

# The Antecedents and Consequences of Consumers' Value Co-Creation

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## EXTENDED ABSTRACT

### Research Question

Consumers' value co-creation has become an important marketing management issue in recent years. Moreover, the development of online communities and interactive technology increases consumers' ability as well as fun to create value. In present business context, firms begin to adopt empowerment strategy to utilize consumers' competence as well as to facilitate communication and collaboration between consumers and firms, thus to increase firms' competitive advantage. The extant literature mainly focuses on the economic values of co-production and self-serving bias in co-creation; there is not much work dealing with the psychological factors underlying the effects of value co-creation despite that consumers play a major role in the value collaboration. The purpose of this paper is to deepen the understanding of consumers' psychological experiences of value co-creation in the context of business plan competition, a prevalent practice by which firms invite consumers to propose innovative ideas for new products, business or brands and consumers enter a contest that may comprises several rounds of competition. Specifically, this study intends to find out the factors that influence consumers' perceptions of value co-creation activities and how these perceptions affect their intentions for future interactions with the firms. We develop a theoretic model depicting the relationships among these factors and consequences.

### Method and Data

Data was collected from consumers participating in brand co-creation contests held by firms and/or sponsoring institutions. An online survey research was conducted within several brand co-creation contests. The measures of the nine

constructs included in this study—perceived justice, perceived organizational support, task involvement, group efficacy, empowerment, psychological ownership, satisfaction of performance, satisfaction of process and behavioral intention were validated in previous studies. Each item of this questionnaire was measured by 7-points Likert scale anchored from totally disagree to totally agree. There were 302 valid responses used for structural equation modeling (SEM) analysis to examine the hypothesized causal relationships between the proposed constructs.

### Summary of Findings

The results of structural equation modeling (SEM) analysis indicate that consumers develop senses of empowerment and psychological ownership toward the brand during the process of co-creation. In addition, consumers' perceived justice, perceived organizational support, task involvement and group efficacy are the antecedents which can foster consumers' empowerment and psychological ownership, which positively affect their satisfaction with value co-creation activities, and in turn positively impact their future behavioral intentions toward the brand.

### Key Contributions

This study contributes on delineating consumer's perception of value co-creation, verifying the relationships among consumers' psychological factors and the antecedents, thus augmenting the literature with a more complete theoretical framework of the causal paths of psychological effects when consumers engage in value co-creation. We bridge consumer's perceptions and possible outcome behaviors in the context of brand co-creation

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activities. Finally, we provide managerial suggestions for the firms intending to invite consumers to generate new ideas—by strengthening consumers' perceptions of justice, offering organizational support, increasing consumer's task involvement and group efficacy will lead to

consumers' empowerment and psychological ownership, thereby strengthening their satisfaction and behavioral intentions of brand relationships.

*References are available on request.*

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