

Relaying to customer empowerment strategies to develop new products?
Yes... But for what brand type?

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Abstract:

Research on customer empowerment strategies as a tool for new product development has identified several boundary conditions (e.g. sector of activity, degree of openness to consumers) that could undermine efficiency of those practices. However, to date, no attention has been given to the effect of empowerment practices in the context of familiar vs. unfamiliar brands. Despite that both brands associated with high familiarity and also those with low familiarity are mobilizing empowerment strategies to innovate, the role of brand familiarity as a potential moderating variable has not been investigated yet. Building on two experiments, we are demonstrating that empowerment practices are more beneficial for low familiarity brands than for highly familiar ones for two different categories of products in consumers' goods sector. We are also showing that empowerment strategies are still enhancing brand indicators for familiar brands but not tremendously in comparison to the effect on low familiarity brands.

Keywords: Consumer empowerment strategies, brand familiarity, brands

Track: Innovation Management & New Product Development

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1.Introduction of paper

There is a growing reliance on users' creative potential to create new products resulting in research and development costs reduction, lower post-launching failure risks and a product portfolio that better meet consumers' needs (Dahan and Hauser, 2002). To design efficient idea-generation contests competing with those generated by firms' NPD teams, professionals are often forced to make rapid decisions that are expected to be effective while selecting strategic and operational characteristics of those campaigns. From an academic perspective, scholars have increasingly embraced the viewpoint that customer empowerment strategies induce several positive consequences on brand evaluation metrics identifying numerous variables that conditions the success of these campaigns (Dahan and Hauser, 2002; Fuchs and Schreier, 2011). However, as previous works on empowerment strategies have been based on fictional brands, empirical testing remains necessary to understand empowerment initiatives' impact for real brands. Besides, while prior research examined customer empowerment implementation for unknown brands (Fuchs, Prandelli, and Schreier 2010 ; Fuchs and Schreier 2011 ; Schreier, Fuchs, and Dahl 2012) as well as for high equity brands (Fuchs, Prandelli, Schreier and Dahl 2013 ; Nishikawa, Schreier, Fuchs and Ogawa 2017); the questions of knowing if user-design innovation strategies are most suitable for high familiarity brands or for low familiarity ones (as start-up or distributor brands) represent a major research gap as in practice, these strategies are implemented by brands associated with different levels of familiarity status and market shares. For example, in 2016, the multinational well-known brand Ben & Jerry appealed to consumers to gather a large number of flavor ideas for a new range of ice cream primarily targeting millennials. In parallel, the Phoenix-based Sprouts Farmers Market have asked consumers to vote for their favorite flavor for Sprouts brand of organic ice cream. Fans submitted flavors to the retailer, and it later narrowed the submissions down to five options. Untitled "Do yourself a flavor," the competition offers consumers the chance to vote for their favorite taste between five flavors: Mint Chip, Coconut Chocolate Almond, Blueberries & Cream, Orange Cream and Green Tea. The two flavors with the largest number of votes were made available by spring in Sprouts stores.

2.Theoretical background

Focusing on empowerment as collaborative practice adopted by companies, scholars contend that empowerment strategies are used to develop better products at lower cost and risk of failure (Dahan and Hauser, 2002; Fuchs and Schreier, 2011), to enhance consumer satisfaction and develop a more positive brand attitude (Fuchs and Schreier, 2011), with a brand perceived as more innovative. The development of a positive image is due to a better assessment of company's customer orientation. In addition, customers who actively participate in empowerment campaigns, by offering innovative solutions to problems raised by the company and / or participating to final product choice, express greater demand for the product and they are ready to engage in a positive word of mouth (Fuchs, Prandelli and Schreier, 2010). These benefits, however, seem to depend on industries type and contexts. Literature has provided initial answers to the individual characteristics that play a role of moderation on empowerment practices effectiveness: it has been established that when consumers who are spectators of empowerment practices do not identify themselves (in terms of sex or social group) with the participating consumers, they do not prefer products co-created (to those exclusively made by the company). If these practices are effective for consumer goods (Fuchs, Prandelli and Schreier, 2010) or in service recovery context, these effects are counterproductive in luxury fashion industry because user contribution backfires due to its lower perceived quality compared to luxury products labeled as company designed (Fuchs, Prandelli, Schreier and Dahl, 2013) and when empowerment campaigns aren't designed as completely open to any type of contributor (Fuchs et al., 2013, 2015). Regarding managers practice, among the brands that have launched and that are actually launching empowerment campaigns, some of them have the characteristics of high familiarity brands and they have very satisfactory performance indicators (i.e. Lays, Danette, Dop, Tic-Tac, Lindt, Elephant) while others are unfamiliar brands as start-ups (or distributors brands for example). As some of them are undoubted leaders in the product category (e.g. in 2017, Lay's holds 29,6% of market share for chips in the United States¹), two interrogations deserve here to get an answer via empirical testing: Are empowerment campaigns more suitable for high familiarity or low familiarity brands? Why should familiar brands continue to rely on customer empowerment in the stages of products realization while their brand equity variables are outstanding? Building on two experiments, we aim to answer to this gap and associated research questions.

¹ Source: <https://www.statista.com/statistics/262117/sales-share-of-the-leading-10-potato-chip-brands-in-the-us/>

3.Hypotheses development

Previous empirical findings have shown that implementing empowerment strategies enhance key market performance metrics (brand attitude, word of mouth, purchase intention) (Fuchs and Schreier, 2011; Fuchs, Prandelli, and Schreier, 2010). Building on a replication approach, we posit that empowerment strategies enhance all the behavioral indicators as well as engagement intention.

H1. Empowered consumers will express (a) a more positive brand attitude, (b) word-of-mouth, (c) engagement intentions, (d) and purchase intentions towards empowering companies comparing to non-empowering ones (zero empowerment).

Perceived brand familiarity reflects the level of direct or indirect consumer experience with a product or a brand (Alba and Hutchinson, 1987). Here, we assume that setting collaborative managerial strategies for well-known brands slightly improves performance indicators which are independently from innovation schemes, satisfactory. In parallel, starting from the point that for low familiarity brands, consumers weakly rely on brand equity indicators (Aaker, 1996) to form an evaluation about the company offering, we postulate that relying on empowerment strategies will be highly beneficial because they will likely strengthen the customer's preference for the company. Based on these rationales, we postulate that conducting innovations outside the firms' boundaries relying on consumers' creativity will induce tremendous improvements regarding to the different behavioral intentions components for low familiarity brands (start-ups or distributor brands) in comparison to highly familiar brands. These arguments lead to the following propositions:

H2. Empowerment practices launched by low familiarity brands will induce more favorable impact on (a) brand attitude, (b)word of mouth, (c)engagement towards the brand and (d) purchase intention than when implemented by high familiarity brands.

4.Methodology

4.1 Method and objectives.

To test the aforementioned research hypotheses, we've conducted two experiments, the procedure for each study is exposed in the table 1 below.

	Study 1	Study 2
Objective	The main goal of Study 1 was to test the moderating role of brand familiarity to account for the positive effect of empowerment on brand equity metrics.	The first goal of study 2 was to test the robustness of the effect documented in Study 1. To this end, we've made three changes to the procedure. We tested the

		effect in another product category (cookies), for other brands, and within students' sample. The second goal was to replicate the moderating role of brand familiarity with the introduction of the second main empowerment strategy: empowerment-to-create.
Experimental protocol	We implemented a 2 × 2 between-subjects design that confronted type of empowerment strategy (empowerment-to-select vs. zero empowerment) × type of brand (familiar vs. unfamiliar brand).	A 3 type of empowerment strategy (empowerment-to-create, empowerment-to-select vs. zero empowerment) × 2 brand familiarity (familiar vs. unfamiliar brand) between-subjects design experiment was implemented.
Sample	We conducted a study based on a sample of 109 French adult respondents (mean age: 35.02; 40% female).	A total of 170 undergraduate students ($M_{age}=18.16$, 70% women) participated in our experiment.
Brands & product categories	To manipulate the type of brand, we first selected a product category (e.g. Smoothies) that can be consumed by consumers of both sexes and all ages. We then selected one popular and leading brand in the French market (eg., Innocent) as the familiar brand and created a fictitious one (eg. SuperSmoothie) to account for the unfamiliar brand.	In Study 2, we selected a new product category (eg., Cookies) which is predominantly consumed by young consumers and for which students are an important target: studies show that cookies consumption decreases with age (e.g. in France, a child consumes 17 grams of cookies while an adult consumes 9.7 grams: Source: CREDOC, 2013). To manipulate brand familiarity, we identified a well-known brand in the cookies market as the familiar brand, <i>Michel et Augustin</i> , while creating a fictitious one, <i>Cookies&Cie</i> , to represent the low familiarity brand. For cookies, <i>Michel et Augustin</i> have been selected as this brand is often relying on empowerment strategies for innovation and communication. By doing so, we increased realism and credibility of our manipulations. In addition, we used a real empowerment campaign launched by this brand that was digitally altered to create different scenarios.

Table 1. Description of the experimental apparel of Study 1 and 2

The visual used for the two studies are presented in Appendix 1. The same questionnaires and procedures were kept identical to avoid bias linked to manipulation as presented in the table 1. Finally, we introduced some manipulation checks in the questionnaire.

4.2 Measures.

In accordance with variables controlled in previous research (Fuchs and Schreier, 2010), we measured skepticism towards communication campaigns of companies using a scale adapted from Obermiller and Spangenberg (1998) and product category involvement developed by Strazzeri (1994) and we've also added prior attitude towards the brand which might affect

empowerment campaign evaluation. We measured brand attitude with a four seven-point semantic differential scale taken from Yoo and MacInnis (2005). We captured word-of-mouth using four items adapted from Goyette (2007). We then measured brand engagement intention using a six items scale adapted from Keller (2001). We operationalized purchase intention using single item scale adapted from Brady and Cronin (2001). Brand familiarity was measured using one likert-scale item (Campbell and Keller, 2003) while prior attitude towards the brand was measured using the scale of Hui, Dubé, and Chebat (1997).

4.3 Control variables.

We first checked that all respondents understood the goal of the campaign to which they were assigned (create a new recipe, vote for the preferred recipe or be informed that a new flavor was created by the brand) and 100% had. Using ANOVAs and post hoc tests, we found no structural differences between experimental conditions in terms of skepticism and product category involvement (all $p > .05$).

5. Results

5.1 Manipulation check.

Study 1. The analysis shows that the treatment was successful, since respondents perceived Innocent ($m = 6.12$) as a more familiar brand compared to SuperSmoothie ($m = 1.26$, $t(108) = 32.307$, $p = .000$). All respondents assigned to the empowerment-to-select conditions acknowledged it correctly understanding that the goal of the campaign was to select one flavor for the new Smoothie. In the same vein, respondents assigned to the zero empowerment condition understood that they were exposed to an informative campaign saying that the [targeted brand] Smoothie launched a new flavor. Our manipulation of the empowerment strategy is successful.

Study 2. The treatment of brand familiarity was successful, since respondents perceived Michel et Augustin ($m = 5.77$) as a more familiar brand compared to Cookies&Cie ($m = 1.61$, $t(168) = 21.911$, $p = .000$).

5.2 Main Findings.

To analyze the results of the two experiments, we've conducted a multivariate analysis of covariance (MANCOVA) with the type of empowerment strategy (empowerment to-select vs. zero empowerment) and brand familiarity (familiar vs. unfamiliar brand) as the independent variables, brand equity metrics (brand attitude, brand engagement intention, word-of-mouth

and brand purchase intention) as dependent variables, along with the three covariates (skepticism and product involvement and prior brand attitude) (see Table 2 for the descriptive results).

Study 1. Results showed that empowerment-to-select (compared to zero empowerment) improved brand attitude ($F(103)=28.566, p=.000$), word-of-mouth ($F(103)=19.181, p=.000$), and purchase intention ($F(103)=9.049, p=.000$). H1 a, b, c d are supported. Regarding the moderating role of brand familiarity, the interaction effect between empowerment (vs. zero empowerment) and brand familiarity on word-of-mouth was significant ($F(103)= 4.696, p<.05$). Importantly, support is found for H2b.

Experimental appeal	Attitude		Engagement		Word-of-mouth		Purchase Intention		
	M	SD	M	SD	M	SD	M	SD	
<i>Empowerment-to-select</i>									
Familiar brand	5.42	1.15	3.13	1.19	3.70	1.57	4.22	1.69	
Unfamiliar brand	4.73	1.24	3.55	1.35	3.68	1.40	4.20	1.52	
<i>Zero Empowerment</i>									
Familiar brand	4.50	1.29	3.13	1.33	3.41	1.42	4.06	1.38	
Unfamiliar brand	3.88	1.22	2.74	1.18	2.50	1.08	3.28	1.48	

Table 2. Descriptive results for Study 1

Study 2. Replicating Study 1, we found that empowerment strategies helped developing a more positive brand attitude ($F(109) = 33.477, p=.000$), and word-of-mouth ($F(109)=40.206, p=.000$). In addition, we found a significant interaction effect between type of empowerment and brand familiarity on brand attitude ($F(109)= 17.473, p=.000$) and word-of-mouth ($F(109)= 13.258, p=.000$) (Table 3). Hypothesis 2 a & b are supported while H2a & d aren't.

Experimental appeal	Attitude		Engagement		Word-of-mouth		Purchase Intention		
	M	SD	M	SD	M	SD	M	SD	
<i>Empowerment-to-create</i>									
Familiar brand	6.07	.88	4.23	1.38	4.88	1.28	5.03	1.73	
Unfamiliar brand	5.63	.72	3.37	1.18	4.19	.95	4.17	1.39	
<i>Empowerment-to-select</i>									
Familiar brand	6.02	.81	3.81	.89	4.63	1.46	4.80	1.78	
Unfamiliar brand	5.39	.96	3.48	1.21	.72	1.57	4.60	1.57	
<i>Zero Empowerment</i>									
Familiar brand	5.53	1.01	3.75	1.31	4.68	.99	4.45	1.72	
Unfamiliar brand	3.61	1.59	2.62	1.41	2.60	1.39	3.33	1.94	

Table 3. Descriptive results for Study 2

6. Discussion and Conclusion





Replicating previous studies on empowerment as a managerial strategy in fast-moving consumer goods (Fuchs and Schreier, 2010), we found that empowerment-to-select as well as empowerment to create improved brand equity metrics (all of them for S1 and brand attitude and word-of-mouth for S2) in comparison to when the company doesn't rely on these practices for new product innovation. In the course of these studies, we've shed light on contrasting implementation of customer empowerment strategies by brands associated with dissimilar familiarity level. Our results addressed brand familiarity as a moderating variable on word-of-mouth and we have shown that empowerment helped to create more word-of-mouth for unfamiliar brand than for familiar one. Study 2 has helped determine if this result can be replicated for other brands and for another product category. Replicating the results of Study 1, we identified the moderating role of brand familiarity on word-of-mouth for another product category and brand attitude. These findings partially mirrored previous empirical results (Fuchs and Schreier, 2010; 2011) which indicated that empowerment (both create and select) strategies lead to better brand equity evaluation. Empowerment strategy could be a promising tool for a new entering firm (as a start-up) or a distributor brand using it to enhance corporate knowledge and attitude by means of positive word-of-mouth around their brand. For new brands with low perceived familiarity, presenting the empowerment of their customers (the company relies on consumer votes and ideas to innovate) as being at the heart of their brand values could be a major differentiator (i.e Threadless). It should be questioned, however, if in the long run, empowerment campaigns launched by start-ups or unfamiliar brands will generate the same participation rate as those currently implemented by familiar brands. The limits associated is that our experiments were framed around two familiar consumers' goods sector brands and further research should extend this research in other countries and sectors of activity to increase external validity. It might be worthwhile to explore effects of empowerment for other products categories as yogurt (inspired by practice) and for brands known as relying less on empowerment strategies. Our study 2 was framed around students which are ordinary consumers associated with low expertise (consumer goods sector) comparing to lead users, it extends results obtained by Fuchs and Schreier (2010). Finally, the extension to these results of empowerment practices for an adult population could be an interesting line of research to test the effects of other individual variables implicated as possible moderators of empowerment effects on brand indicators metrics.

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Appendix 1. Visuals used for the two experiments

Study 1	Familiar Brand: Innocent	Unfamiliar Brand: SuperSmoothie
Empowerment-to-select	 <p>Votez MySmoothie 2016 Du 15 octobre au 15 Décembre 2016 Votez pour la nouvelle saveur du smoothie Innocent !</p> <p>1 Carotte 2 Orange 3 Fraise 4 Myrtille</p> <p>5 Pêche 6 Pastèque 7 Melon 8 Grenadine</p> <p>9 Raisin 10 Mûre de Chine</p> <p>Je vote</p>	 <p>Choisissez MySmoothie 2016 Du 15 octobre au 15 Décembre 2016 Votez pour la nouvelle saveur du smoothie SuperSmoothie !</p> <p>1 Carotte 2 Orange 3 Fraise 4 Myrtille</p> <p>5 Pêche 6 Pastèque 7 Melon 8 Grenadine</p> <p>9 Raisin 10 Mûre de Chine</p> <p>Je vote</p>
Zero Empowerment	 <p>innocent</p> <p>Découvrez la nouvelle saveur de smoothie créée et sélectionnée par Charlotte de l'équipe d'Innocent !</p>	 <p>SuperSmoothie</p> <p>Découvrez la nouvelle saveur de smoothie créée et sélectionnée par Charlotte de l'équipe de SuperSmoothie !</p>

Study 2	Familiar brand: Michel et Augustin	Un familiar brand Cookies&Cie	Instructions for participation for Cookies&Cie (Translated):
Empowerment to create	 <p>Michel et Augustin les tradition du goût</p> <p>Créez la future recette de cookies coeur fondant de Michel et Augustin !</p> <p>Je participe</p>	 <p>Cookies & Cie</p> <p>Créez la future recette de cookies coeur fondant de Cookies & Cie !</p> <p>Je participe</p>	<p>Instructions for participation for Cookies&Cie (Translated):</p> <p><i>Imagine a cookie recipe (the soft core and the topping) that could be created by Cookies&Cie from a list of ingredients.</i></p> <p><i>Name the choosen ingredients for the soft core and for the topping of the cookie</i></p>
Empowerment to select	 <p>Votez MyCookie 2016 Du 15 octobre au 15 Décembre 2016 Votez pour la future recette de cookies coeur fondant de Michel et Augustin !</p> <p>1 2 3 4</p> <p>figes, pétales de chocolat noir, amandes caramélisées, chocolat blanc, sel de fleur de sel, morceaux de vanille, pétales de chocolat noir</p> <p>Je vote</p>	 <p>Votez MyCookie 2016 Du 15 octobre au 15 Décembre 2016 Votez pour la future recette de cookies coeur fondant de Cookies & Cie !</p> <p>1 2 3 4</p> <p>figes, pétales de chocolat noir, amandes caramélisées, chocolat blanc, sel de fleur de sel, morceaux de vanille, pétales de chocolat noir</p> <p>Je vote</p>	<p><i>Enter the number of cookie flavor for which you want to vote:</i></p>
Zero Empowerment (control group)	 <p>Michel et Augustin les tradition du goût</p> <p>Découvrez la nouvelle recette de cookies coeur fondant créée et sélectionnée par Charlotte de l'équipe de Michel et Augustin !</p>	 <p>Cookies & Cie</p> <p>Découvrez la nouvelle recette de cookies coeur fondant créée et sélectionnée par Charlotte de l'équipe de Cookies & Cie !</p>	<p><i>Discover the new fondant cookies recipe created and selected by Charlotte from the team of Cookies&Cie !</i></p>