

**Non-participants And Brands' Communication Of Co-creational Efforts:
A Matter Of Trust.**

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EXTENDED ABSTRACT

Today, more and more firms develop customer empowerment strategies (CES) to empower their customers in ideation or selection of new product developments (Fuchs and Schreier 2011). Research in that field has mostly focused so far on customers actively participating to CES. Another influential and bigger group might be studied: the brand audience as a whole, not participating to the initiatives. Labelling innovation as being designed/selected by consumers may have a positive impact on brand evaluations (Fuchs and Schreier 2011). Yet, marketers must know that communicating their co-creational efforts is not always positive. There might be only one step for the audience to interpret the message as another brand marketing means aiming at improving, overly and unduly, perceived customer orientation.

With this research, we examine effectiveness conditions of CES-communication to the non-participants. More specifically, we highlight reasons for non-participants to be sceptical. We here suggest that brand trust is a central concept after exposure to CES-communication, especially in the current context of greater suspicion toward brands. If the ultimate objective of marketing is to create and nurture a long-term relationship between consumers and companies, trust constitutes the main ingredient of this relationship (Morgan and Hunt 1994).

First, we empirically show the importance for non-participants to publicly see the brand feedback on participant' submitted ideas and to be transparent in the process, which is counterintuitive. Second, our study enhances understanding of how trust influences non-participants' brand relationship. We examine that influence on both fictive and well-known brands.

Our first hypothesis postulates that a message highlighting that a brand gave feedback and was transparent all along the process will improve non-participants' perceived empowerment (H1). We first draw on the vicarious empowerment non-participants can feel when they see other customers participating in innovation challenges, even if they did not participate themselves (Dahl, Fuchs, and Schreier 2014). Then, the co-creation literature reports participants' need to feel that the brand listens to their ideas; transparency and feedback are the key elements they request. If the organization fails to be transparent about the rules, to listen and to give feedback, participants quickly become irritated (Ind, Iglesias, and Schultz 2013).

Perceived empowerment helps foster brand trust (Füller et al. 2009), if participants are simultaneously provided with the needed resources (Tzafrir, Baruch, and Dolan 2004). Fostering trust may be hard in case of information asymmetry. Decreasing information asymmetry may result in increased trust. Thus, one way brands can make their customers trust them is to give them the necessary information (Gefen, Karahanna, and Straub 2003), namely here feedback and transparency. If non-participants may vicariously feel empowerment (Dahl et al. 2014), we hypothesize (H2) that feedback and transparency in CES-communication will foster non-participants' trust in the empowering brand through the indirect and positive influence of perceived empowerment.

Trust is reassessed over time, through assessment of previous encounters (Mayer and Davis 1999). Therefore, in case of low initial brand trust, non-participants might also perceive lower empowerment from the brand (H3).

We find support for our hypotheses H1 and H2 in Study 1. Participants (n=213) were randomly shown three new product development scenarios for a fictive brand: empowerment

with feedback/transparency, empowerment without feedback/transparency, no empowerment. Perceived empowerment ($\alpha=0.941$) and brand trust ($\alpha=0.910$) were measured on seven-item existing scales. Results support H1: non-participants significantly perceive higher empowerment in the condition with empowerment and feedback/transparency (MUGIFT=4.99) than in both other conditions (MUGINOFT=3.96, $pUGIFT<0.001$ and MCONTROL=3.68, $pUGIFT<0.001$). Yet, there is no difference in perceived empowerment between the no-empowerment condition and the empowerment condition with no feedback/transparency ($p=0.52$). Regarding H2 and using Hayes macro (2013, PROCESS Model 4), with 5000 bootstrap and percentile confidence interval estimates, we confirm the mediating role of perceived empowerment in the relation between CES and brand trust. Yet, only when comparing the empowerment with feedback/transparency condition to no-empowerment condition. Non-participants start developing brand trust via the stronger empowerment perceived only when a brand publicly gives feedback and cues transparency.

In a second study, we manipulate brand perceived reliability, using well-known high-rotation food brands: famous with low reliability expected (BLoR), famous with higher reliability intended (BHiR) and existing but unknown brand, with neutral perceived reliability intended (BNeR). First, each randomly allocated respondent saw one of the three brand logos. After a few questions about it, he/she receives the treatment. We used identical online press lay-outs for all groups, with brand name and brand picture as sole differences. Content informed about a brand's customer empowerment strategy and included feedback and transparency cues. Initial brand trust ($\alpha=0.883$) and perceived empowerment ($\alpha=0.915$) and were again measured on 7-item existing scales.

Main effects on perceived empowerment are significant: $F(2,2374)=17.87$ ($p<0.001$). BLoR mean is significantly lower than each other two means ($p<0.001$); there is no significant differences between BHiR and BNeR ($p=1.00$). After finding a significant interaction between brand and initial trust on perceived empowerment, we run a floodlight analysis using Johnson-Neyman technique. For individuals with initial brand trust inferior to 4.03 ($\beta=-0.11$; $s.e.=0.06$; $p=0.05$), the effect of the brand on perceived empowerment is significant and negative: individuals perceive lower empowerment from the famous food brand with low reliability than for the famous brand with higher reliability. This effect is not significant for individuals with a brand trust greater than 4.03. 70.8% of the respondents have moderator value below that significance threshold and 29.2% of respondents above. These results support H3.

This research offers noteworthy theoretical insights and practical implications. First, we contribute to a still scarce literature and show the importance of non-participants' trust toward the empowering brands. We imply that initiating and communicating customer empowerment may help foster brand trust, if the brand publicly shows they gave feedback and observed transparency all along the process. Our last result, suggesting that initial brand trust modulates empowerment, allow us alert managers that communicating CES to non-participants may not be a good strategy if they suspect issues with their brand audience's trust in their integrity. These empirical findings are limited in several ways though that delineate promising areas for future research though.

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