tr>
<tr>
<td>Introduction</td>
<td>67</td>
</tr>
<tr>
<td>Background and Hypotheses</td>
<td>69</td>
</tr>
</tbody>
</table>
INTRODUCTION

Co-creation is an emerging phenomenon that occurs when two or more parties work together to create value. Co-creation, which is a key component to service dominant logic, is present in business to business, business to consumer, and consumer to consumer processes. This dissertation will focus on the business to consumer (and consumer to business) co-creation relationship. Much of the current business to consumer co-creation literature is qualitative in nature, with quantitative work just now beginning to emerge. As such, there is still much about the phenomenon of co-creation that is not understood. When looking at co-creation in the context of brand management, even less is known. In today’s age of digital interaction where consumers are gaining more power on a daily basis, practitioners and academics should understand the motivations for consumers to engage brands in co-creation and what the outcomes of these co-creation partnerships are. Because of this, the dissertation contains three essays with the purpose of (1) identifying the motivations for co-creation from consumer and brand perspectives, (2) exploring each of these motivators on their individual relationship to the outcome of co-creation, and (3) understanding how the perceived ability to influence a brand impacts the outcomes of co-creation.

Essay 1, titled “Co-creation of brand identities: consumer and industry influence and motivations,” aims to develop an understanding of the phenomena of co-creation and how the practice is used in shaping brand identities. Two studies are undertaken to provide insight into co-creation. First, a qualitative study is used to gain insight from key decision makers with responsibility for a brand. Second, a study of millennial consumers is used to develop the antecedents of consumer motivations of co-creation of brand identities. This essay then presents a comprehensive framework that encompasses two models (industry and consumer) of brand
identity co-creation. Much of the current literature on co-creation is conceptual or qualitative, and these results provide the analytical support for the building blocks of co-creation theory development.

Essay 2, titled “An examination of the factors leading to consumer co-creation of brand,” further explores the consumer model of co-creation proposed in Essay 1. Through a series of five studies, the factors of social, fun, brand compatibility, brand commitment, and communication appeal are analyzed individually to determine how each factor impacts the consumers’ willingness to engage in co-creation. The results of this study expand the academic knowledge of co-creation, by providing information about why consumers engage with brands in co-creation. Additionally, practitioners will benefit from the descriptive results which provide insight into which motivations a brand should manipulate if it wishes to engage consumers in co-creation.

Essay 3, titled “When perceived ability to influence plays a role: brand co-creation in web 2.0,” examines how co-creation is impacted by consumers’ attributions about a brand’s ability to be influenced. Through two studies, focusing on millennial consumers, this essay seeks to understand the attributions that consumers make about brands, what kind of attributions are made, and what the outcome of these attributions are – in terms of co-creation and perceived influence. This essay enhances the current knowledge on the co-creation phenomena and provides insight into the importance of a brand being perceived as being able to be influenced, which will lead to co-creation and increased purchase intentions.

In sum, the three essays contained in this dissertation specify a framework for the antecedents of co-creation, an in-depth analysis of those antecedents, and an examination of how perceived influence impacts co-creation. The resulting body of work provides academics and practitioners with a base to better understand the process of co-creation.
CO-CREATION OF BRAND IDENTITIES: CONSUMER AND INDUSTRY INFLUENCE AND MOTIVATIONS

Introduction

In today’s globally connected and dynamic marketplace, consumers are gaining power with their ability to shape the identity of a brand. This consumer power results in the phenomena of co-creation. Co-creation is the process where more than one party systematically joins forces to interact, learn, and share information to create value (Vargo and Lusch, 2004; 2016; Prahalad and Ramaswamy, 2004). The process of co-creation unites consumers and brings them together as a single unit to interact with the development of the brand (Hatch and Schultz, 2010; Ind et al., 2013). The co-creation phenomena have changed the way businesses market to consumers (Grönroos and Voima, 2013; Helm and Jones, 2010; Iglesias and Bonet, 2010). Companies are increasingly engaging with, and utilizing feedback from, consumers to create and strengthen their brand identities. The current investigation focuses on the process of stakeholder brand identity co-creation.

Consumers are shaping brand identities through their daily usage and social connections (Iglesias and Bonet, 2010). These interactions also help the consumer shape their self-identity (Katsanakis and Balabanis, 2012). Multi-stakeholder brand meaning co-creation dynamics strongly depend on the opportunities virtual spaces provide (Vallaster and von Wallpach, 2013). This is why millennials, the 18-29 year old segment of the population, are the primary market driver for social engagement. Duggan et al. (2015) report that social media usage in the 18-29

---

age group has increased from 9% of the population in 2005 to 90% in 2013. Individuals within this market segment are also considered to be ‘creators’ (Duggan et al., 2015). By playing this creator role, consumers build their self-identity. However, the majority of brands in the United States are failing to meet the expectations of consumers in terms of social engagement (Nanji, 2015). Brands must hence unravel the web of social engagement in the marketplace to exceed consumer expectations and create a loyal brand community (Schau et al., 2009).

As the “business as usual” paradigm shifts, brand managers have to adjust the engagement strategy of the brand (Grönroos and Voima, 2013; Iglesias and Bonet, 2010; Vallaster and von Wallpach, 2013). First, and most difficult, brand managers must recognize the power of the consumer and relinquish some control of the brand and the creation of its identity (Hatch and Schultz, 2010; Iglesias et al., 2013). Second, brand managers must recognize the opportunities to increase social engagement with consumers (Grönroos and Voima; 2013; Ind et al., 2013).

Researchers understand the importance of creating a brand identity that resonates with the target market of the brand (Brakus et al., 2009; Csaba and Bengtsson, 2006; Hatch and Schultz, 2010; Iglesias and Bonet, 2010; Payne et al., 2009). What is not clearly understood is who has the power to create and maintain the identity of a brand. The issue with brand identity is if it represents the internal development of the image by brand managers, the image created by customer perceptions, or a combination of both (Silveira et al., 2011). Identity creation extends beyond the brand management team and migrates into a mix of stakeholders, consumers, and the firm (Kapferer, 1997). Past research shows that management is not the sole creator of brand identity (Csaba and Bengtsson, 2006; Schau et al., 2009, Prahalad and Ramaswamy, 2004; Ind et al., 2013).
Extant literature has examined various aspects of co-creation including value creation (Flores and Vasquez-Parraga, 2015; Grönroos and Voima, 2013; Prahalad and Ramaswamy, 2004; Skålén et al., 2015), its concept and measurement (Ranjan and Read, 2016); brand perceptions and behavior intentions (Iglesias and Bonet, 2010; van Dijk et al., 2014), brand governance (Hatch and Schultz, 2010; Helm and Jones, 2010; Ind and Bjerke, 2007), the organic view of the brand (Iglesias et al., 2013), brand love (Noel and Merunka, 2013), consumer and customer co-creation behavior (Roberts et al., 2014; Yi and Gong, 2011), co-creation of meaning (Gylling et al., 2012), the emergence and outcomes of co-creation (Ind et al., 2013), co-creation and its relationship with brand equity (Christodoulides et al., 2012), and value co-destruction (Smith, 2013) or defective co-creation (Greer, 2015). However, to our knowledge no research has compared consumer and practitioner motivations to co-create. This research thus attempts to provide answers to the following questions:

RQ1: What are the reasons for firms to relinquish brand control to consumers, and what do firms hope to gain by sharing this power?

RQ2: What are the reasons for consumers to communicate and shape the identity of a brand?

To respond to RQ1, and identify the factors that influence a firm’s motivation to engage in brand identity co-creation, study one employs a grounded theory methodology. To respond to RQ2, and identify the factors that influence a consumer’s motivation to engage in co-creating brand identities, study two utilizes an exploratory and confirmatory factor analysis. Two brand identity co-creation frameworks are presented as the result of these studies.
Theoretical Background

Service Dominant Logic

The co-creation concept originates from the core competency concept (Prahalad and Hamel 1990), and extends Barney’s (1991) resource based model and the customer-oriented approach of value innovation (Kim and Mauborgne 1999). Potts et al. (2008, p. 4) describe consumer co-creation of value as an “evolution of the extant economic and cultural order to account for consumers’ greater access to the ‘means of production’ through information and communication technologies.” Co-creation is based on a dynamic exchange of value that extends beyond a discrete transaction to a relational exchange. Service dominant logic (SDL) provides an appropriate framework to analyze creative exchange forms (Day, 2006). Given that the logic of branding has shifted from a firm-provided property to a collaborative, value co-creation activity, SDL and branding literature can reinforce and inform each other (Brodie et al., 2006; Merz et al., 2009; Payne et al., 2009). This research thus analyzes the co-creation of brand identity based on SDL. SDL has become a theoretical lens for advancing value exchange theory as it addresses how the collaboration of multiple actors within a market creates superior value propositions through sharing information and mutual learning (Grönroos and Voima, 2013; Randall et al., 2010; Vargo and Lusch, 2004). In SDL the customer is an active participant that co-creates value upon the exchange of intangible skills, knowledge, and relationships (Jaworski and Kohli, 2006; Randall et al., 2010; Vargo and Lusch, 2004).

Brand Identity

Brand identity has been defined as the internal platform from which a brand’s desired perceptual image is developed (Buurmann et al., 2009; Csaba and Bengtsson, 2006; de
Chernatony, 1999; Kapferer, 1997); the unique set of associations that a brand aspires to create or maintain (Aaker, 1996). Internal organizational characteristics such as the mission, ethos, values, goals, and culture are reflected in a brand’s identity (de Chernatony, 1999; Katsanakis and Voyter, 2014). A brand identity serves as a basis of differentiation to establish a “brand’s meaning, aim, and self-image” (Kapferer, 1997, p. 94). In dynamic market environments, brand identity serves as an anchor of meaning for brands (Csaba and Bengtsson, 2006). In sum, brand identity is company focused, created by managerial activities, encoded by the brand originator, and sent to the consumer through brand communications (Nandan, 2005).

Brand image has been defined as the consumer’s perception of a brand (Burmann et al., 2009; Gardner and Levy, 1955; Park et al., 1986; Keller, 1998). Brand image is created by “marketing programs that link strong, favorable, and unique associations to the brand in memory” (Keller, 1998, p. 51). In other words, brand image is the way a particular brand is positioned in the market (Nandan, 2005) and includes all of the associations, both positive and negative, that consumers have of a brand (Keller, 1998). In sum, brand image is target audience focused, created by consumer perceptions, and decoded and developed by the brand receiver (Nandan, 2005).

A brand management objective is to match the proposed brand identity and the perceived brand image (Nandan, 2005). Brand identity has thus been considered to be a direct influence of consumers’ perceptions of a brand—i.e., brand image—(Burmann et al., 2009). Although brand identity helps to establish the relationship between a brand and consumers, it is difficult to achieve perfect congruency between the brand identity and brand image (Madhavaram et al., 2005). Urde (1999) alludes to this challenge in his Brand Orientation model. Brand orientation “is an approach in which the processes of the organization revolve around the creation,
development, and protection of brand identity in an ongoing interaction with target customers” (Urde, 1999, p. 117). He argues that the needs and wants of consumers cannot be ignored but neither allowed to unilaterally steer brand development. In today’s hyper-connected and increasingly dynamic marketplace where consumers have a high level of engagement with brands and as ‘creators’ disseminate their own brand messages, the traditional concept of brand identity and the brand orientation management model seem questionable and outdated (Silveria et al., 2013).

Recent work by Silveira et al. (2013) calls for a new conceptualization of brand identity. They identify three insights that support their rationale: 1) a lack of a unique brand identity definition; 2) the conceptualization of identity as a dynamic construct in parallel research domains—sociology and social psychology, organizational identity, and corporate identity; and 3) emerging research streams in marketing—SDL and consumer culture theory. They propose that the notion of brand identity and its management should be open to the influence of brand managers and consumers in order to adapt and be flexible to contextual market environment changes while preserving a stable sense of self (Silveria et al., 2013). In other words, that brand identity must be co-created.

Co-Creation

The traditional interaction between a firm—its products and services—and a consumer used to happen only at the point of exchange. Nowadays, more informed, networked, empowered, and more active consumers seek to exercise their influence in the entire business process (Prahalad and Ramaswamy, 2004). Co-creation occurs when the roles of the company and the consumer converge and they jointly create value (Ind and Bjerke, 2007; Prahalad and
Ramaswamy, 2004). Brands are being co-created through the interaction and social processes of multiple stakeholders (Gyrd-Jones and Kornum, 2013; Merz et al., 2009; Hatch and Schultz, 2010; Vallaster and von Wallpach, 2013). The co-creation process evolves through different relationship phases: acquisition, stabilization, and enhancement (Payne et al., 2009). In each phase the level of systemic co-creation increases as stakeholder experience grows. As the level of experience evens out amongst stakeholders, a more transparent dialogue between equal parties—which is key for co-creation (Prahalad and Ramaswamy, 2004)—is achieved. Vallaster and von Wallpach’s (2013) findings support the dynamic nature of stakeholder interaction, as they find that over time participation and resource allocations might vary depending on the discursive strategies and resources developed and acquired amongst stakeholders. Ultimately, co-creation is about developing methods to interact and co-shape consumer expectations (Prahalad and Ramaswamy, 2004) that lead to the dynamic formation of associations that feed a brand’s identity (Vallaster and von Wallpach, 2013).

In SD logic, value is always co-created given that the roles of producers and consumers are not distinct (Vargo et al., 2008). An alternative view of co-creation is offered by Grönroos and Voima (2013) who posit that co-creation of value, as traditionally defined, is only metaphorically possible given the fact that it is the customer who creates value, specifically value-in-use; “value cannot be created both by the firm and the customer” (Grönroos and Voima, 2013, p. 137). In their view, co-creation of value occurs only when the firm gains access to the customer value creation process (Grönroos and Voima, 2013). In other words, it is not the firm that creates value for its customers, but rather facilitates customer value creation and manages the value co-creation process. Researchers, regardless of specific nuances, seem to agree that value co-creation happens in a dynamic shared space where multiple stakeholders converse
Value co-creation and, specifically, brand identity co-creation have been increasingly researched and discussed since 2004. However, other than Roberts et al’s (2012) conceptual study, the motivations of firms and consumers to engage in co-creation still remain unexplored. Two studies are developed as an attempt to fill this gap.

Study 1

Utilizing a grounded theory (GT) approach, online interviews with brand managers were conducted to develop a managerial co-creation model. GT is a suitable method of research to develop theory (Glaser and Strauss, 1967; Hunt, 1992). GT has been used to study how firms adapt to the changing environment (Bettis and Prahalad, 1995, Charmaz, 2006), and by examining this behavior the research creates variables and relationships (Glaser and Strauss, 1967; Hunt, 1992).

Key decision makers in marketing departments—brand managers or above—were the research sample of this study. 42 respondents completed an online open-ended interview. The respondents held the following titles: manager 42%, director 26%, vice-president 9%, president 16%, and other executive positions 7%. The firms represented varied in size: less than 1,000 employees 39%, 1,001 and 5,000 employees 14%, between 5,001 and 10,000 employees 5%, and more than 10,000 employees 42%. The firms represented operate in 14 different industries, as categorized by the North American Industry Classification System; 27 operate in the United States and 15 in South America, Europe, and Asia.
The responses of the online interview were subject to content and thematic analysis by the authors. This analysis ensures that the coding is relevant to the objectives of this study. The quotes from the interviews presented in the ensuing sections, are representative quotes of the respective items and constructs. Two major constructs emerged, organizational goals and brand goals. Within each construct, five items were identified.

**Organizational Goals**

The organizational goals are those that link the company’s overall marketing orientation and strategy to efficiency and productivity metrics. The construct is formed by the following items: return on investment, research, resources, mission statement, and service.

**Return on Investment (ROI)**

Firms relinquish power to increase their return on investment (ROI). Firms acknowledge that to be profitable in the long-term they must share power with consumers. Some reasons provided by respondents to co-create with consumers evolved around their “desire to grow sales and profit for the long term.” Likewise, another respondent commented they engage consumers to “stay relevant, increase sales and insights” and “have higher sales, less churn, and a higher shareholder value.” The managers interviewed have a goal of monetizing the interaction when the firm co-creates with the consumer.

**Research**

Firms co-create with consumers as a means of conducting research and gaining insights from their target markets. This level of research and interaction with consumers allows the firm
to innovate and remain relevant in the mind of their customer. Respondents noted their firms engage with consumers to “better understand their consumer needs” and “validate learnings” from the firm’s formal market research. Additionally, managers think, “it is important to keep the lines of communication open” with consumers as this “impacts sales”. Finally, another recurrent topic was how research drives “concept development”.

Resources

Firms co-create with consumers to increase the available resources of the company. Engaging with consumers increases the intellectual property of the firm and aids its competitive positioning in the marketplace. “Engaging with our community is essential to make sure we are not only providing the right content, but evolving the product to the market’s needs.” In addition, “our customers expect us to have knowledge of end users. We track consumer awareness and household penetration.” In sum, firms view that engaging with consumers provides a wealth of resources to compete in the marketplace.

Mission Statement

Firms co-create with consumers when this type of engagement reflects on the values engrained in their mission statement. When the essence of the company is built on working closely with consumers and, as a result, consumers gain power in shaping the identity of that brand. Respondents stated “we have always engaged with our customers—they are our lifeblood”; the “consumer is always #1”; “it’s been done since the company was founded 100+ years ago”; “it’s in the DNA of the company”. This organizational culture built around the
importance of the consumer is a prime factor in co-creation with consumers (Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004).

Service

Firms co-create with consumers to enhance the service provided. Managers view differentiation in the marketplace occurring more often on the services they provide rather than on their products. Some firms, given their position in the service industry, have an inherently close relationship with consumers. “The company has always been focused on changing the way people live. Engaging with them is the only way to make sure this happens”. “Personal interaction” is the nature of the services we provide. “We are in the service industry”, by engaging with our consumers “we can provide a better brand experience”.

Brand Goals

The brand goals are those that link the company’s brand orientation and strategy to growth and engagement metrics. The construct is formed by the following items: brand building, brand loyalty, brand awareness, differentiation, and brand experience.

Brand Building

Brands co-create with consumers with the objective to increase the value of a brand. Co-creation allows for the alignment of brand perception and brand identity, which is an important step in growing a brand (Nandan, 2005). Respondents noted that brands co-create with consumers “to meet the need for the organization to take a more strategic approach to brand building by engaging their stakeholders”. Moreover, co-creation is practiced because “engaging
with consumers helps us create better, more relevant content, which means that we are both building equity and improving ROI”. Finally, “consumers are ultimately an extension of our brands. Without them we lose relevance and market position”.

**Brand Loyalty**

Brands promote co-creation to increase brand loyalty. The more communication a consumer has with a brand, the more loyal that consumer will be to the brand (Hatch and Schultz, 2010). Respondents commented this happens because of “the need to drive sales and loyalty. Is there an alternative?” “Consumer brand engagement keeps our brands fresh and connected, and ensures we stay relevant”. Furthermore, “we want consumers to buy our products, so consumer engagement is necessary”; “we want to become a loved brand”. Additionally, “consumer pull is exponentially important with our brands, as distribution is not at the level of our competitors”. In sum, “we believe in long term relationships with our customers”.

**Brand Awareness**

Brands co-create with consumers to increase their awareness. This is especially helpful for companies attempting to change their brand image or introduce their brand to new markets. Managers co-create with the goal of “increasing brand awareness” and “to make [the consumer] aware of the products and services we offer for sale”. “Brands can have an advantage if they are top of mind [for] consumers” as this “ensures that they feel confident in the choices that they make”, which, ultimately, can lead to higher sales.
Differentiation

Brands co-create with consumers as a tool to differentiate from competitors, and thus garner a competitive position in the market. Some managers co-create given “the need to create a relationship with the customers and differentiate from competitors”. Likewise, co-creation is implemented because “we need consumers to buy our products in a highly competitive crowded space”. In sum, managers believe that co-creation allows for a closer relationship with consumers that facilitates the development of brands’ differentiating characteristics.

Brand Experience

Brands co-create with consumers to increase the level of brand experience that the consumer has with the brand. One manager noted “the experiences shared by our consumers to their social and personal networks greatly influences our business and revenue forecasting”. Managers recognize that brands that “give the best experience to [their] customers” have “satisfied clients” which leads to “referrals and word-of-mouth”, “new customer acquisition and repeat business”, or “higher frequency of visitation, higher check average, and greater likelihood to recommend”.

Discussion

The thorough answers received from the online interviews lead to the identification of factors (see table 1) that show the motivations that brand managers and firms have to co-create brand identities. Through the analysis of the received responses, it became clear that people in charge of brands pursue organizational and brand goals. Organizational goals evolve around the concepts of efficiency and productivity. The interviews revealed that a first aspect of brand
performance and the success of brand managers is assessed through the attainment of these organizational goals. A co-creation effort seems to be assessed as successful if it allows for brands to reinforce their mission, gain market insights through research, increase company resources, improve the company’s service, and increase the company’s financial goals.

Brand goals evolve around the concepts of growth and engagement. The interviews also revealed that a second aspect of brand performance and the success of brand managers is assessed through the attainment of these brand goals. A co-creation effort seems to be assessed as successful if it allows for brands to reinforce its brand building strategy, increase brand loyalty, increase brand awareness, improve the brand experience, and heighten a brand’s differentiated position in the market. As made evident by managers’ feedback, the attainment of both organizational and brand goals, through co-creation, require the company to relinquish some control of the brand to consumers. The benefit of firms sharing this power with consumers can be made evident in the positive outcomes of the brand goals previously described. By letting consumers have a stronger voice in the brand conversation, brands hope to see rewards of increased brand loyalty, brand awareness, and differentiation in the marketplace. The goals for managerial brand identity co-creation are shown in table 1.1.

<table>
<thead>
<tr>
<th>Organizational goals</th>
<th>Brand goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on investment</td>
<td>Brand building</td>
</tr>
<tr>
<td>Research</td>
<td>Brand loyalty</td>
</tr>
<tr>
<td>Resources</td>
<td>Brand awareness</td>
</tr>
<tr>
<td>Mission statement</td>
<td>Differentiation</td>
</tr>
<tr>
<td>Service</td>
<td>Brand experience</td>
</tr>
</tbody>
</table>
Word Association

An exploratory study was undertaken to develop a model containing the motivations that a consumer has to co-create with a brand. 450 millennials were contacted and asked to provide five top-of-mind words that capture their reasons for engaging in the co-creation of brand identities. Millennial consumers are considered an appropriate consumer group for this study given their high levels or consumer-brand engagement (Duggan et al., 2015). Through pre-testing the survey instrument, it became evident that the concept of ‘co-creating brand identities’ could not be easily understood by respondents. The final survey instrument thus included the following introductory statement: In today’s hyperinformed and hyper connected society, consumers have become the owners of, and gained tremendous power in shaping, brands. We are conducting a research project with the purpose of understanding how consumers influence the creation of brand identities. Thus, we would like to ask you to think of five reasons that you engage or communicate with a brand. The resulting list of 2,250 words was reduced to the 50 most frequently occurring responses, as shown in table 1.2

Table 1.2 50 Top items for consumer brand identity co-creation

<table>
<thead>
<tr>
<th>Advertising</th>
<th>Appeal</th>
<th>Availability</th>
<th>Brand Loyalty</th>
<th>Brand Recognition</th>
<th>Comfort</th>
<th>Community</th>
<th>Complaint</th>
<th>Convenience</th>
<th>Credibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>Customer Service</td>
<td>Dependability</td>
<td>Entertainment</td>
<td>Excitement</td>
<td>Familiarity</td>
<td>Feedback</td>
<td>Incentives</td>
<td>Innovation</td>
<td>Interest</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Lifestyle</td>
<td>Location</td>
<td>Luxury</td>
<td>Need</td>
<td>New Product</td>
<td>Peer Pressure</td>
<td>Performance</td>
<td>Popularity</td>
<td>Power</td>
</tr>
<tr>
<td>Product Quality</td>
<td>Promotion</td>
<td>Recommend</td>
<td>Reliability</td>
<td>Reputation</td>
<td>Security</td>
<td>Self-Image</td>
<td>Service</td>
<td>Similar Values</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td>Social Status</td>
<td>Style</td>
<td>Trend</td>
<td>Trust</td>
<td>Uniqueness</td>
<td>Usefulness</td>
<td>Value</td>
<td>Variety</td>
<td>Visual Appearance</td>
<td>Word of Mouth</td>
</tr>
</tbody>
</table>
The next step of the study involved an online survey of 384 millennials different than those used in the word association exercise described above. This group of consumers was asked to rank each of the 50 words, previously identified, on a 5 item Likert scale. In order to avoid the aforementioned confusion regarding ‘co-creating brand identities’, the survey instrument included the following introductory statement: In today’s hyperinformed and hyper connected society, consumers have become the owners of, and gained tremendous power in shaping, brands. We are conducting a research project with the purpose of understanding how consumers influence the creation of brand identities. We ask you to evaluate each of the items below on a scale of one to five, where one means that you feel the item does not play a role in your communication with and shaping of a brand, and five means that the item does play a role in your communication with and shaping of a brand.

**Results**

The final set of data (n=360) was subjected to EFA/CFA in SPSS. The CFA five-factor solution using principal component analysis and varimax rotation yielded the following: $\chi^2 = 1264.80$, d.f. = 66. The rotated factor structure, percentage of variance explained, and the Alpha scores for each factor are detailed in table 1.3.

<table>
<thead>
<tr>
<th>Table 1.3 Motivations for consumer brand identity co-creation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor Label</strong></td>
</tr>
<tr>
<td>Social</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Fun</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Value compatibility</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Communication appeal</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Brand commitment</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>% of Variance explained (Total=71.25%)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
The resulting factors of the EFA/CFA include: social, fun, compatibility with the brand, and communication appeal. Each of the factors has a Cronbach’s Alpha score above 0.60 which is acceptable in exploratory research (Hair et al., 2009). Although brand commitment has a Cronbach’s Alpha score of 0.57, it is still included in the model given: a) for early stages of basic research Cronbach’s Alpha scores above .50 suffice (Churchill, 1979; Nunnally, 1967), b) the model’s total explained variance decreased in more than 11% when removing these items, and c) the authors’ belief that the two brand commitment items (brand loyalty and brand recognition) play an important role in explaining consumers’ motivations to engage with a brand, consistent with past literature (Hatch and Schultz, 2010).

Discussion

Through the EFA/CFA performed, 12 out of the original 50 words were identified as consumer motivators to co-create with a brand. The 38 words removed were a result of not loading on factors or cross-loading on multiple factors. In the CFA, factor loadings below 0.60 were removed to improve the overall percent of variance explained.

The model’s first factor, social, is comprised by the following items: peer pressure, popularity, trend, and social status. Millennial consumers’ engagement with brands is influenced by the peer pressure that their social groups exert, how popular it is within their social environment to have an active voice in today’s marketplace, how trendy they perceive the brand and communicating with it is, and how much they believe that communicating with and shaping a brand identity will affect their social status. The role of a brand as a social component for self-characterization has been previously discussed in the literature (Algesheimer et al., 2005; Kapferer, 1997).
The model’s second factor, fun, is comprised by the following items: entertainment and excitement. Millennial consumers’ engagement with brands is influenced by how entertaining and exciting they find interacting with a brand is. The fun component of a brand has been previously discussed in the literature (Aaker, 1997). The model’s third factor, compatibility with the brand—or level of identification a consumer has with a brand—is comprised by the following items: similar values and social responsibility. Millennial consumers are influenced by how much they perceive that the brand values are similar to their own and the brand’s perceived level of social responsibility. Compatibility or self-identification with a brand (Park et al., 1986) and the influence of corporate social responsibility on brands (Simmons and Becker-Olsen, 2006; Torelli et al., 2012) have been previously discussed in the literature.

The model’s fourth factor, communication appeal, is comprised by the following items: appeal and advertising. Millennial consumers are influenced by the appeal of a brand and its advertising and communication efforts. The role and effect of attitudes toward a brand and attitude toward an ad on brands and brand choice has been thoroughly investigated in past literature (MacKenzie and Lutz, 1989; Shimp, 1981). The model’s fifth and final factor, brand commitment, is comprised by the following items: brand loyalty and brand recognition. Past literature has discussed the importance of brand loyalty (Aaker, 1996; Chaudhuri and Holbrook, 2001; Day, 1976; Tucker, 1964) and brand recognition (Keller, 1998; Krishnan et al., 2013) in consumer brand choice. Millennial consumers are influenced by the level of loyalty they have for a brand and their ability to recognize a brand.

Overall, consumers seem to be motivated to participate in brand co-creation by the above identified factors. Consumers seem to be enthralled to communicate with and help shape the identity of a brand when they find social, fun, value, communication appeal, and brand
commitment motivations. The social and value compatibility factors indicate that consumers are motivated to engage with brands given the reciprocal effect of their perceived gain at a personal level (Katsanakis and Balabanis, 2012). Furthermore, when co-creating, consumers gain power (which was relinquished by managers). Although not tested in this study, the overall reciprocal net-effect for both the consumer and the brand is expected to be positive (Grönroos and Voima, 2013; Hatch and Schultz, 2010; Iglesias and Bonet, 2010; Iglesias et al., 2013; Ind et al., 2013; Vallaster and von Wallpach, 2013).

General Discussion

In today’s hyper informed and hyper connected society, consumers have become the owners of, and gained tremendous power in shaping brands. This study explores the motivations of both companies and consumers to engage in the co-creation of brand identities. Specifically, the first research question sought to uncover the reasons that a firm may relinquish brand control to consumers, and what the firm hoped to gain by doing this.

The results of study one suggest firms give away control to promote both organization and brand goals. The organizational goals include items that related to efficiency and productivity metrics, including ROI, resources, research, mission, and service. As a result of giving this power away, the company expects to be rewarded through the achievement of brand goals, including brand building, brand loyalty, brand awareness, brand experience, and differentiation in the marketplace.

Through two exploratory studies factors that motivate companies and consumers are detected; two models are developed respectively. In the previous sections, each of these models are discussed. Both models are reflective in nature, meaning that the model specifies the direct
effect from the construct to its measures (Edwards and Bagozzi, 2000). In the present research, the latent construct, co-creation, is independent of the measures. Nearly all scales in business related texts on scale and model development utilize a reflective approach (Bearden and Netmeyer, 1999; Coltman et al., 2008; Spector, 1992). This section attempts to shed some light on how these two models converge and considers the reciprocal effect of brand identity co-creation for the firm and the consumer.

Figure 1.1 *Predictors of brand identity co-creation in a managerial perspective*
The managerial brand identity co-creation model, shown in figure 2.1 identifies two constructs, each of which relates to a different group of stakeholders. The organizational goals relate internally or ‘upwards’ to the company’s shareholders (Iglesias et al., 2013). These items represent performance indicators that shareholders evaluate in terms of efficiency and productivity. Of these, ROI and resources solely impact organizational goals while research, mission, and service help bridge the gap between the organizational and brand goals. In other words, shareholders will dictate what is expected of a company in terms of the company’s mission, resource generation, market research, service offered, and, ultimately, generated ROI. Future research efforts could focus on exploring this brand identity co-creation relationship more in depth (c.f., Gyrd-Jones and Kornum, 2013; Hatch and Schultz, 2010; Iglesias et al., 2013) and how shareholders reciprocally generate value.
The brand goals relate externally or ‘downwards’ to the company’s consumers. These items represent performance indicators that the company evaluates in terms of market growth and consumer engagement. Of these, brand experience, brand loyalty, and brand awareness solely impact brand goals, while brand building and differentiation help bridge the gap between the brand and organizational goals. Brand building and differentiation relate to mission, research, and service; they come together where the organizational and brand goals overlap. A company’s mission determines its market orientation, and through research the brand seeks consumer insights that allow for developing a product or service that is differentiated and generates value to all stakeholders. As identified through this study, these items influence companies’ motivations to engage in brand identity co-creation.

The second research question looks at the consumer side of co-creation, attempting to uncover the reasons that consumers would help shape the identity of a brand, shown in figure 2.2. Through two surveys with millennials consumers, five main factors are reported to answer the research question. The factors suggest that consumers are willing to help shape the identity of a brand when aspects of the consumer’s social life, having fun, compatibility with the brand, communication appeal, and brand commitment are evident.

Furthermore, from all of the identified brand goals, brand experience, brand loyalty, and brand awareness relate to motivations identified in the consumer brand identity co-creation model. The fun and social factors seem to directly relate to the brand experience item. The brand commitment factor seems to directly relate to the brand loyalty and brand awareness items. The brand identification factor seems to directly relate to the brand building item. Finally, the communication appeal factor seems to directly relate to the differentiation item. Future research could explore both the direct or causal relationships, as well as the indirect or moderating and
mediating effects, among these factors and items. In other words, future research could explore how managerial and consumer motivations converge to analyze the reciprocal effect of brand identity co-creation for firms and consumers.

Managerial and Theoretical Implications

The results of these studies bring the brand identity co-creation literature into a new area of research. Extending stakeholder identity into brand identity co-creation provides an opportunity to continue developing theory related to co-creation. The findings provide insight into why firms and consumers engage in the process of co-creation.

Several theoretical contributions are worthy of mention. This research is the first of its kind to apply stakeholder theory to co-creation through quantitative data analysis. Much of the current literature on co-creation is conceptual or qualitative, and these results provide the analytical support for the building blocks of co-creation theory development. This investigation enhances the current understanding of brand identity co-creation by answering the research questions and providing empirical evidence that (1) firms engage in co-creation to meet organization and brand goals; and (2) consumers have clearly defined reasons for helping shape the identity of a brand.

The results of this research also have managerial implications. Practitioners can gain insight into the important demographic of millennial consumers and develop a deeper understanding of how to enter a co-creation relationship with this group. With millennials representing over one quarter of the United States population (U.S. Census Bureau, 2015), practitioners should actively seek to create more brand building, brand experience, brand loyalty, brand awareness, and differentiation from the market targeted at these consumers. Practitioners
can utilize the results of the consumer co-creation of brand identity model to effectively engage consumers in co-creation. Knowing the specific predictors of co-creation will allow for a marketing strategy that can effectively increase co-creation, and in turn increase organization and brand goals of the firm. Furthermore, practitioners can gain insight into the marketplace and competition. An assessment of how other firms in the market are co-creating with consumers can provide valuable intelligence that can be used to strengthen a firm’s current marketing strategy.

Limitations and Future Research

Both models developed in this exploratory study warrant further testing and validation. This research serves as a first step to empirically analyze the process of stakeholder identity and brand identity co-creation. Despite all efforts made to ensure that the data collected for both studies was representative of the target research populations, for study one, a larger pool of respondents, or a different data collection method, might have led to additional managerial insights.

The 42 collected responses allowed for reaching the saturation criteria (Glaser and Strauss, 1967), and although a vast array of industries were represented in the sample, additional respondents from different industries could have strengthened the analysis. Furthermore, personal, instead of online, interviews could have provided deeper insights than those reported online. The use of online interviews, however, allowed the researchers to reach a larger number of respondents and for respondents to both remain anonymous and respond on their own time. Future research could use other data collection techniques to enhance the findings of this study.

The sample for study two was limited to millennial consumers. Although this group of consumers has been identified as highly engaged with brands (Duggan et al., 2015), the study
could have benefited from a more general consumer sample. Different consumer groups might have different approaches towards brand identity co-creation. Future research, and specifically the testing and validation of this model, should ensure that a broader sample representative of a general consumer population is used to guarantee the generalizability of the findings.

The introductory statements given to respondents in study 2 could be potentially confusing with the terms of communication and engagement. A pretest revealed the phrase “co-creating brand identities” was confusing to respondents, and therefore the introductory statement was altered to the present form. Although the statement received face validity from a group of scholars external to the research project, the general language around the introductory statement could potentially mislead respondents, and therefore limit the validity of this study.

This research presents a first step in the development of an empirically tested framework to analyze the process of stakeholder brand identity co-creation. The authors hope that this contribution serves as a platform for future research projects and discussion both at an academic and practitioner level.

References


EMPOWERING CO-CREATION: AN EXAMINATION OF THE FACTORS LEADING TO CONSUMER CO-CREATION OF BRAND

Introduction

Through social media, and other forms of electronic communication, consumers have gained the ability to influence and shape a brand. The activity where consumers and brands engage in this mutually beneficial relationship is termed co-creation. Co-creation is the process where two or more parties work together to create value (Pralahad and Ramaswamy, 2004; Vargo and Lusch, 2004). Half of millennial consumers, along with 38 percent of the general population, consider themselves creators of content, while 75 percent of millennials share content online (Abramovich, 2016). As this level of creation and consumer brand interaction keeps increasing, research on the co-creation of value through identity is a worthwhile subject (Voyer et al., 2017).

Since the introduction of co-creation into the literature, scholars have focused on topics such as the social interactions of stakeholders (Gyrd-Jones and Kornum, 2013; Hatch and Schultz, 2010; Kazadi et al., 2016; Kennedy and Guzmán, 2016; Merz et al., 2009; Vallaster and von Wallpach, 2013), brand storytelling (Grönroos and Voima, 2013; Hughes et al., 2016; Iglesias and Bonet, 2012; Singh and Sonnenburg, 2012), and the outcomes of co-creation—including innovation, purchase intention, consumer satisfaction, and consumer loyalty (Alves et al., 2016; Cossio-Silva et al., 2016; Kennedy, 2017; Navarro et al., 2016). Kennedy and Guzmán (2016) describe the consumers’ motivations to co-create with a brand. Their proposed model identifies five factors—social, fun, value compatibility, brand commitment, and communication appeal—that lead to co-creation. This paper tests these factors independently to better understand how each directly influences co-creation.
This study presents a perspective on why consumers engage with a brand to co-create. Through a series of five experiments, utilizing millennial consumers aged 20-28, each motivational factor of co-creation is manipulated and analyzed separately. Isolating the analysis of each factor expands the academic knowledge on co-creation. It also provides insights into why consumers co-create and which motivational factors are more effective to engage consumers to co-create with brands.

The paper is structured as follows. First, a brief literature review is presented, which includes the hypotheses development. Next, each experiment is presented and discussed. Finally, the practical and theoretical implications and limitations are presented.

Background and Hypotheses

Co-Creation

Access to information allows consumers to become networked and empowered. These informed consumers can seek to impose their influence on brands (Prahalad and Ramaswamy, 2004). Likewise, many firms are adjusting their corporate identity based on personalized communications with their consumers (Levine et al., 2001). As power shifts from firms to consumers, the way firms market to consumers must change (Grönroos and Voima, 2013; Kennedy and Guzmán, 2016; Iglesias and Bonet, 2012; Vallaster and von Wallpach, 2013). This brand management adjustment leads to co-creation, where the roles of a firm and its consumers merge to create value jointly (Barrutia et al., 2016; Ind and Bjerke, 2007; Prahalad and Ramaswamy, 2004).
As co-creation evolves between consumers, brands, and other stakeholders, the phenomena keeps attracting attention from scholars. Through a comprehensive literature review on brand identity, culture, and co-creation, Voyer et al. (2017) develop a set of propositions and a conceptual framework to examine how cultural differences can affect the co-creation process. Their research examines the differences in individualistic and collective societies, incorporates self-construal theory, and proposes how brand managers might approach different societies within a co-creation context. Black and Veloutsou (2017) examine the reciprocal relationship that exists through an individual identity, brand identity, and brand community identity. Their research suggests that these identities are in fact a result of co-creation, as consumers focus on engagement with a brand. Kornum et al. (2017) introduce the concept of a nested system of varying identities between brand and community identities. Their results show that as a brand and the brand community generate separate identities, the system of identities becomes stacked and intertwined with the others resulting in tensions that help drive synergies. Von Wallpach et al. (2017) examine the development of two separate types of identities, and explore how brand identity and stakeholder identity are co-created. Their research provides insights into the co-creation of multiple identities, and highlights the importance of managers to play an active role in this process.

It is thus apparent that a firm can make a direct call for co-creation to occur or co-creation can happen organically. Therefore, this research demarcates two types of co-creation: prompted or non-prompted by the brand. Prompted co-creation occurs when a brand explicitly asks consumers to engage in co-creation, while non-prompted co-creation occurs when a brand does not make an explicit call for co-creation (Kennedy and Guzmán, 2017).
Co-creation becomes evident in a virtual setting, particularly as consumers born between 1982 and 2000 drive social engagement with brands online (Duggan et al., 2015). Examples include consumers interacting with other consumers through the Waze smartphone traffic application, consumers designing custom shoes online with Nike, and direct communication between consumers and brands on multiple social media platforms. To take advantage of this consumer migration to virtual settings, firms are implementing digital marketing strategies that entice consumers to co-create.

A brand message can prompt consumers to engage in co-creation. A consumer, as the receiver, interprets the message and decides which action to take. This process, as described with attribution theory, states that a person will choose a specific outcome to a stimulus through cause and effect (Heider, 1958; Settle et al., 1971). Attribution theory allows the consumer to examine the underlying cause of the stimulus, which can be either the brand attempting to sell a product or communicating certain characteristics of the brand in the message (Settle and Golden, 1974). In other words, a prompted or non-prompted co-creation message will require the consumer to interpret it and make a decision to engage with the brand or not. Past research shows that attribution theory aligns with prompted and non-prompted co-creation (Kennedy, 2017; Kennedy and Guzmán, 2017).

Perceived Ability to Influence

Through the ability to interact with brands, consumers increase their power and gain the ability to influence the business process of a brand (Prahalad and Ramaswamy, 2004). Therefore, the consumers’ perceived ability to influence a brand and the resulting impact on co-creation are investigated. As consumers build relationships with brands, trust and commitment increase as the
level of interaction increases (Ind et al., 2013). Notwithstanding, consumer satisfaction with a brand can decrease if the brand fails to join the consumer in the interaction process (Ind et al., 2013). Furthermore, a consumer’s perceived ability to influence others can provide the consumer a reason to engage in a certain activity (Leary et al., 2013). Consequently, a consumer’s perceived ability to influence a brand affects the consumer’s intentions to co-create with it (Kennedy and Guzmán, 2017).

**Social**

Social interactions, which are comprised of peer pressure, trends and popularity, and social status, lead consumers to engage and co-create with a brand (Kennedy and Guzmán, 2016). A brand can also serve as a social component for personal identity (Algesheimer et al., 2005; Kapferer, 1997). Due to the inherent social nature of co-creation, consumers may view the act of co-creating as an extension of their social self. Consumers believe they develop relationships with brands (Fournier, 1998), so co-creating with a brand is a logical step for consumers to strengthen this relationship.

Social groups and peer pressure, perceptions of popularity related to having an active voice in the market, and how trendy communications with a brand are viewed, can influence consumer’s engagement with brands. Recent research even identifies social influence as a core component of brand equity (Baalbaki and Guzmán, 2016). Furthermore, women have been historically associated with shopping and buying items for themselves, their homes, and their families (De Grazia and Furlough, 1996). As the market and consumer perceptions change, social pressure and gender norms around shopping continue to evolve and men are more involved in the process than previous generations (Dholakia, 1999). Therefore, men may now be feeling more social pressure to become involved with purchases and, as a result, to form
relationships with brands through co-creation. Based on the reasoning elaborated above, we posit the following hypotheses:

H1: A prompted social message, versus no prompting, positively influences engagement in co-creation.

H2: Gender moderates the relationship between the social factor and engagement in co-creation, with higher levels of the social factor influencing males more positively than females.

H3: A consumer’s perceived level of being able to influence a brand moderates the relationship between the social factor and engagement in co-creation, with a higher perception of being able to influence being associated with a more positive relationship between the social factor and engagement in co-creation.

*Fun*

Fun, which includes activities that are viewed as entertaining and exciting, is viewed as a motivation for consumers to engage in co-creation with a brand (Kennedy and Guzmán, 2016). The concept of a brand being exciting, or fun, is one of the five core personality traits that a brand can possess (Aaker, 1997). Therefore, when presented with an opportunity that is perceived as fun, consumers should be more likely to engage in co-creation than consumers presented with a not fun activity.

Co-creation, in the context of the present research, is shown to the respondent through a social media post from a fashion brand. Because of this, respondents may interpret the co-creation message from a shopping point of view. From this standpoint, we predict that women will be more likely to engage in co-creation presented as a fun task, when compared to men.
Women are more likely than men to interact with companies when the activity is perceived as being enjoyable (Bakewell and Mitchell, 2004; Butter, 1992; Dholakia, 1999). Considering this, we posit the following hypotheses:

H4: A prompted fun message, versus no prompting, positively influences engagement in co-creation.

H5: Gender moderates the relationship between the fun factor and engagement in co-creation, with higher levels of the fun factor influencing females more positively than males.

H6: A consumer’s perceived level of being able to influence a brand moderates the relationship between the fun factor and engagement in co-creation, with a higher perception of being able to influence being associated with a more positive relationship between the social factor and engagement in co-creation.

**Brand Commitment**

Brand commitment draws on recognition of, and loyalty to, a brand (Kennedy and Guzmán, 2016). The relative importance of brand recognition (Keller, 1998; Krishnan et al., 2013) and brand loyalty (Aaker, 1996; Chaudhuri and Holbrook, 2001; Day, 1976; Tucker, 1964) are well researched within the consumer brand choice context. We predict that a consumer will be more likely to co-create with a brand they are knowledgeable of or loyal to, when compared to a brand they may be less knowledgeable of or less loyal to. Similarly, when a brand that the consumer is committed to is perceived as being able to be influenced, co-creation should be more likely to occur than when the brand is perceived as being unable to be influenced.
When examining the differences in gender in terms of brand commitment, both men and women have been shown to exhibit more signs of brand loyalty under certain situations (Melnyk et al., 2009). In the current context, the respondent is being shown a social media post that mentions brand loyalty through social connections. In other words, the respondent is told they and their friends are loyal to the brand. In social situations, men are more loyal to a brand than women (Melnyk et al., 2009). Therefore, in the context of brand commitment, we posit the following hypotheses:

H7: A prompted brand commitment message, versus no prompting, positively influences engagement in co-creation.

H8: Gender moderates the relationship between the brand commitment factor and engagement in co-creation, with higher levels of the brand commitment factor influencing males more positively than females.

H9: A consumer’s perceived level of being able to be influence a brand moderates the relationship between brand commitment and engagement in co-creation, with a higher perception of being able to influence being associated with a more positive relationship between the brand commitment factor and engagement in co-creation.

Communication Appeal

Communication appeal includes the appeal of the brand and the advertising of the brand (Kennedy and Guzmán, 2016). Communication appeal research can be found in attitudes toward the brand, attitudes towards the advertisement, and brand choice (MacKenzie and Lutz, 1989; Shimp, 1981). Consumers, especially those within the targeted age range of the current research,
are influenced by the type of advertisement and communication efforts of a brand. This influence can be found in high numbers on social media and other electronic mediums for communication, and brands increasingly seek to positively influence the purchase intentions of their consumers. Looking at this influence in the opposite direction, consumers believe that they should have the ability to influence brands into making choices and decisions that the consumer suggests (Ind et al., 2013). Taking this into consideration, if a brand seeks to engage consumers in co-creation, the brand should strategically position itself so that consumers view the brand as being able to be influenced as well. In addition, when examining the differences between men and women, women are more likely to engage in business and form a relationship with an individual instead of an organization (Melnyk et al., 2009). In relationships with brands, women focus more on a bond with the brand, similar to a personal relationship with a friend (Fournier, 1998; Melnyk et al., 2009). Therefore, women should be more likely to engage in co-creation with a brand based on the perception of influence contained within the communication appeal from the brand. Based on this reasoning, we posit the following hypotheses:

H10: A prompted communication appeal message, versus no prompting, positively influences engagement in co-creation.

H11: Gender moderates the relationship between the communication appeal factor and engagement in co-creation, with higher levels of the communication appeal factor influencing females more positively than males.

H12: A consumer’s perceived level of being able to influence a brand moderates the relationship between the communication appeal and engagement in co-creation, with a higher perception of being able to influence being associated with
a more positive relationship between the communication appeal factor and engagement in co-creation.

Value Compatibility

Value compatibility, or the ability of the consumer to identify with the brand, includes shared or similar values and social responsibility between the consumer and the brand. The influence of corporate social responsibility or sustainability of a brand on consumers (Baalbaki and Guzmán, 2016; Simmons and Becker-Olsen, 2006; Torelli et al., 2012), and the compatibility of consumers with a brand (Guzmán et al., 2017; Park et al., 1986) show the importance of the consumer’s ability to identify with a brand.

Consumers within the current research target demographic, born between 1982 and 2000, have stronger beliefs in terms of ethical consumption when compared to other generations (Bucic et al., 2012; Lacey et al., 2015). In addition, when comparing differences between genders, women show more consideration and concern for cause-related issues compared to men (Bucic et al., 2012, Ross et al., 1992). Taking the above into consideration, we posit the following hypotheses:

H13: A prompted value compatibility commitment message, versus no prompting, positively influences engagement in co-creation.

H14: Gender moderates the relationship between the value compatibility factor and engagement in co-creation, with higher levels of the value compatibility factor influencing males more positively than females.

H15: A consumer’s perceived level of being able to influence a brand moderates the relationship between the value compatibility and engagement in co-creation,
with a higher perception of being able to influence being associated with a more positive relationship between the value compatibility factor and engagement in co-creation.

Method

Five experiments were conducted to test the proposed hypotheses. Before taking part in any of the studies, respondents read and consented to an online form explaining the purpose of this research. A pretest was conducted to determine which brands should be used for the ‘able to influence’ and ‘unable to influence treatment’. Respondents for each of the experiments are millennial consumers between the ages of 20 and 28 and reside in the United States. None of the respondents participated in the pretest and studies or in more than one study.

Pretest

The objective of the pretest was to uncover which brands consumers perceive can and cannot be influenced. First, 424 consumers were recruited through a nationally representative Qualtrics sample. Respondents were asked to provide the names of five brands they felt consumers could influence, and five brands they felt consumers could not influence. The ensuing list of brand names was sorted by frequency, then the 25 most frequently occurring brand names from each question were alphabetically listed in a subsequent survey.

Next, a different set of 388 consumers were recruited through another nationally representative Qualtrics sample. These respondents were presented with a list of the 50 brands previously identified, and asked to give each brand a score of 1 to 5, where 1 means the brand is unable to be influenced by consumers and 5 means the brand is able to be influenced by
consumers. The results were subjected to cluster analysis in SPSS—cluster analysis is an approved statistical method for classifying research since it is an empirical method of classification and an inductive technique (Gerard, 1957; Punj and Stewart, 1983), and the research makes no prior assumptions about differences within the data (Punj and Stewart, 1983).

The cluster analysis revealed two significantly different groups of brands based on consumers’ perceived ability to influence them—a group that can be influenced and a group that cannot be influenced (F=161.75, 2 d.f., p < .000). The list is comprised of brands from multiple industries including beverage, automobile, fashion, retail, and technology. For this research, two fashion industry brands were chosen. Nike was the brand selected for ‘able to influence’ and Gucci was the brand selected for ‘unable to influence’.

Study 1

The main objective of study one is to determine the impact that a socially positioned co-creation prompt will have on the likelihood of consumers to engage in co-creation. Its second goal is to investigate how gender influences the propensity to engage in co-creation through a social context. Its third goal is to examine how consumers’ perceived ability to influence a brand moderates the relationship between the social factor and co-creation.

Method

A total of 119 consumers (ages 20 – 28, 54.5% female) participated in an online survey. A 2 (prompted vs. non-prompted co-creation) by 2 (able to influence vs. unable to influence) between subjects factorial design was employed. Respondents were randomly assigned to one of four manipulated social media posts from a brand. The manipulation showed the respondent a
social media post that contained a prompted or non-prompted co-creation message in a social context, from a brand that could be influenced (Nike) or could not be influenced (Gucci).

First, all respondents answered a qualifying question on their social media usage. Next, respondents were shown one of the four manipulations. Then, respondents answered questions about their tendency to engage in social activities and their likelihood to engage in co-creation activities with the brand. All scales were measured on a five point Likert scale, with one being “strongly disagree” and five being “strongly agree”. Finally, respondents reported their gender, income, age, education, and race.

**Manipulation Check**

The manipulation check shows that respondents in the prompted co-creation condition perceived to be asked to engage the social media post (M = 4.38) more than those in the non-prompted co-creation condition (M = 2.86). An ANOVA confirmed the statistical difference between these means (F(1,118) = 18.58; p < .000). In other words, the prompted co-creation message enticed respondents to become engaged more than the non-prompted condition.

**Hypotheses Tests**

A 2 (co-creation: prompted vs. non-prompted) by 2 (ability to influence: able vs. unable) GLM was conducted for the construct on co-creation. A main effect for social on co-creation was found, with the means for prompted and non-prompted co-creation being consistent with our predictions, providing support for H1 (F(1,118) = 14.48, p = .0002). As predicted by H1, respondents exposed to a prompted message in a social context consistently reported higher
intentions to co-create with the brand when compared to respondents who were shown a non-
prompted message. In addition, gender is significant on co-creation \( (F(1,118) = 3.04, p = .084) \) at the .10 significant level. A two-way interaction was found between gender and social on co-
creation \( (F(1,118) = 3.88, p = .051) \). As shown in figure 2.1, in support of H2, when presented in a social context, men are more likely to engage in co-creation when compared to women \( (M_{\text{male}} = 3.81 \text{ versus } M_{\text{female}} = 3.67, t = 1.97, p < .10) \) at the .10 significance level.

Figure 2.1 Effect of social factor on gender

![Figure 2.1](image)

The findings of this study do not support H3, that the perceived ability to influence a brand moderates the relationship between the social factor and co-creation \( (F(1,118) = 0.04, p = .845) \). In sum, regardless of the perceived ability to influence a brand, a brand can trigger engagement through co-creation based on a socially framed prompted co-creation message and men are more likely to respond to this call.
Study 2

The main objective of study two is to determine the impact a fun positioned co-creation prompt will have on the likelihood of consumers to engage in co-creation. Its second goal is to investigate how gender influences the propensity to engage in co-creation through a fun context. Its third goal is to examine how consumers’ perceived ability to influence a brand moderates the relationship between the fun factor and co-creation.

Method

A total of 121 consumers (ages 20 – 28, 57.8% female) participated in an online survey. A 2 (prompted vs. non-prompted co-creation) by 2 (able to influence vs. unable to influence) between subjects factorial design was employed. Respondents were randomly assigned to one of four manipulated social media posts from a brand. The manipulation showed the respondent a social media post that contained a prompted or non-prompted co-creation message in a fun context, from a brand that could be influenced (Nike) or could not be influenced (Gucci).

First, all respondents answered a qualifying question on their social media usage. Next, respondents were shown one of the four manipulations. Then, respondents answered questions about their tendency to engage in fun activities and their likelihood to engage in co-creation activities with the brand. All scales were measured on a five point Likert scale, with one being “strongly disagree” and five being “strongly agree”. Finally, respondents reported their gender, income, age, education, and race.
Manipulation Check

The manipulation check shows that respondents in the prompted co-creation condition perceived to be asked to engage the social media post (M = 4.15) more than those in the non-prompted co-creation condition (M = 2.70). An ANOVA confirmed the statistical difference between these means (F(1,120) = 13.66; p < .000). In other words, the prompted co-creation message enticed respondents to become engaged more than the non-prompted condition.

Hypotheses Tests

A 2 (co-creation: prompted vs. non-prompted) by 2 (ability to influence: able vs. unable) GLM was conducted for the construct on co-creation. A main effect for fun on co-creation was found, with the means for prompted and non-prompted co-creation being consistent with our predictions, providing support for H4 (F(1,120) = 18.59, p < .0001). As predicted by H4, respondents exposed to a prompted message in a fun context consistently reported higher intentions to co-create with the brand when compared to respondents who were shown a non-prompted message. In addition, fun (F(1,120) = 8.44, p = .0044) and gender (F(1,120) =

Figure 2.2 Effect of fun factor on gender
6.59, p = .0116) are significant on co-creation. A two-way interaction was found between gender and fun on co-creation (F(1,120) = 6.52, p = .012). As shown in figure 2.2, in support of H5, when presented in a fun context, women are more likely to engage in co-creation when compared to men (Mfemale = 3.86 versus Mmale = 3.09, t = 2.55, p < .05).

A main effect for ability to influence on co-creation was found, with the means for able to influence and unable to influence being consistent with our predictions, as H6 (F(1,120) = 2.64, p = .1072) approaches significance at the .10 level. As predicted by H6, respondents exposed to a brand that is able to be influenced in a fun context consistently report higher intentions to co-create with the brand when compared to respondents who were shown a brand that they were unable to influence. In sum, the perceived ability to influence a brand affects how a brand can trigger engagement through co-creation based on a fun framed prompted co-creation message, and women are more likely to respond to this call.

Study 3

The main objective of study three is to determine the impact a brand commitment positioned co-creation prompt will have on the likelihood of consumers to engage in co-creation. Its second goal is to investigate how gender influences the propensity to engage in co-creation through a brand commitment context. Its third goal is to examine how consumers’ perceived ability to influence a brand moderates the relationship between the brand commitment factor and co-creation.
Method

A total of 118 consumers (ages 20 – 28, 50.0% female) participated in an online survey. A 2 (prompted vs. non-prompted co-creation) by 2 (able to influence vs. unable to influence) between subjects factorial design was employed. Respondents were randomly assigned to one of four manipulated social media posts from a brand. The manipulation showed the respondent a social media post that contained a prompted or non-prompted co-creation message in a brand commitment context, from a brand that could be influenced (Nike) or could not be influenced (Gucci).

First, all respondents answered a qualifying question on their social media usage. Next, respondents were shown one of the four manipulations. Then, respondents answered questions about their attitudes towards brand commitment and their likelihood to engage in co-creation activities with the brand. All scales were measured on a five point Likert scale, with one being “strongly disagree” and five being “strongly agree”. Finally, respondents reported their gender, income, age, education, and race.

Manipulation Check

The manipulation check shows that respondents in the prompted co-creation condition perceived to be asked to engage the social media post (M = 4.22) more than those in the non-prompted co-creation condition (M = 2.57). An ANOVA confirmed the statistical difference between these means (F(1,117) = 15.36; p < .000). In other words, the prompted co-creation message enticed respondents to become engaged more than the non-prompted condition.
A 2 (co-creation: prompted vs. non-prompted) by 2 (ability to influence: able vs. unable) GLM was conducted for the construct on co-creation. A main effect for brand commitment on co-creation was found, with the means for prompted and non-prompted co-creation being consistent with our predictions, providing support for H7 (F(1, 117) = 34.17, p < .0001). As predicted by H7, respondents exposed to a prompted message in a brand commitment context consistently reported higher intentions to co-create with the brand when compared to respondents who were shown a non-prompted message. This study does not support H8, that gender moderates the relationship between the brand commitment factor and engagement in co-creation (F(1, 117) = 1.07, p = .303). This shows that a brand wishing to engage consumers in co-creation should focus on targeting consumers who are committed to the brand, rather than targeting either men or women. A two-way interaction was found between brand commitment and ability to influence on co-creation (F(1, 117) = 2.72, p = .101), at the .10 significant level. As shown in figure 2.3, in support of H9, when presented in a brand commitment context, brands that are perceived as being able to be influenced will have higher levels of consumer co-creation when compared to brands that are perceived as being unable to be influenced (Mable = 3.75 versus Munable = 3.47, t = 1.65, p < .10) at the .10 significance level. In sum, the perceived ability to influence a brand affects how a brand can trigger engagement through co-creation based on a brand commitment framed prompted co-creation message, with no difference in response between men and women.
Study 4

The main objective of study four is to determine the impact a communication appeal positioned co-creation prompt will have on the likelihood of consumers to engage in co-creation. Its second goal is to investigate how gender influences the propensity to engage in co-creation through a communication appeal context. Its third goal is to examine how consumers’ perceived ability to influence a brand moderates the relationship between the communication appeal factor and co-creation.

Method

A total of 120 consumers (ages 20 – 28, 60.8% female) participated in an online survey. A 2 (prompted vs. non-prompted co-creation) by 2 (able to influence vs. unable to influence) between subjects factorial design was employed. Respondents were randomly assigned to one of four manipulated social media posts from a brand. The manipulation showed the respondent a social media post that contained a prompted or non-prompted co-creation message in a
communication appeal context, from a brand that could be influenced (Nike) or could not be influenced (Gucci). First, all respondents answered a qualifying question on their social media usage. Next, respondents were shown one of the four manipulations. Then, respondents answered questions about the type of communication in the social media post and their likelihood to engage in co-creation activities with the brand. All scales were measured on a five point Likert scale, with one being “strongly disagree” and five being “strongly agree”. Finally, respondents reported their gender, income, age, education, and race.

**Manipulation Check**

The manipulation check shows that respondents in the prompted co-creation condition perceived to be asked to engage the social media post (M = 4.43) more than those in the non-prompted co-creation condition (M = 3.68). An ANOVA confirmed the statistical difference between these means (F(1,119) = 9.50; p < .05). In other words, the prompted co-creation message enticed respondents to become engaged more than the non-prompted condition.

**Hypotheses Tests**

A 2 (co-creation: prompted vs. non-prompted) by 2 (ability to influence: able vs. unable) GLM was conducted for the construct on co-creation. In contrast to H10, communication appeal was not more likely to result in co-creation through a prompted message when compared to a non-prompted message (F(1,119) = 0.00, p = .9694). However, when measured independently, communication appeal (F(1,119) = 44.94, p < .0001) and ability to influence (F(1,119) = 8.22, p = .0050) are significant on co-creation. This study does not support H11, that gender moderates the relationship between the communication appeal factor and engagement in co-creation.
(F(1,119) = 0.88, p = .351). This shows that a brand wishing to engage consumers in co-creation should focus on the appeal of the overall message, rather than targeting either male or female consumers. A two-way interaction was found between communication appeal and ability to influence on co-creation (F(1,119) = 5.85, p = .017). As shown in figure 2.4, in support of H12, when presented in a communication appeal context, brands that are perceived as being able to be influenced will have higher levels of consumer co-creation when compared to brands that are perceived as being unable to be influenced (Mable = 3.67 versus Munable = 3.41, t = 2.42, p < .05). In sum, the perceived ability to influence a brand affects how a brand can trigger engagement through co-creation based on a communication appeal framed prompted co-creation message, with no difference in response between men and women.

Study 5

The main objective of study five is to determine the impact a value compatibility positioned co-creation prompt will have on the likelihood of consumers to engage in co-creation.
Its second goal is to investigate how gender influences the propensity to engage in co-creation through a value compatibility context. Its third goal is to examine how consumers’ perceived ability to influence a brand moderates the relationship between the value compatibility factor and co-creation.

Method

A total of 119 consumers (ages 20 – 28, 52.9% female) participated in an online survey. A 2 (prompted vs. non-prompted co-creation) by 2 (able to influence vs. unable to influence) between subjects factorial design was employed. Respondents were randomly assigned to one of four manipulated social media posts from a brand. The manipulation showed the respondent a social media post that contained a prompted or non-prompted co-creation message in a value compatibility context, from a brand that could be influenced (Nike) or could not be influenced (Gucci).

First, all respondents answered a qualifying question on their social media usage. Next, respondents were shown one of the four manipulations. Then, respondents answered questions about their attitudes towards value compatibility and their likelihood to engage in co-creation activities with the brand. All scales were measured on a five point Likert scale, with one being “strongly disagree” and five being “strongly agree”. Finally, respondents reported their gender, income, age, education, and race.

Manipulation Check

The manipulation check shows that respondents in the prompted co-creation condition perceived to be asked to engage the social media post (M = 4.14) more than those in the non-
prompted co-creation condition (M = 2.82). An ANOVA confirmed the statistical difference between these means (F(1,118) = 16.79; p < .000). In other words, the prompted co-creation message enticed respondents to become engaged more than the non-prompted condition.

Hypotheses Tests

A 2 (co-creation: prompted vs. non-prompted) by 2 (ability to influence: able vs. unable) GLM was conducted for the construct on co-creation. A main effect for value compatibility on co-creation was found, with the means for prompted and non-prompted co-creation being consistent with our predictions, providing support for H13 (F(1,118) = 14.52, p = .0002). As predicted by H13, respondents exposed to a prompted message in a value compatibility context consistently reported higher intentions to co-create with the brand when compared to respondents who were shown a non-prompted message. In addition, value compatibility (F(1,118) = 52.87, p < .0001), and gender (F(1,118) = 3.84, p = .0525) are significant on co-creation. A two-way interaction was found between gender and value compatibility on co-creation (F(1,118) = 2.97, p = .087), significant at the .10 level. As shown in figure 2.5, in support of H14, when presented in a value compatibility context, females are more likely to engage in co-creation when compared to males (Mfemale = 3.81 versus Mmale = 3.69, t = 1.72, p < .10) at the .10 significance level.
The findings of this study do not support H15, that the perceived ability to influence a brand moderates the relationship between the value compatibility factor and engagement of co-creation (F(1,118) = 0.00, p = .997). These results suggest that the perceived ability to influence a brand does not impact the consumer in their likelihood to engage in co-creation. In other words, a brand can trigger engagement through co-creation based on a value compatibility framed prompted co-creation message. In sum, regardless of the perceived ability to influence a brand, a brand can trigger engagement through co-creation based on a value compatibility framed prompted co-creation message and women are more likely to respond to this call.

General Discussion and Implications

Individuals exposed to a prompted co-creation message will more likely engage in co-creation compared to individuals exposed to a non-prompted message. In examining the factors proposed by Kennedy and Guzmán (2016), social, fun, brand commitment, and value compatibility create a higher likelihood for co-creation to occur when individuals are exposed to
prompted co-creation messages. This research finds that each factor has an effect size that is large (Cohen, 1998). The value compatibility model explains the largest percentage of variation in co-creation engagement at $R^2 = .433$, followed by brand commitment at $R^2 = .353$ and communication appeal at .333. The Fun and Social model explain a smaller percentage of the variation in co-creation engagement at .244 and .273, respectively. These results build on the knowledge of attribution theory (Heider, 1958; Settle et al., 1971), as consumers examine a social media post by a brand and determine the underlying cause of the message. When the message is determined to be a true call for interaction between the brand and consumer, the consumer is more likely to interact.

On the other hand, individuals exposed to the communication appeal factor in a prompted message are not more likely to engage in co-creation than those individuals exposed to a non-prompted message. Instead, consumers respond to their perceived ability to influence the brand to engage in co-creation. This finding supports the notion that consumers want to influence a brand, and have the brand be open to their influence (Ind et al., 2013). Therefore, the overall tone and perception of influence of the brand’s communication to consumers can lead to consumers engaging in co-creation even without a prompted co-creation message.

The role of gender is shown to be important in terms of co-creation. Men are more likely to respond positively to a prompted message with a social context than women—men will more likely co-create if their friends or social network are also engaging. Men may also succumb to peer pressure as gender norms on shopping and brand engagement continue to change (Dholakia, 1999), resulting in men responding to social cues to engage in co-creation. On the other hand, women are more likely to engage and co-create with a brand when the task is presented in a fun or exciting way (Bakewell and Mitchell, 2004; Buttle, 1992; Dholakia, 1999), or value...
compatible context (Bucic et al., 2012; Ross et al., 1992). In other words, men may be more susceptible to peer pressure where co-creation is involved, while women prefer to co-create for a project that they enjoy or aligns with their personal value system.

When a consumer perceives another entity as being influenceable, the consumer has a reason to engage in an activity with it (Leary et al., 2013). In turn, the perceived ability for a brand to be influenced affects the likelihood for the consumer to engage in co-creation. It can thus be concluded that consumers who are committed to their brands feel that these brands can be influenced, and therefore are more likely to engage in co-creation with them than with brands they feel cannot be influenced.

The communication appeal of the message used by a brand can reinforce the idea that the brand can be, or not be, influenced. Regarding the communication appeal factor, an able to influence brand is more likely to generate co-creation than an unable to influence brand. Similarly, consumers may be more likely to engage with brands perceived as influenceable with a fun co-creation task when compared to a brand that is unable to be influenced.

For managers, these results offer important insights about the underlying motivations for consumers to co-create. As brands continue to migrate and engage with consumers in a virtual space, understanding how to manage relationships with consumers is needed. A brand can make a prompted call for co-creation through the use of social cues, incorporating fun tasks, by aligning with consumer values, and engaging those consumers who are committed to the brand. To further increase the likelihood of co-creation to occur, the brand can incorporate a perception that the brand is open to influence from consumers into messages relating to brand commitment, brand communication, and fun. Finally, if the brand wants to further segment the market and
focus on gender, social cues can be given to male consumers while fun tasks and value alignment can be targeted to women.

Limitations and Future Research

This study was limited to consumers between the ages of 20 and 28 within the United States. While this group of consumers, commonly referred to as millennials, is large and represents a large portion of the United States retail market, further exploration into additional generational groups is warranted. Additionally, consumers initially chose the brands Nike and Gucci as being able and unable to be influenced, respectively. With the sample of consumers being college students and young professionals, many may not have the income to support a purchase of Gucci products, which could potentially skew the results. Future research can incorporate additional brands chosen by consumers in the able and unable to influence categories. Additionally, this research is contained within the fashion industry in the United States, future research should include other products and industries. Further exploration into the motivations for consumers to engage in co-creation should be investigated, with the outcomes of co-creation (Alves et al., 2016; Cossio-Silva et al., 2016; Kennedy, 2017; Navarro et al., 2016) incorporated into the research. Thus, we believe that many future studies can complement and enhance the findings from this research.
References


Heider, F. (1958), The psychology of interpersonal relations, John Wiley and Sons, New York.


WHEN PERCEIVED ABILITY TO INFLUENCE PLAYS A ROLE: BRAND CO-CREATION IN WEB 2.0

Introduction

Web 2.0, defined as the virtual platforms where consumers and brands engage and create value, is shifting power from brands to consumers as they become active participants in the development of brands’ new products and services (Grönroos and Voima, 2013; Hughes et al., 2016; Iglesias and Bonet, 2012; Singh and Sonnenburg, 2012; Vallaster and von Wallpach, 2013). Marketing through virtual platforms enables content sharing, diffusion of information, and relationship building (Cheung and Lee, 2010; Kim and Ko, 2012; Chang et al., 2015). To say it another way, social media marketing can lead to the process of co-creation, which occurs when brands and consumers join forces to interact, learn, and share information to create value (Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004; 2016). Moreover, attribution theory states that individuals make judgments on the basis of product quality, the purchase of the product, or the endorsement of a group (Jones et al., 1972). The characteristics that consumers give to a brand can lead to perceptions about the brand’s ability to be influenced. Past literature has explained how co-creation emerges when participants accept to take part in a co-creation community (Ind et al. 2013), the motivations that customers have to engage in co-creation (Fuller, 2010), and the resources needed (Gummesson and Mele, 2010). However, little is known about what influences the consumers’ willingness to accept taking part in a co-creation community. The current research thus seeks to answer the following question: what impact does

---

consumers’ perceived ability to influence a brand have on the consumers’ desire to co-create with that brand?

Millennial consumers are a large, powerful voice in the digital world of web 2.0. People born between 1980 and 2000 represent over 25% of the United States population (Goldman Sachs, 2016), and had a combined purchasing power of $2.45 trillion U.S. dollars by 2015 and will have an estimated annual net income worth over $8 trillion U.S. dollars by 2025 (Ellyatt, 2015). This voice and influence extends to social media, where the sharing of information between a brand and a consumer occurs with the swipe of a finger and the click of a button (Kuksov et al., 2013). Given their powerful influence, understanding the attributions made by millennials about brands, what kind of attributions they make, and the outcome of these attributions—in terms of co-creation and perceived influence—should enhance the current knowledge on the phenomena and enable social media marketers to strategically position their brands to engage in co-creation. Based on attribution research, which seeks to understand all aspects of causal inferences (Folkes, 1988), the main conclusion of this study’s findings is that if a brand is perceived as being unable to be influenced, not only will consumers not engage in co-creation, but the attributions toward the brand and the outcome of the co-creation effort will be negatively affected.

The paper is structured as follows. First, a brief review of the literature is presented and includes the introduction of the research hypotheses. Next, studies one and two are presented and discussed. In the first study, millennial consumers identify technology brands they feel they are able to influence, and not able to influence. In study two, a 2x2 between subjects factorial design is used to test the impact that perceived brand influence has on co-creation, attitude toward an ad,
and purchase intention. Following this, the theoretical contributions and managerial implications are presented. Finally, the limitations and future research avenues are discussed.

**Background and Hypotheses**

*Co-Creation*

The foundations of co-creation can be traced to the core competency concept (Prahalad and Hamel, 1990) and Barney’s (1991) resource based view of the firm. In 2004, co-creation began to enter mainstream marketing literature with Pralahad and Ramaswamy (2004) and Vargo and Lusch (2004). Co-creation is the process where two or more parties come together to create value (Barrutia et al., 2016; Ind and Bjerke, 2007; Pralahad and Ramaswamy, 2004; Vargo and Lusch, 2004). In the current economic and social environment, where many interactions with a firm occur in a virtual setting, web 2.0 leads to consumers who are informed, networked, empowered, and possess the ability to influence the business process (Prahalad and Ramaswamy, 2004). Within web 2.0, instances of co-creation are seen, for example, from consumers giving and receiving information on traffic through the mobile application Waze, or the sharing of ideas between brands and consumers on healthy eating and recipes—amongst many other topics—through Pinterest.

For co-creation to occur, there must be transparent and balanced engagement among all parties (Pralahad and Ramaswamy, 2004) and should progress through the phases of acquisition, stabilization, and enhancement (Payne et al., 2009). In addition, recent research has identified other components and antecedents of co-creation. Meynhardt et al. (2016) introduce nine values of co-creation that lead to the evolution of a service ecosystem. Kennedy and Guzmán (2016)
discuss the influence and motivations for consumers and brands to engage in co-creation. Barrutia et al. (2016) find that the level of resources a firm has and a consumer has make an impact on the process of co-creation.

Another line of research focuses on the study of the behavior of consumers within a co-creation context and the outcomes of those interactions. Understanding consumer behavior is one of the key components of co-creation (Navarro et al., 2016). The act of co-creation, from a consumer perspective, leads to satisfaction, purchase intention, customer loyalty, and innovation (Alves et al., 2016; Cossio-Silva et al., 2016; Kennedy, 2017; Navarro et al., 2016). As consumers engage in co-creation, the current literature suggests positive outcomes for brands. However, Greer (2015) notes that a defective co-creation behavior exists, and this dysfunctional behavior can negate a positive value co-creation process.

In addition to the study of antecedents and outcomes, the literature also focuses on the various actors involved in co-creation. Previous research shows that co-creation extends beyond a firm and consumer relationship and includes multiple stakeholders (Gyrd-Jones and Kornum, 2013; Kazadi et al., 2016; Kennedy and Guzmán, 2016; Merz et al., 2009; Hatch and Schultz, 2010; Vallaster and von Wallpach, 2013), who give and take control of the brand meaning (Grönroos and Voima, 2013; Hatch and Schultz, 2010; Helm and Jones, 2010; Iglesias and Bonet, 2012). A contingency framework for multiple stakeholder co-creation has been developed to explore the co-creation capabilities, and the generation of valuable knowledge, within a firm (Kazadi et al., 2016). This framework suggests actions that specific stakeholders should take before and during the co-creation process to achieve the highest performance for the firm (Kazadi et al., 2016). Dean et al. (2016), extending the work of Iglesias and Bonet (2012), show that by allowing employees to be co-creators of brand meaning, the firm can guide employees
into delivering on the brand promise. Finally, Storbacka et al. (2016) incorporate actor engagement as a microfoundation for value co-creation in a service ecosystem. In this case, actors include humans, machines, and combinations of humans and machines. Actor engagement for co-creation is defined as the propensity to engage and the activity of engaging in a resource integration process (Storbacka et al., 2016).

Past research has also assumed that as consumers build a brand community, and trust and commitment is built amongst them and with the organization and brand, engagement and interaction increase (Ind et al., 2013). Ind et al. (2013) also suggest that consumers expect brands to reciprocate when they engage and a lack of brand response leads to dissatisfaction. Following this reasoning, we posit that consumers’ perceived ability to influence a brand has a direct impact on their willingness to co-create. In other words, consumers will more likely engage with a brand when they perceive that their actions will have an effect, or be taken into consideration, by the brand. On the contrary, when a consumer perceives that engaging with the brand will not be taken into consideration or have an effect on a brand, their likelihood of engaging with a brand is lower. Formally stated:

H1: Consumers’ willingness to engage in co-creation is positively affected by their perceived ability to influence a brand.

Attribution Theory

Attribution theory studies the processes that explain the underlying causes that people use to answer why certain behaviors and events occur (Heider, 1958; Settle et al., 1971). According to attribution theory, the message in an advertisement a consumer is exposed to becomes an observable effect, which in turn is attributed to the cause of the message (Settle and Golden,
Thus the main communication objective of the message becomes key for consumers to accept the validity of what the advertisement claims. The causal attributions made from the advertisement then delivers a change in consumers’ behavior (Kelley and Michela, 1980). For example, if a consumer perceives that an ad focuses on a hard-selling effort, rather than on describing what the brand or product does or represents, the validity of the claim in an advertisement decreases (Settle and Golden, 1974). Likewise, it can be assumed that if a consumer perceives that an ad focuses on a hard-selling effort, rather than a sincere invitation to co-create, the validity of the co-creation message will decrease.

As shown in figure one, Kelley and Michela (1980) provide a general model for attribution theory with antecedents, attributions, and consequences. In the model, shown in figure 3.1, the attribution theories combine how an actor evaluates the antecedents, or causes, for an event. Attributional theories then examine how the evaluation of the cause has an influence on the actor.

We thus posit that consumers’ perceived ability to influence a brand has a direct impact on their brand attributions. In other words, consumers will more likely engage with a brand when...
the brand message leads them to perceive that their actions will have an effect, or be taken into consideration, by the brand. On the contrary, when the brand message leads consumers to perceive that engaging with the brand will not be taken into consideration or have an effect on a brand, their likelihood of engaging with a brand is lower. Formally stated:

H2: Consumers’ attributions about a brand are positively affected by their perceived ability to influence a brand.

**Attitude toward the Ad and Purchase Intention**

Attitude toward the ad ($A_{Ad}$) is “an individual's evaluation of and/or affective feelings about an advertisement” (Park and Young, 1986, p. 12). Attitude toward the ad has been identified as a mediator of consumer brand choice; a more positive $A_{Ad}$ stems from a consumer’s emotional response to the advertisement (Shimp, 1981). Past research provides evidence of the positive effect of attitudes towards brand preference (Cases et al., 2010; de Canniere et al., 2009; Kim and Ko, 2012). Purchase intention (PI), on the other hand, is a common measure used to anticipate a behavior (Tsai et al., 2012). Past research provides evidence on the positive effect that perceived value has on purchase intentions (Dodds et al., 1991; Monroe, 1990; Zeithaml, 1988). Furthermore, “measuring purchase intention assumes that consumers’ future behavior depends on their attitudes” (Wu et al., 2015, p. 830). Purchase intention, as a result of these attitudes, is a variable for measuring consumers’ future contributions to a brand (Choi et al., 2016; Kumar et al., 2009; Poddar et al., 2009, Wu et al., 2015). Specifically in a web 2.0 context, recent research has shown how brand connections created with consumers through virtual platforms have positive effects on brand evaluation and purchase intentions (Naylor et al., 2012).
To our knowledge, however, no research has measured the effects of attitude toward the ad and purchase intention on co-creation.

According to the theory of reasoned action, a consumer’s behavior is determined by his or her intention to perform the behavior (Ajzen and Fishbein, 1980). Furthermore, the theory suggests that consumers that perceive they lack the necessary capabilities or opportunities to perform certain behavior are less likely to form a positive behavioral intention. We thus posit that consumers’ perceived ability to influence a brand has a direct impact on both their attitude toward the ad and their purchase intention. In other words, consumers will have a more positive attitude toward the ad and a higher level of purchase intention when they perceive that their actions will have an effect, or be taken into consideration, by the brand. On the contrary, consumers will have a less positive attitude toward the ad and a lower level of purchase intention when they perceive that their actions will not be taken into consideration or have an effect on a brand. Formally stated:

H3: Consumers’ attitude toward the ad is positively affected by their perceived ability to influence a brand.

H4: Consumers’ purchase intention is positively affected by their perceived ability to influence a brand.

**Prompted vs. Non-Prompted Co-Creation**

The current research also examines the impact of prompted versus non-prompted co-creation messages on consumers’ perceived ability to influence a brand. For the purpose of this research, prompted co-creation is considered to happen when a brand makes an explicit call to action, while non-prompted co-creation implies no explicit call to action, through an ad. Prompted co-creation is the dialogue and development of a shared solution where the brand and consumer become joint problem solvers (Gustafsson et al., 2012; Pralahad and Ramaswamy,
Additionally, prompted co-creation involves the production of value through personalized interactions based on the consumers’ perceptions of the brand (Prahalad and Ramaswamy, 2004). This personal level of interaction is likely to foster high levels of trust and exchange of information about the needs of consumers (Gustafsson et al., 2012). Most past research assumes that when a brand seeks to create value with consumers, a prompted co-creation strategy is used.

However, rather than prompting co-creation between the brand and consumers, some brand managers have relied on a brand’s physical aspects to convey value and allow the co-creation process to naturally happen (Iglesias et al., 2013; Mascarenhas et al., 2006). In other words, non-prompted co-creation is not an explicit strategy. It happens when a brand takes a more traditional stance and does not seek to proactively co-create with consumers, but rather views consumers as receivers of the brand message (Keller, 1998; Gronroos and Voima, 2013; Iglesias et al., 2013; Prahalad and Ramaswamy, 2004; Vallaster and von Wallpach, 2013). In sum, when brands do not prompt co-creation, interaction with consumers is not explicitly requested by the brand.

Based on the current literature on co-creation, research suggests that prompted co-creation will have a positive outcome (Choi et al. 2016; Gustafsson et al., 2012). Furthermore, many authors support the view of Gronroos and Voima (2013) that value is always co-created. According to this view, the only way for a firm to create value is the co-creation process with consumers and that firms and brands enable the co-creation process. However, the current research proposes that the consumers’ perceived ability to influence a brand can reverse the likelihood of prompted co-creation to occur. We thus posit that consumers’ perceived ability to influence a brand has a direct impact on the effect that a prompted co-creation message has on their willingness to co-create, their attitude toward the ad, their purchase intention, and the
attributions of the brand. In other words, regardless of a brand’s effort to prompt co-creation, consumers will have a lower willingness to co-create, less positive attitude toward the ad, a lower level of purchase intention, and less positive brand attributions when they perceive that their actions will not have an effect, or not be taken into consideration, by the brand. The research models are shown in figures 3.2 and 3.3 below. Formally stated:

H5: A prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ willingness to engage in co-creation.

H6: A prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ attitude toward the ad.

H7: A prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ purchase intention.

H8: A prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ attributions about the brand.

Figure 3.2 Proposed Model, Hypotheses 1 - 4
Study 1

The main objective of this study is to uncover which brands consumers perceive as being able to influence and not being able to influence. 424 consumers (51% female) recruited through a Qualtrics panel participated in an online survey. The consumers were asked to provide the names of five brands they could influence, and five brands that they could not influence. The resulting lists of brand names was sorted by frequency, and the 25 most frequently named brands from each question were randomly listed in a subsequent survey.

Next, a different set of 388 consumers (51% female) were presented with the list of 50 brands from the previous study. These respondents, again recruited through a Qualtrics panel, were asked to assign each brand a score of 1 to 5, with 1 being unable to influence and 5 being able to influence. The resulting list was subjected to a cluster analysis in SPSS. Cluster analysis is an appropriate statistical method for the classification purposes of this research given that it is an empirical method of classification and is primarily an inductive technique (Gerard, 1957; Punj
and Stewart, 1983), and makes no prior assumptions about the differences within a population (Punj and Stewart, 1983).

The results of the cluster analysis revealed two groups of brands based on the consumers’ perceived ability to influence them. The value \(F=161.75, 2 \text{ d.f.}, p < .000\) is significant, indicating a valid classification of clusters. The brands represented in this list are from many different industries including beverage, fashion, automobile, retail, and technology. For the purpose of the current research and studying co-creation in the era of web 2.0, one technology brand was chosen from the ‘able to influence’ and another one from the ‘unable to influence’ groups, Samsung and IBM respectively.

**Study 2**

The main objective of study two is to determine the impact consumers’ perceived ability to influence a brand has on the consumers’ desire to co-create with that brand. The second goal of the study is to investigate how consumers’ perceived ability to influence a brand also affects the consumers’ attitude toward the ad and purchase intention. For this study, the Samsung brand represents the ‘able to influence’ group and IBM represents the ‘unable to influence’ group, as outlined in study one.

**Method**

170 millennial consumers (ages 18-29, 64.7 % female) participated in an online survey. Subjects were assigned to one of four cells: a 2 (prompted vs. non-prompted co-creation) \(\times 2\) (able to influence vs. unable to influence) between subjects factorial design was employed. The participants were randomly assigned to one of the four manipulated social media posts. Each
manipulation showed the participant a social media post containing an prompting or non-prompting co-creation message, and the post was from either the able to influence (Samsung) or unable to influence (IBM) brand. The social media message manipulations were constant in size and length of text.

First, all participants answered questions about their own social media usage. Next, participants were shown one of the four manipulations. Following this, respondents answered questions about their attributions of the brand in the social media post they viewed, their attitude toward the ad, purchase intention, and interest in engaging in co-creation. All scales were adopted from prior research: attributions were measured using a modified version of McAuley et al. (1992) Causal Dimension Scale II (CDSII) ($\alpha = 0.82$), De Pelsmacker et al. (2002) attitude towards the ad scale ($\alpha = 0.90$), Kilbourne et al. (1985) purchase intention scale ($\alpha = 0.91$), and Christodoulides et al. (2012) co-creation scale ($\alpha = 0.91$). All scales were measured on a 5-point Likert scale where 1 = “strongly disagree” and 5 = “strongly agree”. A sample of the items is shown in table 3.1.

<table>
<thead>
<tr>
<th>Measure</th>
<th>No. of Items</th>
<th>Alpha</th>
<th>Source</th>
<th>Sample Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attribution</td>
<td>5</td>
<td>0.82</td>
<td>McAuley, Duncan, and Russell, (1992)</td>
<td>The ability to influence the brand is caused by: (1) consumers only (5) brands only</td>
</tr>
<tr>
<td>Attitude Ad</td>
<td>7</td>
<td>0.90</td>
<td>De Pelsmacker, Geuens, and Anckaert (2002)</td>
<td>I thought the post was likable strongly disagree (1) strong agree (5)</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>6</td>
<td>0.91</td>
<td>Kilbourne, Painton, and Ridley, (1985)</td>
<td>You would buy the brand if you saw it in a store strongly disagree (1) strong agree (5)</td>
</tr>
<tr>
<td>Co-creation</td>
<td>8</td>
<td>0.91</td>
<td>Christodoulides, et al (2012)</td>
<td>The company includes customers in their decisions strongly disagree (1) strong agree (5)</td>
</tr>
</tbody>
</table>
Analysis and Results

Manipulation Check

The prompted versus non-prompted co-creation manipulation was successful (F (1,170) = 2.78; p < .05). The manipulation check showed that participants in the prompted co-creation condition perceived to be asked to engage in the social media post (M = 3.69) more than those in the non-prompted co-creation condition (M = 2.35).

Hypotheses Tests

A 2 (prompted vs. non-prompted) X 2 (able to influence vs. unable to influence) between-subjects multivariate analyses of variance (MANOVA) with attitude toward the ad, purchase intention, and co-creation as dependent variables was run. The test for the interaction predicted in H1 was significant (F = 5.40, p = 0.01); consumers’ willingness to engage in co-creation is positively affected by their perceived ability to influence a brand. The results for H2 were significant (F = 6.08, p = .008); consumers’ attributions about a brand are positively affected by their perceived ability to influence a brand. H3 was also significant (F = 3.121, p = 0.04); consumers’ attitude toward the ad is positively affected by their perceived ability to influence a brand. The test for the interaction predicted in H4 was significant (F = 2.77, p = .049); consumers’ purchase intention is positively affected by their perceived ability to influence a brand. H5 approached significance (F = 1.843, p = .08); a prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ willingness to engage in co-creation. The results for H6 also approached significance (F = 1.795, p = .09); a prompted co-creation message from a brand that a consumer cannot influence is negatively associated with consumers’ attitude toward the ad. H7, was significant (F = 3.293, p = .03); a
prompted co-creation message from a brand that a consumer cannot influence is negatively
associated with consumers’ purchase intention. Finally, the test for the interaction predicted in
H8 was significant (F = 3.567, p = .03); a prompted co-creation message from a brand that a
consumer cannot influence is negatively associated with consumers’ attributions about the brand.
For H5 and H6, a 10 percent level of significance supports the results. This level is considered a
marginal, yet valid, statistical result for experimental design studies (Okazaki et al., 2014;
Malshe and Agarwal, 2015; Panagopoulos and Ogilvie, 2015, Etkin and Sela, 2016).

Post Hoc

In addition to the above hypothesis testing, a post hoc analysis was administered.
Following the literature of attitude toward the ad and purchase intention (Kumar et al., 2009;
Poddar et al., 2009, Wu et al., 2015), we ran a serial multiple mediation model using the
PROCESS Multiple Mediation Model 6 (Hayes, 2013; Preacher and Hayes, 2004). The
regression model used perceived ability to influence as the independent variable, attitude toward
the ad as the first mediating variable, purchase intention as the second mediating variable, and
co-creation as the dependent variable. The mean indirect effects excluded zero for the multiple
mediators (attitude toward the ad and purchase intention; $\beta = 1.3; 95\% \text{ CI}=0.0309 \text{ to } 2.267$).
Furthermore, in the mediation model the direct effect of perceived ability to influence the brand
on co-creation was no longer significant ($t(95) = 0.47, p=.63$), suggesting that attitude toward the
ad and purchase intention serve as the first and second mediators, as shown in figure 3.4.
The purpose of this study was to gain understanding into how millennial consumers’ perceived ability to influence a brand impacts their desire to co-create with the brand, attributions of a brand, attitude toward the ad, and purchase intention. When taken together, the results of the hypotheses tests demonstrate the power that millennial consumers’ perceived ability to influence a brand has in terms their brand attributions, attitudes and willingness to engage. When a brand is actively seeking to engage in co-creation, the consumers’ perceived ability to influence the brand can override a call to action from the brand, limiting the ability for co-creation to occur. Furthermore, the results of the post hoc multiple mediation model show that the perceived ability to influence a brand impacts the attitude toward the ad, which in turn impacts the purchase intention of the consumer, which in turn influences consumers’ desire to engage in co-creation.
Theoretical Contributions

The results of this research offer new insight into consumer co-creation. Specifically, this study contributes to the current knowledge on co-creation by providing insights on: (1) when co-creation will and will not occur; (2) the serial mediation effects of the ability to influence a brand on attitude toward the ad, purchase intention, and co-creation; and (3) the finding that prompted co-creation does not necessarily have a positive outcome.

First, if a brand is perceived as being unable to be influenced, not only will consumers not engage in co-creation, but attitude toward that ad and purchase intention will also decrease. Given that perceived brand attributions determine how consumers interpret the brand message (Heider, 1958; Settle and Golden, 1974), in cases where a brand is perceived to be not influenceable, the consumer will ignore the call to action for co-creation not make an effort to co-create with the brand. These findings support the theory of reasoned action, as respondents’ behavior is directly determined by the intention to perform the behavior (Ajzen and Fishbein, 1980). Extending attribution theory and the theory of reasoned action into co-creation provides several opportunities to gain a better understanding of the co-creation phenomena.

Second, past research has shown that attitude toward the ad is an emotional response to an advertisement that has a positive effect towards brands preference (Shimp, 1981; Cases et al., 2010; de Canniere et al., 2009; Kim and Ko, 2012). The present research shows that consumers’ attitudes toward the ad are also affected by the consumers’ perceived ability to influence a brand. Specifically, the current research shows that millennials have a higher purchase intention with brands that have more likelihood of being influenced. This implies that measuring purchase intention can also show that a future behavior depends on the consumers’ attitude (Wu et al., 2015). The post hoc multiple mediation model developed in this study further supports that the
ability to influence a brand impacts attitude toward the ad which, in turn, impacts purchase intention.

Finally, the effects of prompted vs. non-prompted co-creation are examined in reference to the perceived ability to influence a brand. Past research assumes that prompted co-creation is the formation of a combined solution that will have a positive outcome (Cossio-Silva et al., 2016; Gustafsson et al., 2012; Navarro et al., 2016; Pralahad and Ramaswamy, 2004). Past research also suggests that as consumers build relationships with brands engagement and interaction naturally increase, but that consumers expect brands to reciprocate when they engage and a lack of brand response leads to dissatisfaction (Ind et al., 2013). The findings of the current research show that a prompted co-creation strategy will not always have a positive effect. If the consumer perceives the company as being not influenceable, he or she is likely to not engage in co-creation.

Managerial Implications

Millennial consumers are a powerful segment of the market with substantial purchasing power, and represent over 25 percent of the population in the United States (U.S. Census Bureau, 2015). Furthermore, some 90 percent of millennials are engaged with social media (Duggan et al., 2015), which creates a network of virtual platforms for a brand to interact with a large number of consumers. As brands use web 2.0 outlets and social media platforms such as Facebook, Twitter, and Instagram to monetize social media (Hendricks, 2013), the ability to understand how consumers perceive and interact with the brand is of vital importance. If a brand wishes to engage millennial consumers with prompted co-creation, how consumers perceive the brand is important for success. Brand managers must strive to create a
perception of a brand that is open to engaging with consumers—which allows for consumers to give input and help to shape the brand. The development of this perceptual image should serve as a platform for the creation of a brand identity (Burmann et al., 2009; Csaba and Bengtsson, 2006; de Chernatony, 1999; Kapferer, 1997). Past research has outlined the importance of a brand creating an identity that resonates with the target market of the brand (Batey, 2008; Brakus et al., 2009; Csaba and Bengtsson, 2006; Hatch and Schultz, 2010; Iglesias and Bonet, 2010; Payne et al., 2009). Therefore, to create a perception of being open to engaging with consumers, a brand must be consistent and steady in the approach to prompted co-creation. Consumers should become comfortable with the idea of the brand asking for, accepting, and implementing feedback from customers. To foster this potential relationship, brands should adopt a culture that is welcoming and friendly to all consumers. This sense of an accessible and caring organization would likely be perceived as being open to consumer influence so that consumers would be willing to engage with the brand. Once the brand successfully engages consumers, as previously mentioned then the attributions made about the brand will likely be associated with the perceived ability to influence, which in turn will have a positive outcome on co-creation, attitude toward the ad, and purchase intention.

Previous research suggests that stakeholders, including consumers, give and take control of brand meaning (Grönroos and Voima, 2013; Kennedy and Guzmán, 2016; Hatch and Schultz, 2010; Helm and Jones, 2010; Iglesias and Bonet, 2012). Our findings suggest that co-creation is not necessarily a constant that a brand can rely on. The perceptions that consumers have about brands determine, in part, if they believe the company is engaging in transparent dialogue. When viewing a message from a brand through a social media platform, millennial consumers seem to first recall their attributions about the brand. According to attribution theory, the message
received by consumers is a visible effect and is recognized as the cause of the message (Settle and Golden, 1974). The attributions made about the brand can lead the consumer to determine his or her ability to influence the brand, which the present research shows to have a direct impact on the consumers’ attitude toward the ad, purchase intention, and co-creation, regardless of a company developing a prompted co-creation strategy. Managers must thus consider the attributions that consumers have about the brand. In sum, a transparent and balanced dialogue between parties is crucial for co-creation (Prahalad and Ramaswamy, 2004).

Limitations and Future Research

While this manuscript focuses on incorporating the nuances of web 2.0 and co-creation, some limitations are present. First, this research focuses exclusively on millennial consumers. While this segment of the population is large and important, validating the results with a national generalizable sample could shed additional insight into the power of the ability to influence on co-creation. Next, the survey was created to mimic an online social media platform that a consumer interacts with on a regular basis. To further validate the test results, additional platforms for co-creation, including company websites and retail settings, could be tested. Moreover, this line of research can be extended to industries other than technology that still take advantage of the virtual platforms in web 2.0. The effects of the perceived ability to influence on co-creation can also be further examined to identify additional benefits brands can gain from employing a prompted co-creation strategy. Finally, the context of this study was with millennial consumers in the U.S. Further research would benefit from contrasting consumers’ perceived ability to influence in different cultures. These findings would be particularly relevant for global brands.
References


Heider, F. (1958), The psychology of interpersonal relations, John Wiley and Sons, New York.


CONCLUSION

The three papers contained in this dissertation seek to add clarity and knowledge to the topic of consumer brand co-creation. The topic of co-creation is popular among practitioners and scholars, and to date a framework that allows for the investigation into the reasons a brand or consumer might engage in co-creation is lacking. Therefore, the overarching goal of this dissertation is to create such a framework. To accomplish this goal, a foundational framework for brand identity co-creation is presented in Essay 1. This essay investigates the motivational reasons for brands and consumers to engage in the co-creation of a brand. Through a series of two studies, the motivations for brands and consumers to engage in co-creation are identified and presented. For managers, two overarching goals are identified for motivations of co-creation, and for consumers, five factors are identified as motivations for co-creation. The formal identification of this framework creates multiple channels for future research into the motivations of co-creation.

Building on the framework from Essay 1, the goal of Essay 2 is to evaluate each of the consumer motivations for co-creation through consumer behavior research. This essay utilizes a series of five studies so that each of the five factors of consumer motivation can be independently tested for the outcome of co-creation. The results of this essay show that four of the five consumer factors from Essay 1 can lead to co-creation, while the fifth factor seems to be overridden by the perception of influence that a brand has. These findings add valuable knowledge to brand managers interested in co-creating with their consumers and to the academic community. The operationalization in this essay is among the first of its kind to investigate the impact that individual factors can have for the likelihood of co-creation to occur.
Building upon the results from Essay 1 and Essay 2, Essay 3 of this dissertation seeks to create additional knowledge about the co-creation of brand through application. This essay evaluates the impact that a consumer’s perceived ability to influence a brand has on the outcome of co-creation. This essay finds that consumers are more willing to co-create when they feel they can influence a brand. In other words, the consumer is willing to put effort into a brand when they are confident the brand will listen. The findings from this essay supplies important information for brand managers in terms of strategically positioning a brand for co-creation.

Taken together, the three papers contained in this dissertation provide insight and opportunity for the development and extension of theory along with insights for the implementation of a practitioner co-creation strategy. By starting at the beginning of the co-creation journey, the motivations of actors, this research contributes to the field of co-creation through strategic implications. In addition, the focus of brands and brand management contributes to the strategic brand management literature. In sum, the dissertation provides new insights at the crossroads of co-creation and brand management through and analysis of the consumer – brand relationship.

Through the application of grounded theory in essay 1, new insights are uncovered for the motivations of consumers and brands to engage in co-creation. Taking this knowledge and applying attribution theory in essay 2 and 3 provides evidence that consumers will evaluate the brand message before making the decision to co-create. This message evaluation process allows the consumer to analyze the brand’s ability to be influenced and determine if the brand is asking for input. Based on the research within this dissertation, if a consumer perceives that a brand can be influenced and the brand is asking for engagement, the consumer will be likely to answer the
call and engage in co-creation. The findings are the first of its kind to measure the motivations involved for consumers to engage in co-creation with a brand.

For practitioners, the research contained within this dissertation provides practical information that is applicable to the current market environment of consumer connectivity and interaction. Increasingly, consumers are creating branded content, sharing this content, and interacting with brands daily. By understanding the reasons that motivate consumers to engage and co-create allows brand managers to implement short term tactics and long term strategic decisions. Through this dissertation, a brand can develop a ‘perception of influence’ positioning strategy that will foster or inhibit an environment of co-creation. If a brand wishes to engage consumers in co-creation, the brand should create a brand identity that is open to consumer influence. On the other hand, if a brand wishes to retain their power and limit co-creation, they should create the perception of not being open to consumer influence. Likewise, if a brand is seeking consumer interaction through co-creation, messages of prompted co-creation should be delivered to consumers instead of non-prompted co-creation messages.

Taken together, the three essays in this dissertation provide a framework for the investigation into the motivations for consumer and brand co-creation. This combined work will provide a platform for future consumer co-creation to build upon. The findings from this dissertation include some of the first research that measures co-creation as an outcome of an activity initiated by either a brand or consumer. The results of this dissertation will continue to support future research opportunities for quite some time, as the notion of consumer-brand co-creation will become more prevalent in industry as more and more consumers become technologically enabled. Several avenues of research are a result of this dissertation.
First, as evident through the literature discussed in this dissertation, the research around co-creation is wide ranging with a foundation that has gone relatively unchanged since co-creation entered the literature in 2004 (Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004). Research that updates the definition of consumer brand co-creation and provides a typological framework is needed to consolidate the wide range of research being published. Second, essay 1 of this research proposes a managerial motivation co-creation model and a consumer motivation co-creation model. Future research will take these models and empirically validate them. Third, as the relationship and interaction between consumers and brands continue to evolve, research that examines the outcomes of co-creation is needed. Will consumers be willing to pay a higher, lower, or parity retail price when they know a product or brand has been influenced by other consumers? Additionally, should brands expect to see a higher volume of retail sales or an increase in return on investment, when compared against traditional research and development methods, for products that are co-created with consumers? Fourth, this dissertation examines co-creation with various consumer goods brands. Future research should examine how additional consumer goods industries are impacted by co-creation, and examine how co-creation may be different in service industries. Fifth, existing research provides information that the outcomes of co-creation include brand loyalty and purchase intentions, and future research could examine additional probable outcomes including word of mouth implications and co-creation outcomes when comparing e-commerce against brick and mortar retail outlets. Sixth, the motivations for consumers to engage in co-creation should be evaluated against consumers’ least favorite brands. The assumption has been made that consumers will engage in co-creation with brands and products they enjoy, but no research examines what motivators will entice a consumer to co-create with a product or brand they do not like.
In sum, this dissertation adds valuable knowledge to the area of consumer brand co-creation for academics and practitioners. The information provided will allow researchers to develop future paths for applied co-creation research, and provide managers with the information needed to create and implement a consumer co-creation strategy. Finally, while this dissertation answers the overarching research question and the research questions outlined in each individual essay, the combined body of work provides many opportunities for the consumer brand co-creation of research to be extended for some time to come.


Heider, F. (1958), The psychology of interpersonal relations, John Wiley and Sons, New York.


revised causal dimension scale (CDSII)”, Personality and Social Psychology Bulletin,
Vol. 18 No. 5, pp. 566-573.
than men? Gender differences in loyalty to firms and individual service providers”,
Journal of Marketing, Vol. 73 No. 4, pp. 82-96.
Meynhardt, T., Chandler, J.D., and Strathoff, P. (2016), “Systemic principles of value co-
creation: Synergetics of value and service ecosystems”, Journal of Business Research,
Vol. 69 No. 8, pp. 2981-2989.
Nandan, S. (2005), “An exploration of the brand identity and brand image linkage: A
264-278.
1336-1339.
of mere virtual presence on brand evaluations and purchase intentions in social media
settings”, Journal of Marketing, Vol. 76 No. 6, pp. 105-120.
earth trembles: The impact of community awareness campaigns on protective behavior”,


