

**RELATION ENTRE CO CREATION ET RESPONSABILITE SOCIALE DE L'ENTREPRISE : LE TYPE  
D'ACTIVITE DE CO CREATION JOUE-T-ELLE UNE INFLUENCE ?**

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Résumé: Les médias sociaux et les plateformes interactives offrent aux entreprises la possibilité de co-créeer avec les consommateurs, les transformant ainsi en collaborateurs actifs qui deviennent de réelles parties prenantes de l'entreprise. Alors que des recherches antérieures ont déjà mis en avant que la co-créeation d'activités en lien avec la responsabilité sociale de l'entreprise (RSE) génère de la valeur pour l'entreprise, peu de recherches se sont intéressées à la relation entre co-créeation et l'image RSE. L'objectif de cette recherche est d'explorer les mécanismes à travers lesquels la co-créeation peut améliorer la perception RSE des entreprises. Nos résultats montrent que certaines formes de co-créeation peuvent influencer l'image RSE de l'entreprise perçue par des consommateurs qui n'ont pas directement été impliqués dans l'activité de co-créeation.

Mots clés: Responsabilité sociale de l'entreprise (RSE) ; RSE perceptions ; co-créeation ; attitude des consommateurs.

## **ON THE RELATIONSHIP BETWEEN CO-CREATION AND CORPORATE SOCIAL RESPONSIBILITY: CAN THE TYPE OF CO-CREATION ACTIVITIES MAKE A DIFFERENCE?**

**ABSTRACT:** Social media and interactive platforms have offered companies the possibility to co-create with consumers, thus transforming them into active collaborators. While prior research has already highlighted that co-creation of corporate social responsibility (CSR) activities can generate value for the company, research on the relationship between CSR image and co-creation is still in its early stages. This paper addresses this literature gap by investigating whether and how co-creation activities affect consumers' CSR perceptions. The results of our study suggest that co-creation, unrelated to CSR activities, can contribute to the CSR image of the company, in the eyes of consumers who have not been involved in the co-creation process. Our research highlights the conditions under which such effect occurs and allows for a better understanding of the psychological mechanism that underlies this effect. This research thus provides timely and relevant insights to managers for developing appropriate co-creation strategies.

**Keywords:** Corporate social responsibility, CSR perceptions, Co-creation, Co-creation motives, Consumer attitudes.

# **ON THE RELATIONSHIP BETWEEN CO-CREATION AND CORPORATE SOCIAL RESPONSIBILITY: CAN THE TYPE OF CO-CREATION ACTIVITIES MAKE A DIFFERENCE?**

## **Introduction**

The development of online communities and interactive platforms allow companies to interact directly with consumers, offering new possibilities to co-create. Co-creation refers to the process whereby companies and customers, in interactions, create value (Grönroos and Voima, 2013; Prahalad and Ramaswamy, 2004). While it creates new challenges for managers (Roberts and Adams, 2010), companies have started to treat their customers as active collaborators. Companies such as Apple, Danone, or Lego are using co-creation to optimize their marketing mix, stimulate support for their brand, and develop closer relationships with customers. Some companies also invite consumers to co-create the design and implementation of their corporate social responsibility (CSR) activities (Korschun and Du, 2013), which broadly speaking, reflect “the responsibility of enterprises for their impacts on society” and involve a process whereby companies “integrate social, environmental, ethical, human right, and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” (Commission of the European Communities, 2011, p. 6).

Prior research endeavors have highlighted how the co-creation of CSR activities can generate value for the company and society (Korschun and Du, 2013). Many scholars have recently focused on the study of CSR, especially from a management perspective and trying to determine how CSR investments and performance imply larger benefits for companies (Melo and Garrido, 2012). However, less attention has been given to the study of customer perceptions of CSR (Pérez and Rodríguez del Bosque, 2014). Specifically, research on the relationship between CSR perceptions and co-creation is still in its early stages, and more research is needed to better understand the connections between the notions of co-creation and CSR, and how co-creation of marketing actions may influence the CSR image of a company. This research addresses this issue by investigating (1) whether different types of marketing co-creation affect the extent to which the company is perceived as socially responsible by other consumers (who

have not been involved in the co-creation activities) and (2) the psychological mechanisms that underlie this effect.

### **Theoretical background and hypotheses development**

Academics and practitioners have largely focused on value co-creation, described as the collaboration between multiple stakeholders (Prahalad and Ramaswamy, 2000). This perspective changes the traditional view that suppliers produce goods/services and customers purchase them to a more customer-centric value creation where customers interact with the company to co-create value (Prahalad and Ramaswamy 2004; Vargo and Lusch, 2008). Vargo and Lusch (2008) have recognized the central role of co-creation of value through the service dominant (S-D) logic in marketing. By playing an active role, customers enable companies to identify customers' needs and wants (Lusch and Vargo 2006), to adapt their offers to customer needs (Etgar, 2008), and to improve their processes in a more effective way. In addition, co-creation provides customers with a feeling of accomplishment that enhances satisfaction (Meuter et al. 2000). Consumer involvement in co-creation activities can be achieved through direct and indirect collaboration across one or more stages of production and consumption (Hoyer et al. 2010; Payne et al. 2008; Roggeveen et al. 2012).

The Corporate Social Responsibility (CSR) image refers to stakeholder perceptions of corporate responses to the general social concerns of stakeholder groups (Pérez and Rodríguez del Bosque, 2013). Pérez and Rodríguez del Bosque (2013), in their development of a CSR image measurement scale, highlight that corporate activities oriented towards customers, that pertain to the complete and honest communication of corporate products and services, contribute to the overall CSR image of a company. As highlighted by the Commission of the European Communities (2011) and many scholars in the CSR field (Aguinis, 2011; Clarkson, 1995), collaboration between a company and its key stakeholders in order to generate value is a central aspect of the notion of CSR. In addition, according to Abela and Murphy (2008), the S-D logic of marketing facilitates the integration of ethical considerations into marketing decision-making: "the S-D logic has an inherently ethical base, because the focus of major ethical systems is on how human beings ought to behave and to relate to one another" (p. 45). Thus, we might expect that consumers who learn that a company involves its customers in co-creation activities will perceive the company as more socially responsible than a company that does not involve its customers.

However, we argue that such effects may vary according to the type of co-creation strategies developed by the company. Vernet and Hamdi-Kidar (2013) highlight that two types of co-creation strategies can be distinguished, namely downstream co-creation strategies—which involve activities that occur after the product launch—and upstream co-creation strategies—which involve customers’ participation “from the product idea to its conception, through its test phases and even as far as the advertising campaign” (p. 4). Because a company that develops an upstream co-creation strategy involves customers earlier in the process, the company may appear to value its customers’ input to a greater extent than when a brand develops a downstream co-creation strategy. In other words, consumers might make attributions about the motives of the company for developing co-creation activities.

Prior CSR research has shown that consumers’ responses to CSR are largely determined by the type of motives consumers attribute to the company for its CSR activities (e.g., Ellen et al. 2006) and those responses tend to be more favorable when consumers mainly attribute intrinsic, or more altruistic, motives to the company for its CSR activities. Past research has shown that an information that a company has involved other customers in the development of its new product influences brand perception of non-participating customers ((Liljedal and Dahle, 2015). Rifon et al. (2004) show that the more altruistic motivations customers perceive in companies engaging in CSR, the greater their evaluation of corporate credibility, which in turn positively influences CSR image. Due to the connections that exist between the notion of CSR and co-creation, we can expect a similar reasoning to apply when consumers learn that a company develops co-creation activities. Specifically, upstream co-creation activities might trigger more favorable intrinsic attributions (i.e., beliefs that the company genuinely cares about customers’ input) than downstream co-creation activities, which in turn will result in more favorable perceptions that the brand is a socially responsible brand. Thus, we formulate the following hypotheses:

**H1:** The type of co-creation strategy adopted by the company affects the extent to which consumers perceive it as a socially responsible company (i.e., CSR perceptions). In comparison to a situation without co-creation, upstream (versus downstream) co-creation strategies trigger more favorable CSR perceptions.

**H2:** Upstream co-creation strategies lead to more favorable attribution of intrinsic motives to the company for developing co-creation activities than downstream co-creation strategies.

As previous research indicates that consumers' CSR perceptions positively affect their evaluations of the company (Brown and Dacin 1997; Wagner, Lutz, and Weitz 2009), we expect a positive relationship between consumers' CSR perceptions and company attitudes.

**H3:** Consumers' attributions of intrinsic motives to the company for developing co-creation activities mediates the effect of the type of co-creation on consumers' CSR perceptions, which in turn positively influence consumers' attitude toward the company.

## **Methodology**

To test our hypotheses, we employed a between-subjects experimental design with a sample of 182 respondents (53.8% male;  $M_{age}=37.4$  years), recruited through Amazon Mechanical Turk. Each participant was randomly assigned to one of three experimental conditions: (1) upstream co-creation, (2) downstream co-creation, (3) control. All participants read a scenario about the launch of a new ice cream by a hypothetical company. We used a fictitious company to limit the influence of participants' prior knowledge about the company. The co-creation activities described in the two co-creation scenarios pertained to the ice cream promotion campaign. Such co-creation activities related to product promotion are often used (e.g., Nespresso) and do not require extensive expertise, in contrast with other types of marketing activities such as new product developments. Participants in the upstream co-creation condition read a scenario emphasizing that the company and asked its customers to vote for and give feedback about their favorite advertising campaign among three ideas developed by the company's employees. Participants in the downstream co-creation condition were exposed to a scenario emphasizing that, after the launch, the company invited its customers to share information about the new ice cream on social networks and to become ambassadors of the product. Participants in the control condition were told that the launch of the product, including its promotion campaign, was handled entirely by employees of the company. After reading the scenario (see Appendix 1), participants were asked a series of questions measuring, on 7-point scales, their attitude towards the company (4 items, Wagner et al., 2009, Cronbach's alpha  $\alpha = .977$ ), CSR perceptions (1 item pertaining to the perceived ethical standards followed by the company and 5 items pertaining to CSR toward customers, Pérez and Rodriguez del Bosque, 2013,  $\alpha = .923$ ), and perceived intrinsic motives of the company for developing co-creation activities (1 item, adapted from Du et al., 2007). We also included measures of participants' perceptions of customers' involvement (4 items,  $\alpha = .911$ )

to check our co-creation manipulation, as well as a measure of perceived customers' expertise (2 items,  $r = .764$ ), in addition to socio-demographic questions.

## Results

As expected, the co-creation manipulation was successful ( $F(2,179)=23.518, p<.001$ ). Participants' perceptions that the company involves its customers in co-creation activities is significantly lower in the control condition ( $M=4.156$ ) than in the upstream co-creation condition ( $M= 5.607, p<.001$ ) and downstream co-creation condition ( $M=5.517, p<.001$ ). No significant difference were found between the two co-creation conditions ( $p=.89$ ). In addition, participants rated the expertise of the customers who took part in its upstream and downstream co-creation activities similarly ( $M_{\text{upstream}}=5.17$  vs  $M_{\text{downstream}}=5.17, t(120) = -.012, p=.99$ ).

With respect to H1, the ANOVA analysis revealed a significant effect of co-creation type (upstream vs downstream vs control) on consumers' CSR perceptions ( $F(2,180)=8.77, p < .001$ ). Specifically, when the company develops upstream co-creation ( $M=5.73$ ), consumers perceive the company as more socially responsible ( $M=5.73$ ) than when it develops downstream co-creation ( $M=5.03, p<.001$ ) or doesn't engage in co-creation ( $M=5.25, p < .01$ ). However, no significant differences in CSR perceptions were found between the presence of downstream co-creation activities and the absence of co-creation activities ( $p=.199$ ). These results suggest that co-creation may improve a company's CSR image, but that this effect depends on the type of co-creation activities developed, as expected in H1.

With regards to H2, the results of a t-test revealed that upstream co-creation activities lead to more favorable attributions of intrinsic motives to the company for developing co-creation activities than downstream co-creation activities ( $M_{\text{upstream}}=5.45$  vs  $M_{\text{downstream}}=4.67, t(120)=-2.844, p=.005$ ). We tested whether perceived intrinsic motives for developing co-creation activities mediates the effect of co-creation type (upstream versus downstream) on CSR perceptions, which in turn affects consumers' attitude toward the company (H3) using the PROCESS bootstrapping method (Hayes 2013; "model 6"; 5000 bootstrap samples). Results confirm our hypothesis about this sequential mediation process. Attributions of intrinsic motives positively affect CSR perceptions ( $B=.394, SE=.052, p<.001$ ), which in turn positively influence consumers' attitudes toward the company ( $B=.777, SE=.115, p<.001$ ). The effects of co-creation type ( $B=-.12, SE=.167, p=.474$ ) and perceived co-creation motives ( $B=.106, SE=.073, p=.148$ ) on company attitudes, when CSR perceptions is included in the analysis as a mediator, are non-significant. Moreover, the indirect effect of co-creation

type on attitudes toward the company, through perceived co-creation motives and CSR perceptions organized sequentially, is significant ( $B=.24$ ,  $SE=.099$ ,  $CI95: .0844$  to  $.4852$ ).

## **Conclusion**

Our research contributes to the literature on CSR by providing a better understanding of the link between co-creation and CSR. Previous research has shown that co-creation of CSR activities can generate value for both the company and society (Korschun and Du, 2013). Our research shows that co-creation, unrelated to CSR activities, can also contribute to the CSR image of the company, in the eyes of consumers who have not been involved in the co-creation process. Specifically, we show that certain types of customers' involvement in product promotional campaigns for an innovation may enhance consumers' CSR perceptions, and that this effect occurs mainly with upstream co-creation strategies, such as voting and giving feedback on an advertising campaign. We demonstrate that this effect occurs because upstream co-creation activities lead consumers to attribute more favorable intrinsic motives to the company for the development of upstream co-creation activities (i.e., it genuinely cares about its customers' input) than for downstream co-creation activities.

Our research also adds to the literature on co-creation. While involving consumers in the selection of advertisements prior the launch (upstream) enhances the company's CSR image and consumers' attitudes toward the company, customer participation in activities to promote the innovation on forums after the launch (downstream) tends to trigger less positive reactions. Thus, companies should carefully select the types of co-creation activities they involve their customers in, and take into account the fact that intrinsic motives need to be perceived by consumers who have not been involved in the co-creation activities.

Future research could investigate further the notion of "intrinsic" motives in the context of co-creation, considering that it is an important factor that drives the effects we find about the differential impact of different types of co-creation.



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## Appendix 1

### Upstream co-creation condition

A company called LM (the real name is not being released for confidentiality) recently developed a new product. Please read the information below about the launch of the product carefully and answer the questions that will follow on the next pages.

*A few weeks ago, an ice cream company called LM launched a new ice cream for the autumn named "Dream". It is meant to offer taste while remaining healthy.*

*During several months prior to the launch, LM contacted its customers to vote and give feedback about their favorite advertising campaign among three creative ideas developed by the employees of the company. The company selected the best advertising campaign based on customers' opinion.*



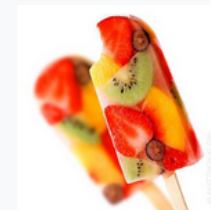
*Thanks to these activities, the launch of the new ice cream has been very successful.*

### Downstream co-creation condition

A company called LM (the real name is not being released for confidentiality) recently developed a new product. Please read the information below about the launch of the product carefully and answer the questions that will follow on the next pages.

*A few weeks ago, an ice cream company called LM launched a new ice cream for the autumn named "Dream". It is meant to offer taste while remaining healthy.*

*Since the official launch, LM released the information to its customers so that they could share information about the new "Dream" ice cream on social network and become ambassadors of the product.*



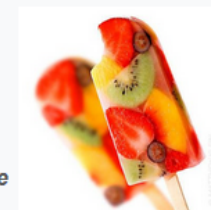
*Thanks to these activities, the launch of the new ice cream has been very successful.*

### Control condition

A company called LM (the real name is not being released for confidentiality) recently developed a new product. Please read the information below about the launch of the product carefully and answer the questions that will follow on the next pages.

*A few weeks ago, an ice cream company LM (anonymized due to reasons of competition) launched a new ice cream for the autumn named "Dream". It is meant to offer taste while remaining healthy.*

*For several months, the research and development team of the company worked on the idea. This new ice cream was created and produced in-house by employees of the company. LM developed all the advertising and promotional tools internally. After the launch, the company also posted information about the new product on its website and monitored the performance of the product closely.*



*Thanks to these activities, the launch of the new ice cream has been very successful.*