UNDERSTANDING CUSTOMERS' WILLINGNESS TO PARTICIPATE IN CO-CREATION: THE FIT PERSPECTIVE

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Abstract

Social media that allow users to share, create, discuss, and exchange user-generated contents have opened up the potential for co-creation. However, because of social media's the nature of ubiquitous connectivity, customers are involved in a short-term relationship in which customers can choose to interact with multiple firms and switch one firm to another with relatively little effort and cost. Although an increasing number of firms have recognized the advantages of customer participation, it is difficult for firms to engage customers with their co-creation activities. To address this issue, this research integrates the theories of person-environment fit and task-technology fit to propose a research framework that helps understand how fit play an important role in customer participation, which in turn leads to favorable outcomes. A Web-based survey is conducted in Facebook to validate the proposed framework. The current research is expected to contribute to the theories by examining the theories of person-environment fit and task-technology fit in the context of co-creation. The current research is also expected to contribute to the practices by illustrating that firms could attract and motivate customers to participate by harnessing customer identifications, offering incentives, deploying various functions of social media technology.

Keywords: Person-Environment Fit, Task-Technology Fit, Customer Participation, Co-Creation, Social Media.

1   INTRODUCTION

Encouraging customer participation represents the next frontier in competitive effectiveness (Bendapudi & Leone 2003). Previous studies suggested that compared with the firm that actively engages customers with its service creation and delivery process, the firm that fails to trade upon customer competence is at a competitive disadvantage (Eisingerich et al. 2014; Schneider & Bowen 1995). In line with the above arguments, the advocates of co-creation argued that enabling customers to co-create unique experiences with the firm is new sources of competitive advantage (Prahalad & Ramaswamy 2004). In addition, a number of studies indicated that customer participation provides favorable outcomes for the firm, such as satisfaction (Bendapudi & Leone 2003), loyalty (Auh et al. 2007), new product development (Fang et al. 2008), and so on. Because of recognizing the unique position of the customer in business, an increasing number of firms have been turning to open innovation which means that the firm attempts to generate and exploit inputs beyond the traditional boundaries of the firm by working closely with its customers (Eisingerich et al. 2014; Jarvenpaa & Tuunainen 2013). In other words, customers have been increasingly being encouraged to take on more active roles in various firm-hosted activities (Ngo & O'Cass 2013).

The rapid growth of social media has fundamentally changed our daily lives and impacted social interactions (Lu & Yang 2014). According to the Forrester Research's report, 75% of Internet users participate in various forms of social media (Rishika et al. 2013). Because social media (e.g., Facebook, Twitter, LinkedIn, and MySpace) that build on the ideological and technological foundations of Web 2.0 allow users to share, create, discuss, and exchange user-generated contents (Kaplan & Haenlein 2010; Kietzman et al. 2011), they have opened up the powerful potential for co-creation (Jarvenpaa & Tuunainen 2013). As a result, an increasing number of firms have invested in the creation of social media or are planning to do so in the near future so as to share information about their products and promotions, build relationships with their customers, converse about their offerings, and co-create with their customers (Jarvenpaa & Tuunainen 2013; Poyry et al. 2013; Rishika et al. 2013). However, because of the nature of ubiquitous connectivity, social media represent an environment in which customers can choose to interact with multiple firms with relatively little effort and cost (Poyry et al. 2013). That is, customers are involved in a short-term relationship with a specific firm where customers hold lower levels of loyalty and switch one firm to another. Therefore, how to attract and motivate customers toward willingness to participate in the firm-hosted social media activities is a critical issue for the firm. This leads to a question: "what factors facilitate customers' motivations to participate?" Although motivation studies have examined the impact of hedonic and utilitarian motivations on online participation behavior (Poyry et al. 2013), it is insufficient for explaining why customers are motivated to participate.

How does an employee fit in an organization environment is a fundamental question addressed by the theory of person-environment fit. The person-environment fit that considers the role of human

motivation in organizational behavior has been widely applied in various research topics, such as job applicants and turnover decisions (Cable & De Rue 2002; Greguras & Diefendorff 2009). The basic premise of person-environment fit is that when individuals/employees perceive that (a) the organization shares similar values/goals with them, (b) their needs are fulfilled by the organization, and/or (c) their abilities can meet the organization's requirements, they are more likely to have positive attitudes and behaviors toward the organization (Greguras & Diefendorff 2009), such as job choice intention, organizational commitment, and job satisfaction (Cable & De Rue 2002; Greguras & Diefendorff 2009). Because customer participation studies have defined customers as "partial employees" of an organization's service offerings (Etgar 2008), this research believes that the person-environment fit theory can be regard as a useful perspective for examining customer participation behavior. Moreover, the theoretical model of task-technology fit that explains how the fit between task requirements and technology functions affects technology utilization (Goodhue & Thompson 1995) is useful lens to examine why customers are willing to use social media to complete the firm-hosted co-creation tasks.

2 THEORETICAL FOUNDATIONS AND HYPOTHESES

2.1 Customer Participation

In the past, customers are viewed as passive recipients of value. In recent years, many studies advocate that firms should be encouraged to pay attention on the role of customer participation in the service creation and delivery process (Eisingerich et al. 2014). This means that the shift of perspective from "what can we do for you" to "what can you do with us" (Ngo & O'Cass 2013; Wind & Ranaswamy 2000). Prahalad and Ramaswamy (2004) argued that the market has become a forum in which customers are creators and competitors of value. Customers can seek to exercise their influence in various parts of the business system to co-construct their own experiences. This argument is consistent with the argument of the service-dominant logic. The service-dominant logic claims that customers are always co-creators of value (Vargo & Lusch 2004). The firms should be seen as facilitators of value co-creation process rather than as producers of standardized value (Chan et al. 2010; Payne et al. 2008). Similarly, Normann and Ramirez (1993) argued that the goal of business is not to create value for customers but rather to mobilize customers to create their own value form the firm's various offerings. In other words, the role of customers is not to consume value but rather to participate to customize its own experiences. Previous studies suggested that customer participation emphasizes the role of customers in supporting the ability of the firm to co-create value, the parts of participation may cover: (a) specification or design, (b) use of input, production, and realization, and (c) consumption of outcome (Troye & Supphellen 2012; Van Raaij & Pruyn 1998). According to the work of Chan et al. (2010), customer participation can be defined as a behavioral construct that measures the extent to which customers provide or share information, make suggestions, and become involved in decision making during the service creation and delivery process.

2.2   Person-Environment Fit

Person-environment fit refers to the compatibility between an individual and an organization that occurs when (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both (Greguras & Diefendorff 2009; Kristof 1996).

Fit scholars have identified three perspectives of fit between an individual and an environment, namely person-organization fit, person-job fit, and person-group fit. The first perspective is person-organization fit which refers to judgments of value congruence between an individual and an organization (Cable & DeRue 2002). The second perspective is person-job fit which can be decomposed into two types of fit: (a) needs-supplies fit and (b) demands-abilities fit (Cable & DeRue 2002). Needs-supplies fit refers to judgments of congruence between individuals' needs/desires and the rewards they receive in return for their contributions on a job (Cable & DeRue 2002). Needs-abilities fit refers to judgments of congruence between individuals' skills/abilities and the demands of a job (Cable & DeRue 2002). The third perspective is person-group fit which refers to judgments of the interpersonal compatibility between an individual and his/her work group. Because this research is interested in understanding how the degree of fit between an individual and an organization affects customer participation by direct contact between an individual and an organization rather than indirect contact between an individual and his/her work group, the perspectives of person-organization fit and person-job fit will be discussed in detail in the subsequent paragraph.

The perspective of person-organization fit is supplementary that claims that an individual and an organization possess similar characteristics in terms of values (Muchinsky & Monahan 1987). According to the attraction-selection-attrition model, Greguras and Diefendorff (2009) argued that when an organization shares similar values and preferences with individuals, individuals are more likely to be attracted to and stay in the organization. Similarly, previous studies indicated that when individuals perceive that their values match the organization's values, they are more likely to have positive actions toward the organization, such as contributing to the firm in a constructive manner (Cable & DeRue 2002; Chatman 1989). The reason is that they perceive that the values of organization reflect their own identify and thereby define themselves in terms of the same social category membership (Turner 1984). Similarly, in the customer-company context, Bhattacharya and Sen (2003) proposed the concept of consumer-company identification which refers to a cognitive state of self-categorisation of a consumer to a company. They further argue that contributions of customers to a firm depend on how they define themselves. When customers have perceptions of overlap or coincidence between their own and organizational identify, it is more likely to lead to their psychological attachment and motivate them to commit themselves to the firm and expend their voluntary efforts on the firm's behalf (Marin & Ruiz de Maya 2013). Based on the above arguments, this research argues that when customers believe that their values match a firm's values, they are more likely to participate in the firm-hosted co-creation activities. This research therefore proposes the following hypothesis:

H1: Person-organization fit positively influences customer participation.

The perspective of person-job fit is complementary that claims that one party provides the resources demanded by another (Muchinsky & Monahan 1987). As mentioned earlier, person-job fit can be decomposed into two types of fit: (a) needs-supplies fit and (b) demands-abilities fit (Cable & DeRue 2002).

Needs-supplies fit focuses on evaluation of a job's rewards as a primary determinant (Cable & DeRue 2002). That is, the degree of fit is based on whether the job's rewards can fulfill individuals' needs/desires. The types of rewards that a job supplies may be financial, social, or psychological (Cable & DeRue 2002). Cable & DeRue (2002) argued that when individuals perceive their needs, desires, or preferences to be met by the supplies of a job, they tend to experience a positive attitudes (Maden 2014). In addition, Maden (2014) suggested that when individuals perceive that the job supplies are sufficient to fulfill their various job-related needs, they are less likely to turnover. In the co-creation context, Chan et al. (2010) pointed out that whether or not customers co-create with an organization depends on the calculations of the benefits (e.g., economic and psychological) to be gained by co-creation. Besides, previous study indicated that customers' hedonic/utilitarian motivations that are based on the values or benefits that they seek determine their participation behavior (Poyry et al. 2013). Based on the above arguments, this research argues that when customers perceive a high degree of match between their needs and the supplies of the co-creation task, they are more likely to participate in the firm-hosted co-creation activities. This research therefore proposes the following hypothesis:

H2: Needs-supplies fit positively influences customer participation.

The concept of demands-abilities fit is similar to the social-cognitive theory's self-efficacy. The concept of self-efficacy refers to the belief about an individual's ability to accomplish a task. The concept of demands-abilities fit refers to the belief that an individual has skills/abilities to perform a task effectively (Greguras & Diefendorff 2009). Previous studies argued that the better individuals' skills/abilities fit with their jobs' demands, the higher the likelihood that they will be attracted and tied to the organization (Cable & DeRue 2002; Greguras & Diefendorff 2009; Mitchell et al. 2001). Similarly, in the co-creation context, Auh et al. (2007) argued that customers who have a high level of expertise are more likely to involve themselves in the production of services. The reason is that customers with higher levels of expertise are more likely to be confident in participating in the service process by making constructive suggestions (Eisingerich et al. 2014). In addition, customers who possess the necessary expertise to provide valuable suggestions will increase the likelihood of involving in co-creation activities because they feel that they have the control or influence of outcomes of services (Auh et al. 2007; Eisingerich et al. 2014). In contrast, when customers perceive that they with less levels of expertise, they are less likely to involve in co-creation activities because they fear for producing a suboptimal outcome (Auh et al. 2007). Based on the above arguments, this research argues that when customers perceive their knowledge, skills, and abilities to be

commensurate with requirements of a job, they are more likely to participate in the firm-hosted co-creation activities. This research therefore proposes the following hypothesis:

H3: Demands-abilities fit positively influences customer participation.

2.3   Task-Technology Fit

The technology acceptance model is widely used for explaining how users determine to accept and use a technology (Davis 1989). Davis (1989) asserted that the belief and attitude are the key factors in determining users' intentions to use information technology. However, Goodhue and Thompson (1995) argued that in addition to perceived usefulness and ease of use, the usage of information technology depends on the perception of whether a technology fits well with users' present tasks. For this reason, Goodhue and Thompson (1995) extended the technology acceptance model and proposed the task-technology fit model for explaining utilization. Task-technology fit refers to the degree to which a technology assists individuals in performing their tasks. Utilization refers to the behavior of employing a technology in completing tasks. Goodhue and Thompson (1995) argued that the degree of fit between technology functions and task requirements will positively affect utilization and task performance. Because this research is interested in understanding how the perception of fit between technology functions and task requirements affects customer participation behavior, what and how task characteristics and technology characteristics influence task-technology fit will not be addressed in the current research framework. Similarly, Venkatesh and Davis (2000) suggested that the mental perception of job relevance (i.e., the degree to which a technology is applicable to an individual's jobs) is the determinant of an individual's perceptions toward using the technology. Social media as emerging technologies with various functions provide an opportunity for firms to create and maintain relationships with customers and to engage them with their activity tasks. Kietzmann et al. (2011) used seven functional blocks to define social media (i.e., identity, conversations, sharing, presence, relationships, reputation, and groups) and asserted that firms can focus on some or all of these functional blocks to build different social media activity tasks for customer engagement. Besides, previous study has applied the task-technology fit model to explain a user's intention to use social networking sites (Lu & Yang 2014). Based on the above arguments, this research argues that if customers perceive that the functions of social media can support the co-creation tasks, they are more likely to participate in the firm-hosted co-creation activities. This research therefore proposes the following hypothesis:

H4: Task-technology fit positively influences customer participation.

2.4   The Outcomes of Customer Participation

In general, satisfaction is considered to be the result of the customer's comparison of expectations with performance (Oliver 1997). Grissemann and Stokburger-Sauer (2012) indicated that engaging customers with the co-creation activities can reinforce their perceptions of belonging to the firm that

will lead to satisfaction with the firm. In addition, previous study pointed out that when customers' needs are met in the participation process, they will be eager to maintain a relationship with the firm (Algesheimer et al. 2005). Rishika et al. (2013) argued that customers who participate in the firm-hosted co-creation activities can assist in judging the firm's offerings, when they identify with the firm, they are more likely to increase the frequency to maintain the customer-firm relationship. Poyry et al. (2013) also found that customer engagement has a positive effect on the membership continuance intention. Furthermore, previous studies indicated that co-creation enables the firm's products to satisfy the customer's needs that leads to the customer's a higher willingness to pay for the co-creation products (Algesheimer et al. 2005; Grissemann & Stokburger-Sauer 2012). To sum up, this research therefore proposes the following hypotheses:

H5: Customer participation positively influences satisfaction.

H6: Customer participation positively influences membership continuance intention.

H7: Customer participation positively influences purchase intention.

3 RESEARCH METHODOLOGY

3.1 Research Framework

Drawing on the theories of person-environment fit and task-technology fit, this research proposes a research framework that helps examine the impact of four fits (i.e., person-organization fit, needs-supplies fit, demands-abilities fit, and task-technology fit) on customer participation as well as its outcomes (i.e., satisfaction, membership continuance intention, and purchase intention). The research framework is shown in Figure 1.
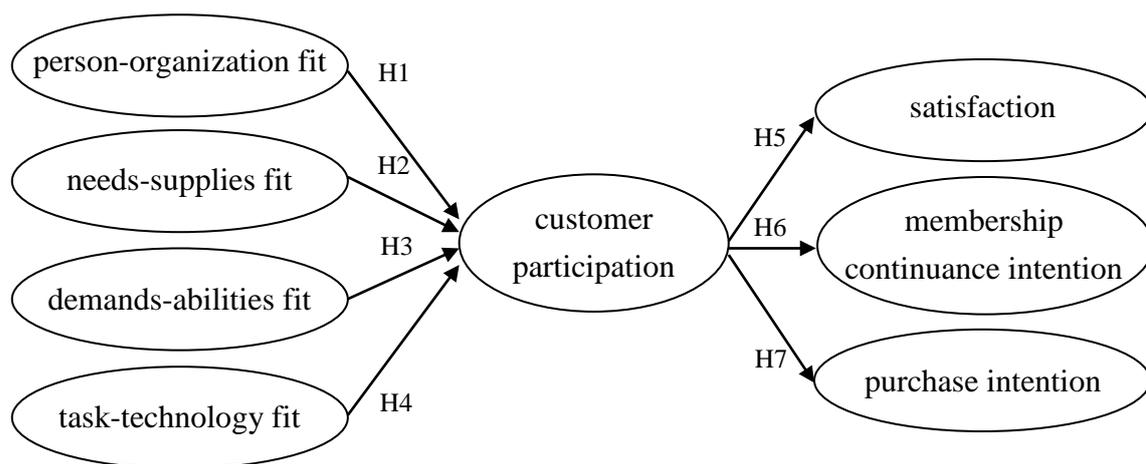

Figure 1.   Research Framework

3.2 Sample

The research framework is tested with data from Facebook. Facebook that had over one billion

registered users globally is one of the most prominent social media through which an increasing number of firms have launched co-creation activities for customer engagement (Poyry et al. 2013). The Web-based survey is used in this research to reach subjects who are members of Facebook. A banner with a hyperlink connected to our Web survey is posted on a number of online forums, bulletin board systems, and social networking sites. To assure that participants have sufficient experiences of participating in the firm-hosted co-creation activities, the criteria for selecting participants for the sample are: (a) a minimum of six month's experiences of signing up and following the particular firm's Facebook, and (b) at least one experience of participating in the firm-hosted activities by posting, commenting, and voting the contents on the firm's Facebook page.

3.3 Measure

The measures are adapted form established scales to suit current research context. The items for measuring person-organization fit, needs-supplies fit, and demands-abilities fit are adapted from Cable and DeRue (2002). The items for measuring task-technology fit are adapted from Lu and Yang (2014). Customer participation is measured with items adapted from Chan et al. (2010). The items for measuring satisfaction are adapted from Grissemann and Stokburger-Sauer (2012). The items for measuring membership continuance intention and purchase intention are adapted from Poyry et al. (2013). All of the items are measured with seven-point Likert scales, which range from "strongly disagree" (1) to "strongly agree" (7).

4 EXPECTED CONTRIBUTION

Social media that allow users to share, create, discuss, and exchange user-generated contents provide opportunities for firms to co-create with their customers. However, because of social media's the nature of ubiquitous connectivity, customers are involved in a short-term relationship with a particular firm. In spite of recognizing the potential of customer participation, it is difficult for firms to engage customers with their co-creation activities. To overcome this problem, this research integrates the theories of person-environment fit and task-technology fit to propose a research framework that helps understand how fit play an important role in customer participation, which in turn leads to favorable outcomes. This research believes that the research results provide new insights for firms to deploy their strategies and resources so as to achieve favorable outcomes of customer participation. Specifically, the firm could harness customer identifications, offer incentives (e.g., offering rewards as well as the opportunity for self-expression), deploy various functions of social media technology to attract and motivate customers to participate.

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