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**ARE ALL CUSTOMER EMPOWERMENT STRATEGIES EQUALLY BENEFICIAL?  
THE ROLE OF BRAND FAMILIARITY AND TYPE OF EMPOWERMENT STRATEGIES**

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Abstract: Managerial practices of consumer empowerment are increasingly used by companies from consumer goods sector. Two types of strategies have been distinguished empowerment-to-create which enable customers to submit ideas for new products and empowerment-to-select which rely on consumers votes to choose products that will ultimately be marketed. Although academics addressed strong results about conditions of consumer empowerment strategies effectiveness, market research has yet to fully assess relative effectiveness of empowerment strategies on brand variables (word of mouth, brand attitude etc.). As previous works on empowerment strategies have been based on fictional brands, empirical testing remains necessary to understand empowerment initiatives' impact for real brands. Relying on an experimental design, we show that empowerment practices are more beneficial for low familiarity brands than for highly familiar ones. Secondly, we show that empowerment to create provides higher word of mouth and engagement intentions than empowerment to select.

Keywords: Consumer empowerment strategies; relative effectiveness; brand familiarity; new product development

**SOUS QUELLES CONDITIONS LES STRATEGIES DE CONSUMER EMPOWERMENT SONT-ELLES  
EFFICACES ?**

**LE ROLE DE LA FAMILIARITE DE LA MARQUE ET DU TYPE D'EMPOWERMENT**

Résumé : Les pratiques managériales d'empowerment sont de plus en plus employées par les entreprises en grande consommation. Deux types de stratégies ont été distinguées : « l'empowerment-to-create », qui permet aux clients de soumettre de nouvelles idées de produits et « l'empowerment-to-select » où les consommateurs choisissent les produits qui seront commercialisés. Les recherches passées ont documenté les conditions d'efficacité des stratégies d'empowerment, cependant, l'évaluation de l'efficacité relative de ces initiatives sur les variables liées à la marque reste lacunaire. L'étude de l'impact de ces pratiques pour les marques réelles est nécessaire car les travaux antérieurs se sont basés sur des marques fictives. Nous montrons, à travers une expérimentation, que les pratiques d'empowerment sont plus bénéfiques pour des marques peu familières que pour des marques familières. En outre, cette étude révèle que l'empowerment to create génère un bouche à oreille et des intentions d'engagement plus importantes que l'empowerment to select.

Mots-clef : Stratégies de consumer empowerment; efficacité relative; familiarité de la marque; développement de nouveaux produits

## **ARE ALL CUSTOMER EMPOWERMENT STRATEGIES EQUALLY BENEFICIAL? THE ROLE OF BRAND STATUS AND TYPE OF EMPOWERMENT STRATEGIES**

### **Introduction**

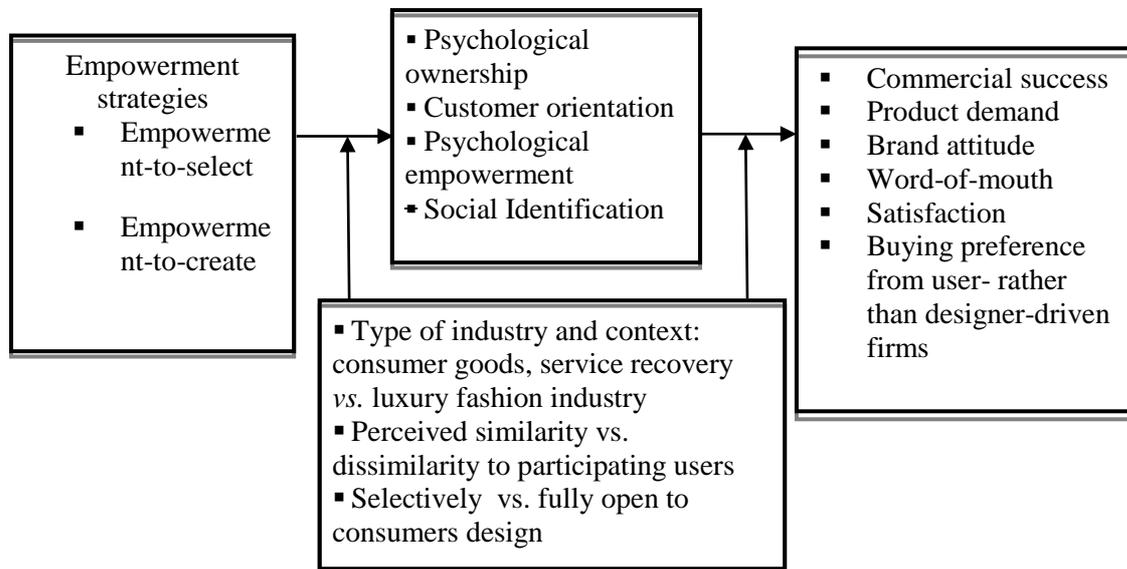
While companies are continuously seeking for new ways to engage consumers at the earliest stages of new products development, a growing number of academic studies are providing evidence about benefits for companies of launching such initiatives. As a matter of fact, an encouraging body of literature addressed positive effects of empowerment strategies on key performance metrics which suggests that involving consumers financially pays off in the long run (Fuchs and Schreier, 2011). Lays, for instance, launched “Do us a flavor” contest in European and American countries and succeeded at gathering a huge number of flavor ideas for the next chips (ideation phase: empowerment to create). After a first preselection by brand executives, four finalist flavors were submitted to consumers vote for final decision (empowerment to select). Consumer empowerment, through managerial strategies, is defined as: « *a strategy that firms use to give customers a sense of control over a company’s product selection process, allowing them to collectively select final products the company will later sell to the broader market* » (Fuchs, Prandelli and Schreier, 2010: p. 65). Extant literature examined the effects of both empowerment strategies on various performance indicators (brand attitude, word-of-mouth etc.). However, a comparison between empowerment to create and empowerment to select relative effectiveness didn’t receive attention while it has a significant importance for managers when deploying marketing actions in a context of pressure on return on investment and accountability obligations (Casenave, 2013). As a matter of fact, knowing the best empowerment strategy to introduce given desired results will help practitioners enhance marketing actions implemented.

### **Theoretical background**

Marketing research on consumer empowerment can be structured according to three facets. First of all, consumer empowerment can be seen as a process of power delegation through public policies and internet technologies or collaborative management practices instituted by local authorities or by companies to consumers (Cova, 2004). Secondly, literature also presented consumer empowerment as the manifestation of an individual and/or collective opposition process against marketing institutions (Roux, 2007). Thirdly, consumer empowerment is shaped as a subjective state linked to a personal perceived control of consumption through expanded resources and information’s mastery. 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; Prahalad and Ramaswamy, 2000), to enhance consumer satisfaction (Pranic and Roehl, 2012) and develop a more positive brand attitude (Fuchs and Schreier, 2011), with a brand perceived as more innovative (Poetz and Schreier, 2012). 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. If they are effective for consumer goods (Fuchs, Prandelli and Schreier, 2010) or in service recovery context (Pranic and Roehl, 2012), 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). A

conceptual framework can then be developed to account for the main empirical results reviewed previously (Figure 1).

Figure 1: Synthesis of the results on empowerment as a collaborative managerial strategy.



If this stream of research has the merit of highlighting the benefits associated with such managerial strategies from companies landscape, they pushed aside the exploration of boundary conditions that may affect its efficiency, apart from the role of industry type, characteristics associated with campaign design and perceived social identification of nonparticipating consumer with those empowered (Fuchs, Prandelli, Schreier and Dahl, 2013 ; Dahl, Fuchs and Schreier, 2015). The aim of this paper therefore is twofold: First, we explore empowerment to create and empowerment to select strategies relative efficacy by testing their effects on behavioral intentions for a consumer goods product. Secondly, we examine whether empowerment practices impact differently companies according to brand familiarity.

## 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 intentions 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).*

Starting from the point that for low familiarity brands, consumers weakly rely on brand equity indicators (Aaker, 1996; Keller, 1993) 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. Brand familiarity can be defined as a continuous variable that reflects a consumer's level of direct and indirect experiences with a product or a brand (Alba and Hutchinson 1987), we've used this concept in order to compare between empowerment effects for brands associated with low familiarity (startups brands for instance) with high familiarity brands. It is therefore hypothesized that for highly familiar brands, implementing empowerment strategies will not induce tremendous

improvements regarding to the different behavioral intentions components. These arguments lead to the following propositions:

*H2. Empowerment practices launched by low familiarity brands will induce more favorable impact on brand attitude than when implemented by highly familiar brands.*

*H3. Empowerment practices launched by low familiarity brands will relatively generate more positive impact on word of mouth than when implemented by highly familiar brands.*

*H4. Empowerment practices launched by low familiarity brands will relatively generate more engagement intention towards the brand than when implemented by highly familiar brands*

*H5. Empowerment practices launched by low familiarity brands will relatively generate more purchase intentions than when implemented by highly familiar brands*

Two major theories (theory of stimulation and self-efficacy) suggest that the harder the task is to be carried out, the more individuals will be strongly motivated by its achievement. Indeed, motivation is presented according to a continuum by the theory of stimulation (Brehm and Self, 1989; Wright and Brehm, 1989; Locke and Latham, 1990): tasks implying less effort are linked to a motivational stimulation close to zero; whereas, highly complex operations seem to be more attractive to potential participants. Self-efficacy theory contributions (Bandura, 1977) emphasize key role played by willingness to test one's skills and knowledge pursued by participants. In view of these considerations, a strong contribution (empowerment to create) is expected to generate responses and behaviors that are more favorable to the brand than a low contribution (empowerment to select) because these activities mobilize consumers' creativity, knowledge and know-how, giving them an opportunity to develop and prove their effectiveness.

*H6. Individuals participating in empowerment to create campaigns will show a more favorable attitude toward the brand than consumers empowered to select.*

*H7. Individuals participating in empowerment to create campaigns will engage in a larger positive word-of-mouth toward the brand than consumers empowered to select.*

*H8. Individuals participating in empowerment to create campaigns will demonstrate more important engagement intentions toward the brand than consumers that were empowered to select.*

*H9. Participants in empowerment to create campaigns will have higher purchase intentions for the product than those that were empowered to select.*

## **Methodology**

To test the aforementioned research hypotheses, we've manipulated empowerment type in a 3 (empowerment to create, empowerment to select and zero empowerment) × 2 brand familiarity (high vs. low) between subjects design. A total of 170 undergraduate students ( $M_{age}=18.16$ , 70% women) participated in our experiment. The company labelled as highly familiar is *Michel et Augustin* while *Cookies&Cie* is the low familiarity brand used in our research. All experimental conditions are reported in Appendix 1.

*Measures.* We measured all items using a seven-point Likert scale or a seven-point semantic differential scale. We measured brand attitude after participation ( $\alpha=.92$ ) with a four seven-point semantic differential scale taken from Yoo and MacInnis (2005). We captured word-of-mouth using four items ( $\alpha= 0.88$ ) adapted from Goyette (2007). We then measured brand engagement intention using a six items scale ( $\alpha=0.87$ ) adapted from Keller, 2001. We operationalized purchase intention using single item scale adapted from Brady and Cronin, 2001. In accordance with variables controlled in previous advancements (Fuchs and Schreier, 2010), we've selected implication toward product category, skepticism toward advertising and we've decided to add consumer self-confidence and consumer perceived expertise towards product category as these constructs might be related to consumer self-efficacy feelings

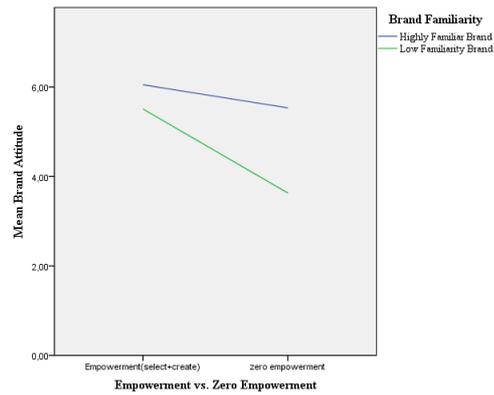
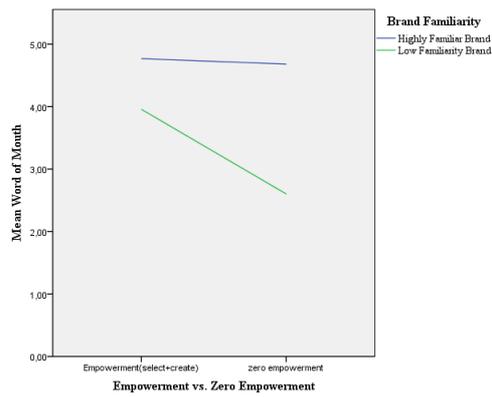
(Bandura, 1977) to avoid potential contaminating influences. To measure consumer self-confidence, we used responses to six statements adapted from Tafarodi and Swann (1996). Next, seven items adapted from Flynn and Goldsmith (1999) enabled us to measure consumer expertise relating to consumer goods ( $\alpha=0.84$ ). We added a measure of skepticism towards communication campaigns ( $\alpha=0.86$ ) adapted from Obermiller and Spangenberg (1998). Finally, we measured product involvement accordingly to Strazzeri (1994) scale ( $\alpha=0.84$ ).

## Results

*Manipulation check.* Prior to conducting the experiment, we conducted a first pretest ( $n=20$ ,  $M_{age}=38.2$  years, 65% women) to verify that consumers perceived *Michel et Augustin* as a well-known brand while Cookies&Cie was unknown by consumers. Respondents were asked to rate the two brands Michel et Augustin and Cookies&Cie on a seven point Likert-scale: “Do you think ... is a well-known brand of cookies?” All participants acknowledged being unfamiliar with the brand Cookies&Cie ( $M_{Cookies\&Cie} = 1.25$ ) and highly familiar with *Michel et Augustin* ( $M_{MicheletAugustin} = 6.05$ ,  $p=0.00$ ). Next, we asked participants about the task they had to do according to the layout and we exposed them to dichotomous answers (yes/no). We found that our treatment was effective because 100% of participants assigned to empowerment to create task understood that they had to create a new recipe (Chi-square=170,  $p=0.00$ ) and it is the same for both empowerment to select (Chi-square=170,  $p=0.00$ ) and zero empowerment scenarios (Chi-square=83.75,  $p=0.00$ ).

*The effectiveness of empowerment strategy: the moderating role of brand familiarity.* First, we compare empowerment vs. zero empowerment strategies effects. We merge the results collected in the empowerment-to-select and empowerment-to-create settings, in order to compare empowerment vs. non empowerment conditions. We employed a multivariate analysis of covariance (MANCOVA). To that end, we've selected empowerment versus zero empowerment scenarios as the independent variable; and we chose brand attitude, word-of-mouth, brand engagement intentions, and brand purchase intention as dependent variables; along with the potential covariates. We demonstrate that empowerment versus zero empowerment campaigns enhance all dependent variables means which are word of mouth, brand attitude, consumer engagement and purchase intention (cf. Annex 2). These findings mirror previous empirical results (Fuchs and Schreier, 2011) which indicated that empowerment to create and to select initiatives will lead to an enhanced brand attitude, word of mouth, engagement intentions and will induce higher demand towards the products for non-participating consumers comparing to zero empowerment situations. Consequently, hypotheses H1 a, b, c and d are validated. To check our assumption about the interaction effect of brand familiarity and empowerment strategy implementation (empowerment vs. no empowerment) on brand attitude, word-of-mouth, brand engagement intentions, and brand purchase intention, we conducted a multivariate analysis of covariance (MANCOVA). We took level of brand familiarity (high vs. low) and empowerment strategy as the independent variables; brand attitude, word-of-mouth, brand engagement intentions, and brand purchase intention as dependent variables; along with the potential covariates. The overall MANCOVA shows significant interaction effects at 0.05 level between the level of brand familiarity and empowerment strategy implementation on word of mouth ( $F = 15.91$ ,  $p= 0.002$ ) and brand attitude ( $F = 17.37$ ,  $p= 0.000$ ), which supports hypotheses H2 and H3. Hypotheses H4 and H5 are unvalidated. The moderating role of brand familiarity is illustrated in Figure 2.

Figure 2. Effects of empowerment vs. zero empowerment on word-of-mouth (on the left) and on brand attitude (on the right) according to brand familiarity



*The relative effectiveness of type of empowerment.* Concerning relative efficacy between empowerment to create and empowerment to select, consumers who took part to empowerment to create activities exhibited higher intentions to engage in positive word of mouth towards the brand ( $M_{EC} = 4.55$ ;  $M_{ES}=4.14$ ;  $M_{ZE}=3.68$ ) and an enhanced brand attitude ( $M_{EC} = 5.85$ ;  $M_{ES}=5.68$ ;  $M_{ZE}=4.62$ ) as well as higher engagement intentions ( $M_{EC}=3.82$ ;  $M_{ES}=3.63$ ;  $M_{ZE}=3.20$ ) comparing to those who were empowered to select. However, MANCOVA analysis (Annex 2, Table 2) confirms that empowerment to create enhances significantly word-of-mouth and engagement intention comparing to empowerment to select. These results support hypotheses H7 and H8. Hypotheses H6 and H9 are not supported.

## Discussion

Our empirical findings suggest that managers of consumer goods should refine their empowerment strategies characteristics while implementing them. While comparing empowerment strategies launched by highly familiar brands and low familiarity brands, these communication campaigns show that brands associated to high familiarity shouldn't initiate these kinds of strategies because they don't tremendously enhance behavioral indicators. As a matter of fact, both zero empowerment and empowerment to create or to select scenarios produce favorable behavioral intentions towards the high familiarity brand which can be explained by reputable brand equity. Consequently, empowerment strategies are more suitable for companies characterized by low familiarity. When companies' objectives behind empowerment strategies are an enhancement of word-of mouth towards the brand, performing empowerment to create designs appear more advantageous for companies than empowerment to select. However, coming up with empowerment to select contests is more interesting for companies that want to improve the other behavioral indicators (brand attitude, purchase intention) as they are less expensive and easier to implement as empowerment to create strategies. Nevertheless, our results are not without limits and the latter can constitute interesting further lines of research to confirm and prolong these initial results. First, our experiment was framed around only one product category (cookies), further research should extend this research to other categories of product and other brands to increase external validity. It might be worthwhile to explore effects of empowerment for more involving products as sports equipment (Decathlon Creation) and for companies apart from Michel et Augustin relying less on empowerment strategies. Our study was framed around students which are ordinary consumers associated with low expertise (consumer goods sector) comparing to lead users, it extends the first results obtained by Fuchs and Schreier (2010). Finally, the comprehension of empowerment practices for an adult population could be an interesting line of research to test the effects of other individual variables (e. g. skepticism toward advertising, perceived competence) implicated as possible moderators of empowerment effects.

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Annex 1. Experimental conditions

	Michel et Augustin	Cookies&Cie
<b>Empowerment to create</b>		
<b>Empowerment to select</b>		
<b>Zero Empowerment (control group)</b>		

Annex 2. Tables of MANCOVA tests

Table 1. Effects of empowerment strategies on behavioural intentions when compared with baseline strategy zero empowerment (ZE).

Source		Type III Sum of squares	Df	Mean Square	F	Sig.
Corrected Model	Brand attitude	70.93	6	11.82	9.11	.00
	Word-of-Mouth	44.07	6	7.35	4.14	.00
	Engagement intention	35.37	6	5.89	4.2	.00
	Purchase intention	52.98	6	8.83	3.6	.00
Empowerment vs. Zero empowerment	Brand attitude	53.82	1	53.82	41.48	.00
	Word-of-Mouth	24.86	1	24.88	14.03	.00
	Engagement intention	7.18	1	7.18	5.12	.03
	Purchase intention	11.72	1	11.78	4.78	.03

Table 2. Effects of empowerment to create strategies on behavioural intentions when compared with empowerment to select.

Source		Type III Sum of squares	Df	Mean Square	F	Sig.
Corrected Model	Brand attitude	7.76	6	1.29	1.72	.12
	Word-of-Mouth	34.11	6	5.68	3.31	.00
	Engagement intention	53.08	6	8.85	8.01	.00
	Purchase intention	54.66	6	9.11	3.97	.00
Typ_Emp	Brand attitude	1.96	1	1.96	2.60	.11
	Word-of-Mouth	9.51	1	9.51	5.54	.02
	Engagement intention	5.20	1	5.20	4.70	.03
	Purchase intention	0.72	1	0.72	0.32	.57