

European Advertising Academy

George Christodoulides  
Anastasia Stathopoulou  
Martin Eisend *Editors*

RESEARCH

# Advances in Advertising Research (Vol. VII)

Bridging the Gap between Advertising  
Academia and Practice



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George Christodoulides  
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(Eds.)

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*Editors*

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European Advertising Academy

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# **Advances in Advertising Research: Bridging the Gap between Advertising Academia and Practice**

*George Christodoulides, Anastasia Stathopoulou, and Martin Eisend*

This collection of selected papers is associated with 14<sup>th</sup> ICORIA conference that took place at Birkbeck, University in London between July 2-4, 2015. ICORIA is the annual meeting of the European Advertising Academy. All the papers submitted to the conference were subject to a double blind reviewing process. A total of 115 papers from a truly international pool of researchers were accepted for presentation in London. From those the best papers were invited to be developed further and be submitted to *Advances in Advertising Research Vol. VII: Bridging the Gap between Advertising Academia and Practice*.

This year's theme is aligned with the theme of the conference and focuses on the need to bridge the gap between advertising research and practice. It is for this reason that all the authors were encouraged to discuss in detail the managerial implications of their work.

We have grouped the papers in this collection in three main categories: *Online Advertising/Social Networks*, *Consumer Responses to Advertising and Culture and Advertising*.

*Online Advertising/Social Networks* is the largest section of the book consisting of nine chapters. This reflects the huge interest from researchers in digital, social media and mobile technologies which have undoubtedly revolutionized the way organizations and brands communicate with consumers (and vice versa). The first four chapters focus specifically on social networking sites and their value in consumers' information-seeking and content sharing behaviors as well as collaborative consumption (e.g. with regard to New Product Development). The next two chapters focus on corporate websites by examining the interactivity and branding potential of websites. The subsequent two chapters examine electronic word-of-mouth (eWOM) by investigating the characteristics of eWOM diffusers and the effect of specific features of the message on sales. The last chapter examines consumer's privacy concerns in the context of mobile apps.

## *Consumer Responses to Advertising*

This section comprises eight chapters looking at various consumer responses to various advertising formats and appeals. The first four chapters examine emotional and rational appeals in marketing communications. The next three chapters focus on consumer attitudes and behaviors instigated by various stimuli in the advertising message or environment. The last chapter in this section deals

with the hot topic of engagement by putting forward a new framework to conceptually enlighten consumer engagement with brands.

*Culture and Advertising*

The last section of the book consists of four chapters focusing on cultural issues in advertising research. The first chapter provides an assessment of Hofstede's cultural framework in advertising research. The next chapter examines appeals in a cross-national context. The penultimate chapter examines 'adhocracy' culture in the context of integrated marketing communications whilst the last chapter profiles leading researchers in advertising by examining their productivity in top international journals.

These three sections contain a total of 21 chapters representing the latest cutting-edge research on advertising globally – research that covers a wide range of topics in advertising with significant implications for managerial practice. The chapters also provide new and innovative ideas for future research in this exciting and fast-evolving field of study. We would like to take this opportunity to thank the steering committee of the 14<sup>th</sup> ICORIA and everyone else at Birkbeck, University of London and the EAA who has contributed to making this conference a big success. We hope that you find the contents of this volume interesting and thought-provoking in a way that will help you shape your ideas for future research.



# EUROPEAN ADVERTISING ACADEMY

The objective of the association is to provide a professional association to academics and practitioners interested in advertising and its applications that will promote, disseminate and stimulate high quality research in the field.

The association particularly serves as a meeting and communication forum for its members. It offers a network for the exchange of knowledge on an international level and constitutes a framework allowing for a better dissemination of information on research and teaching.

The association also aims at the development of relations with all other professional and research-oriented associations which are active in the field, as well as with European or international committees and authorities concerned with political decision making, active in this field.

The EAA is closely related to the yearly International Conference on Research in Advertising (ICORIA). The purpose of the conference is to create a forum where people studying advertising in the academic world could exchange ideas, and where they could meet with practitioners who have experience with advertising in the commercial world.

Every natural person that is professionally concerned with or interested in research or teaching in the field of advertising is, irrespective of nationality, eligible to become a full member of the association.

**For further information please visit our website: [www.icoria.org](http://www.icoria.org)**



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**Part I. Online Advertising/Social Networks**

# Consumer Values as Mediators in Social Network Information Search

*Ofrif Kol, Shalom Levy, and Israel D. Nebenzahl*

## 1 Introduction

Social network sites (SNS) provide their users with new online information sources. The information is actively created and distributed by consumers for consumers, with the intention to inform, enrich and enlighten one another about products, brands, services and more (Liu et. al., 2013; Deighton and Kornfeld, 2009). This information has been perceived to be trustworthy (Foux, 2006), personal and with minimum cost, allowing the decision-making process to be more effective (Chai et al., 2010) and improve the consumers' decision-making process (Wang et Al., 2012; Constantinides et al., 2013).

Consumers, search for information on SNS, confront two types of information sources: Non-commercial sources which are based on information created by consumers on a personal profile or groups of interest and Commercial sources, which are business originated and delivered through brand page or social advertising tools. These diverse sources raise some important questions. What influences consumer's choice? Why in some cases do consumers turn to non-commercial sources, while in other cases the consumers turn to commercial sources? This study attempts to answer these questions and enhance our understanding of what motivates consumers' search behavior on SNS. The study focuses on values the consumer receives from the information as motivating factors in her / his information source selection.

The literature offers various studies on user information seeking behavior on SNS in general (Lampe et al, 2012; Gray et al., 2013; Morris et al., 2010); However, only few studies were conducted in the context of consumer's search behavior (Mikalef et al., 2013; Xiang and Gretzel, 2010). Furthermore, to the best of our knowledge, there are no studies that integrate information values as mediating factors in consumer's selection of information sources on SNS. Thus, there is a need for academic attention here and empirical evidence is needed to enhance our understanding of the subject.

The current study goals are twofold. First, to apply and check the UTAUT model (Venkatesh et al., 2003; Gefen et al., 2003; Shin and Kim, 2008) as a theoretical base for consumer adoption of SNS as a tool for information search. Second, to verify the suggestion that the values the consumer receives from the information affect the consumer's search behavior and are mediating factors influencing the consumer's choice of information sources on SNS. The suggested

values are: Economic Value (EV), Psychological Value (PV) and Social Value (SV). In the current study, we propose a conceptual framework, test it empirically, and present related conclusions and managerial implications.

## 2 Literature Review

SNS is perceived by consumers to be an efficient source of information (Lampe et al, 2012; Gray et al., 2013). Consumers frequently turn to various types of SNS to search for information during their process of making purchase decisions (Mangold and Faulds, 2009). The adoption of SNS as a legitimate source of information is in the concern of the Technology Acceptance Model (TAM). Davis (Davis, 1989; Davis et. al, 1989) introduced the TAM in order to explain the acceptance of information technology (IT). The model was variously extended by many researchers. Venkatesh et al. (2003) extended the two TAM constructs and suggested the Unified Theory of Acceptance and Use of Technology (UTAUT). Venkatesh et al. (2012) further extended the UTAUT to predict the acceptance and use of technology in a consumer context. TAM and UTAUT models have been studied in variety of technologies and their effectiveness in predicting the adoption of technology in general and the Internet in particular was supported (Venkatesh et al., 2003; Gefen et al., 2003; Shin and Kim, 2008). In this study, we use the UTAUT model to explain consumer adoption of SNS as a source of information search tool. Due to the handful studies of UTAUT on SNS technologies (Constantinides et al., 2013; Willis, 2008), testing the UTAUT model's prediction will be one of this study's goals. The UTAUT model suggests some antecedents (Performance Expectancy, Effort Expectancy, Social Influence and Facilitating Conditions) leading towards behavioral Intention which further leads to use behavior. In SNS consumer's use behavior is comprised of the engagement in consumer information sources.

### 2.1 Sources of Consumer Information on SNS

In SNS there are several different information sources, available to the consumer who is looking for consumer related information. These channels can be divided into two types: Non-commercial sources and Commercial sources. Non-commercial information sources include information received from personal profile (Boyd and Ellison, 2007; Muniz and O'Guinn, 2001) and groups of shared interest. A SNS user can post a status message question asking (SMQA) on these platforms in order to get consumer information (Oeldorf-Hirsch et al., 2014, Morris et al, 2010). On the other hand, there are commercial sources which include business or brand page (Lin and Lu, 2011; Kane et al., 2009) and social advertising tools (Pate and Adams, 2013; Goyal, 2013).

Consumers are exposed to ads and brand pages on SNS. By "Liking" a brand page, the consumers can be exposed to information and special offers created by a business company. In addition, a consumer can directly post SMQA and get a personal response from the company.

## *2.2 SNS's Information Search Motivators*

What motivates consumer search behavior on SNS? The literature indicates that by searching for information, consumers expect to receive some benefit or value, which will help them make better purchasing decisions (Keeney, 1999). Accordingly, this study suggests that the values consumers receive from their information search effect their search behavior on SNS. The study suggests three types of relevant consumer values: Economic Value (EV), Psychological Value (PV) and Social Value (SV), and assumes they act as mediating factors in consumer selection of information sources on SNS.

The economic value leans on the economics of information theory (Stigler, 1961; Nelson, 1974) and refers to the benefits of saving time, effort and money. The interactive nature of the Internet in general and the SNS in particular improves the access to information while reducing the cost of the search (Chai et al, 2010; Lampe et al, 2012). Saving money comes from the special offers the consumer receives from marketers, in the form of special offers, coupons and discounts, which help the consumer, increase the economic benefit of his or her decision. Following this perspective, we assume that in order to receive EV the consumer will turn to both commercial and non-commercial sources of information on SNS. Therefore, the hypothesis:

**H1:** To the extent that consumers are interested in increasing their EV they will turn to both commercial information sources and non-commercial information sources on SNS.

Psychological value refers to psychological benefits reached from the reduced uncertainty involved in purchase decision. It is derived from the theory of perceived risk, the two-dimensional construct, which includes the uncertainty in a purchase decision and the results of a less than satisfactory decision (Bettman, 1973; Cunningham, 1967; Mitra et al, 1999). The uncertainty can result from one or more of six types of risks (monetary, performance, physical, security, social and psychological (Jacoby and Kaplan, 1972) and time (Roselius, 1971) which are involved in a purchase process and stem from a lack of information. Information reduces uncertainty and thereby reduces the perceived risk (Murray, 1991; Newman, 1977). Furthermore, according to a study conducted by Nielsen (2013), people rely on information they get from personal sources. According to this study, 92% rely on recommendations from

people they know, and 70% rely on the opinions of persons writing on the Internet, while only 33% rely on Internet ads. The non-commercial sources on SNS provide reliable information on products and services (Mangold and Folds, 2009) as they are based on recommendations and opinions of friends and acquaintances (Oeldorf-Hirsch et al, 2014; Morris et al, 2010). Following their suggestions, consumers will look for various information sources to reduce uncertainty and thereby reduce their perceived risk. Hereby, the hypothesis:

**H2:** To the extent that consumers are interested in increasing their PV they will turn to both commercial information sources and non-commercial information sources on SNS.

Social value refers to the social benefits users receive when connecting to others via SNS (Deng et al., 2010). This value is located in the feeling of belonging to a certain group (Deng et. al., 2010) and the need for a cognition with those who share the same norms, values and interests (Giao et. al., 2015). SNS offer SV by providing services that enable conversations and information sharing, along with the possibility of gaining social approval, expressing opinions, and influencing others (Gangadharbatla, 2008). Many researchers have examined different aspects of the values a person gets from using Facebook, including the desire to meet new people (Ellison et al., 2011), self-expression (Lin and Lu, 2011; Hart et al., 2008), entertainment and even having fun (Venkatesh et. al, 2012; Sledgianowski and Kulviwat, 2009). Accordingly, we assume that consumers can reach SV via non-commercial information sources and not via commercial sources on SNS. Therefore the following hypothesis:

**H3:** To the extent that consumers are interested in increasing their SV, they will turn to non-commercial information sources and not to commercial information sources on SNS.

### 3 Methodology

#### 3.1 Sample

Data were collected through a web-based survey and a convenience sample. The subjects were sent an invitation, including a short introduction and a request to participate in a survey. The study was restricted to Facebook users (a worldwide leading SNS). Overall, 214 usable responses were analyzed in this study. The participants were highly experienced users of Facebook, with an average of 653 friends. Participants were mostly females (70%), with an average



age of 33. The education level of the majority of the participants was above high school (94%), with an average or above-average income (68%).

### 3.2 Measurement

The survey instrument consisted of multiple items that were partly gathered from prior studies and partly designed to measure the study's new constructs. The items for the UTAUT model's variables (including Performance expectancy, Hedonic motivation, Social Influence, Facilitating conditions, Effort Expectancy, Habit, and Behavioral intention) were adopted from Venkatesh et al. (2012). Use behavior item scales were phrased to capture the commercial (advertisement and Brand page) and non-commercial (personal profile and groups) sources of consumer's information search in SNS. Typical items in the scales were "I am interesting in coupons and marketing suggestion, I receive from brand pages in my personal profile" for commercial sources scale, and "I am posting a question or asking for opinion from friends in my personal profile" for non-commercial sources scale. For consumer's values, the EV items were gathered from Deng et al. (2010), Ailawadi et al. (2003) and Sweeney and Soutar (2001). SV items were gathered from Deng et al. (2010) and Sweeney and Soutar (2001). PV items were gathered from Ailawadi et al. (2003) and Sweeney and Soutar (2001). All scales' items were modified to suit the SNS environment. Respondents were asked to indicate their level of agreement with different statements. A seven-point Likert scale was used, ranging from 1 = strongly disagree, to 7 = strongly agree. Demographic data were also collected.

## 4 Results

### 4.1 Validity and Reliability

The UTAUT model variables' items were subjected to confirmatory factor analysis (CFA) for constructs validity and reliability. The results confirm the constructs ( $\chi^2$  value (172) = 332.01,  $p < .05$  ( $\chi^2/df$ , less than 2); Comparative Fit Index (CFI) = .963; Normed Fit Index (NFI) = .927; and Root Mean Square Error of Approximation (RMSEA) = .067). The CFA shows that all scale items loaded satisfactorily ( $\beta$ 's  $> .5$ ) on the relevant latent variables.

The values' items and sources' of information search items were subjected first to exploratory factor analysis and next were subjected to CFA. The results confirm the constructs ( $\chi^2$  value (245) = 456.64,  $p < .05$  ( $\chi^2/df$ , less than 2); CFI = .953; NFI = .905; and RMSEA = .065). The CFA shows that scale items loaded satisfactorily on the relevant latent variables. Convergent validity, discriminant validity and internal consistency were examined using the following

measurements: Average Variance Extracted (AVE), Composite Reliability (CR) and Cronbach's alpha, displaying acceptable validity and reliability of the measurements. Means were then calculated and examined for each factor. The correlation pattern is provided in Table 1.

*Table 1: Descriptive statistics and correlations*

Variable	Mean	SD	2	3	4	5	6
1. BI	4.36	1.21	.535**	.529**	.563**	.771**	.616**
2. Commercial Sources	3.35	1.12	1.00	.556**	.595**	.638**	.516**
3. Non Commercial Sources	4.21	1.20	--	1.00	.606**	.642**	.543**
4. PV	3.76	1.62	--	--	1.00	.768**	.647**
5. EV	3.75	1.69	--	--	--	1.00	.664**
6. SV	3.14	1.73	--	--	--	--	1.00

Notes: N = 212; \*\* < .01

#### *4.2 Model Testing*

To examine the relationships among the constructs, two path analyses were conducted using Structural Equation Modeling (SEM). First, the UTAUT model was tested on SNS' information search. The overall fit statistics (goodness of fit measures) exhibit an acceptable level of fit ( $\chi^2$  value (2) = 4.24,  $p = .12$  ( $\chi^2/df$ , less than 3); CFI = .998; NFI = .996; RMSEA = .073), indicating that the path model is valid. This fit indicates an adequate application of UTAUT model to SNS' information search environment. Next, the suggested framework was tested, while the two sources (Commercial and Non-commercial) were put together as dependent variables. The overall fit statistics (goodness of fit measures) exhibit an acceptable level of fit ( $\chi^2$  value (33) = 49.01,  $p = .04$  ( $\chi^2/df$ , less than 2); CFI = .991; NFI = .974; RMSEA = .048), indicating that the path model is valid. The path model, regression standardized coefficients, and their significance are illustrated in Figure 1.

The model depicts the direct and indirect paths toward the dependent variables (The sources). As seen in Figure 1, Behavioral Intention (BI) has no direct relationships, neither with the commercial sources nor with the non-commercial sources. The relationships ( $\beta=.48$  with Commercial sources and  $\beta=.47$  with Non-commercial sources) are indirect through the mediation of the values. BI has a direct and positive effect on PV ( $\beta=.26$ ), a direct effect on EV ( $\beta=.58$ ) and direct effect on SV ( $\beta=.59$ ). Further, PV has direct and positive effect on Commercial sources ( $\beta=.26$ ) and on Non-commercial sources ( $\beta=.24$ ). EV has direct and positive effect on Commercial sources ( $\beta=.44$ ) and on Non-commercial sources ( $\beta=.33$ ). However, SV has direct and positive effect only on Non-commercial sources ( $\beta=.15$ ), while the relationship with Commercial

sources is indirect ( $\beta=.26$ ) and through the relationships with PV ( $\beta=.49$ ) and EV ( $\beta=.31$ ). Accordingly, hypotheses H1, H2 and H3 are accepted. Table 2 summarizes the relationships among variables.

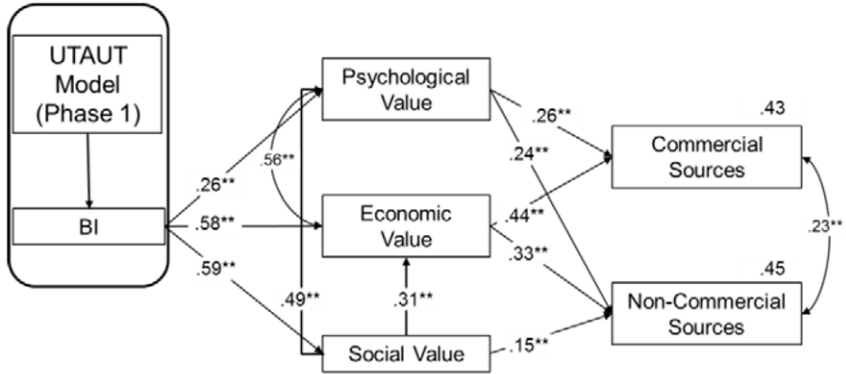


Figure 1: Consumer’s values as mediators in consumer’s information search in SNS: A path model<sup>a</sup>

<sup>a</sup> Path parameters are standardized parameter estimates and only significant paths are shown. Curved arrows indicate correlations. R<sup>2</sup> are in the right corner. \*  $p < .05$ ; \*\*  $p < .01$ .

Table 2: Study’s model’s relationships between variables: Direct and indirect

Relationships	Standardized Effect			Regression Weights (direct)		
	Total	Direct	Indirect	Estimate	C.R.	p
BI → Comm.*	.475	.000	.487			
BI → Non Comm.**	.468	.000	.468			
BI → PV	.550	.264	.286	.230	4.11	<.001
BI → EV	.760	.580	.180	.525	11.14	<.001
BI → SV	.587	.587	.000	.545	10.74	<.001
PV → Comm.	.258	.258	.000	.250	3.15	<.01
PV → Non Comm.	.236	.236	.000	.225	2.87	<.01
EV → Comm.	.438	.438	.000	.410	5.36	<.001
EV → Non Comm.	.328	.328	.000	.301	3.90	<.001
SV → Comm.	.260	.000	.260			
SV → Non Comm.	.366	.151	.215	.134	2.18	<.05
SV → PV	.487	.487	.000	.456	7.57	<.001
SV → EV	.306	.306	.000	.298	5.88	<.001

\* Comm. = Commercial Sources; \*\* Non Comm. = Non Commercial Sources.

## 5. Discussion and Implications

The goals of this study were first, to empirically test the UTAUT model in the context of consumer information search behavior on SNS. And second, to suggest a theoretical framework integrating three types of values, EV, PV and SV, as mediators towards information sources on SNS.

The results indicate that the UTAUT model (Venkatesh et al., 2003) is applicable to the SNS information search context. Furthermore, the findings show that the consumer's expected values mediate information search behavior in SNS and this mediation differs according to the information sources. Commercial sources of information are mediated by EV and PV. This means that the consumer applies to commercial sources, since he / she expects to receive some deal or special marketing offer, or reduce uncertainty in buying decision process. Nevertheless, non-commercial sources are mediated through all values. This means the consumer applies to non-commercial sources for different reasons, including SV such as philanthropy, self-expression and social approval.

### *5.1 Theoretical and Managerial Implications*

This study has several important theoretical and managerial implications. From a theoretical perspective, the study supports the notion that consumer values are mediators in information search behavior in SNS. This study suggests three values, namely, EV, PV and SV. These consumer's values affect the consumer's search behavior and mediate the selection of information sources in SNS. Second, the study suggests a conceptual framework for consumer's adoption of SNS as a tool for information search. It applies the UTAUT model (Venkatesh et al., 2003; Venkatesh et al., 2012) in the context of SNS and provides theoretical and empirical support for the conceptual framework.

The study has also significant implications for practitioners. Marketing communication practitioners should note that consumer's values and expected benefits mediate the selection of information sources in SNS. The study indicates that consumers turn to both channels, commercial and non-commercial, while searching for information. However, the selection of the channels depends on the potential benefits they pursue. First, in commercial channels, posting an ad or a brand page on SNS must follow beneficial information, imparting potential economic profit or psychological utility to the consumer. Messages should contain rational appeal rather than emotional appeal and be more hard-sell than soft-sell. Second, all values: social, psychological and economic, are relevant in non-commercial sources of information. In order to provide social value, it is important for marketing practitioners to develop a brand community around consumers' interests and common values. With this in mind, brands

should provide added value supporting the interests and the community's common values, e.g. "Nike" developed an application that helps consumers keep track of their sports activities and share their progress and activity with their community. In addition, the brand should cultivate its loyal customers, turning them into ambassadors who will share brand knowledge and experiences with their community and warmly recommend the brand. This type of information provides consumers psychological value, it is perceived to be more credible and helps reduce their perceived risk. Furthermore, it gives economic value by saving consumers time and money. Additionally, it will be highly beneficial to integrate these values by distributing brand benefits via opinion leaders.

### 5.2 Limitations and Future Research

The current study has limitations that should be addressed in future research. First, this study has limited the empirical testing to one SNS channel (Facebook). Future research should further examine the current study's framework on varied digital SNS channels, such as Twitter and WhatsApp, to enhance generalization possibilities. Second, though it is a common practice, the convenience sample of the current study's web-based survey could be another limitation which needs to be addressed in future research. For increased generalization, the study framework should be further tested under more representative sample settings.

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# Integration of Consumers into New Product Development by Social Media-Based Crowdsourcing – Findings from the Consumer Goods Industry in Germany

Fabian A. Geise

## 1 Introduction

Successful new products are crucial for growth and the strengthening of a company's competitiveness. However, not every new product launch succeeds on the market, i.e. the potential economic success is set against the risk of a new product failure. The flop rates are up to 90 percent depending on the industry (Gourville, 2006; Cooper, 2001; Crawford, 1987). The main reason for new products failing to establish themselves is often that new offers do not fit the needs of the customers (Reichwald and Piller, 2009, 128f.). This has been proven in many empirical studies (Gruner and Homburg, 2000; Hanna et al., 1995; von Hippel, 1986). These studies also show another relevant issue, that it is necessary to integrate customers' needs as early as possible into the process of new product development (NPD), i.e. into the stages "search for new product ideas" and "evaluation of ideas" (Kotler and Keller, 2012, 597; Bogers et al., 2010). The question here is how customers can be deeply integrated into the early stages of the development process of new products.

An effective strategy for integrating customers is the so-called *open innovation* approach. The key assumption for open innovation is the fact that innovation-related knowledge is omnipresent in the company's environment, i.e. this knowledge is held by various actors – in particular by suppliers and buyers in the case of industrial goods and consumers in the case of consumer goods (Spithoven et al., 2012; Gassmann et al., 2010; Chesbrough, 2006; Prahalad and Ramaswamy, 2004). Therefore, companies who work with an open innovation strategy view customers as a valuable resource for new product ideas. Hence, the challenging task is to integrate this knowledge systematically into the company's innovation management process.

The expansion of the internet to Web 2.0 offers companies the ideal opportunity to realize open innovation strategies with customers on a new level of collaboration (Chakravorti, 2010). This applies in particular for companies in the consumer goods industry. A promising procedure is to use social media like Facebook, blogs, brand communities, etc. On these virtual platforms you can typically access many people outside the company cost-efficiently and quickly. In doing so, innovation processes are outsourced to a crowd, thus to a plurality

of users. *Crowdsourcing* as a special open innovation strategy enables the development of new products by direct integration of users into the early stages of the innovation process. The special advantage of this strategy can be seen in developed products which reflect the needs of the users and have for this reason a greater likelihood of acceptance by the consumers. That is why more and more companies are utilizing consumers as a collective source of knowledge (“wisdom of the crowd”) for generating new product ideas (Fuchs and Schreier, 2011; Howe, 2008; Kleemann et al., 2008).

The results of an international cross-industry study by McKinsey underline that by using social media platforms, the development of new products can be a successful innovation strategy in various industries (McKinsey Global Institute, 2012). As figure 1 shows, about a quarter of surveyed companies reporting Web 2.0 technologies for internal purposes quote, among other things, a benefit for new product development (see also Urban and Hauser, 2004).

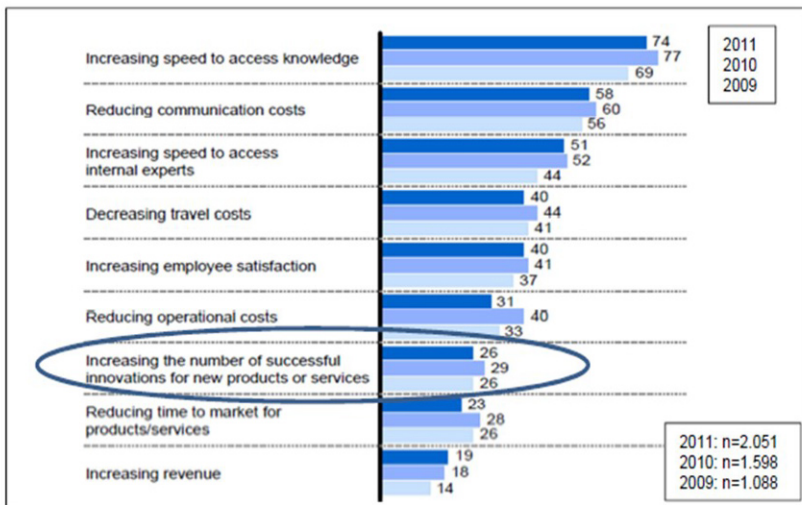


Figure 1: Reported benefits from social media technologies

Source: McKinsey Global Institute, 2012, p. 28

Empirical studies regarding the integration of customers in the NPD are mostly focused on industrial goods. Only relatively few studies show the integration of users with respect to consumer goods (Bartl et al. 2012; Füller, 2006; Ogawa and Piller, 2006; Lüthje, 2004). The following remarks refer only to the consumer goods industry in Germany.

Crowdsourcing strategies can be carried out, for example on intermediary innovation platforms (Innocentive, Atizo, Jovoto etc.) or on company-owned platforms (tchibo-ideas, dellstorm, mystarbucksidea etc.). While intermediary and company-owned platforms are focused on an ongoing generation of new ideas or problem solving through the users, another development has appeared over the last few years, especially in the consumer goods industry: so-called *idea contests*. This kind of Web-based collaboration with consumers offers a further option for co-creation to generate ideas for new product development (Ind and Coates, 2013; Füller, 2010). Idea contests in the consumer goods industry are temporary projects/campaigns which are carried out on a company-owned platform including *social media* (especially social networks, in particular Facebook) (Piller et al., 2012). It is typical for idea competitions that participation itself is done selectively, i.e. only those users that feel attracted by the innovation task contribute to the performance of tasks. For this reason, it is important that the task and the incentives have to be communicated in a manner that many users feel (intrinsically and/or extrinsically) motivated to participate.

## 2 Research Question

So far, there is still no empirical study for Germany, where virtual consumer integration on social media platforms – particularly Facebook – has been examined. The questions here are how widespread are social media-based idea contests in the consumer goods industry in Germany, what are their common characteristics and which success factors can be determined from idea contests that have already taken place?

## 3 Method

A content analysis of idea contest websites, Facebook sites and press information, etc., was conducted in order to discover such social media-based idea contests realized by German companies. The companies that were examined, with further information in parentheses including the year of the contest, the new product to be developed and additionally further developing tasks, are: Ritter Sport (2010, variety of chocolate and product packaging for it), McDonald's (2011, 2012, 2013 and 2014, hamburger), Griesson de Beukelaer (2011, variety for biscuit brand Prinzenrolle), Vapiano (2011, pasta dishes), Rügenwalder Mühle (2011, sausage), Bonprix (2011, designs for bedlinen), Homann (2011 and 2012, varieties of potato salad), Edeka (2012 and 2013, variety of ice cream, smoothie, biscuit and yoghurt), Beck's (2013, variety of mixed beer), Mondelez (2013, recipes for cakes with using the brand Philadelphia) and Lidl (2013 and 2014, variety of yoghurt, smoothie and doughnut). All idea contests took place in the period 2010 to 2015. As Facebook

has only been available in Germany since 2008 and required a certain time to reach a large number of users to increase companies' interest in this interaction medium, it is understandable that the first Facebook-based contest was conducted in 2010 (chocolate manufacturer Ritter Sport). With regard to revealing success factors, open innovation literature (e.g. Howe, 2008; Franke et al., 2013) and crowdsourcing blogs (e.g. socialnetworkstrategien.de, crowdourcingblog.de) were additionally analyzed.

## 4 Results

### 4.1 Typical Attributes of Social Media-based Idea Contests

The typical attributes of the analyzed idea contests can be described as following:

- *Types of new products*  
In all crowdsourcing campaigns, users were asked to generate relatively simple, unproblematic goods like chocolate, hamburgers, cakes with cream cheese, biscuits or pasta dishes, i.e. typical fast moving consumer goods.
- *Scope of the task*  
In most contests, consumers were asked to generate new products and evaluate them by Web-based voting procedures, i.e. crowdcreating and crowdvoting were the main tasks for the users. The combination of crowdcreating and crowdvoting uses the knowledge of consumers in two ways and shows, in doing so, that the company takes consumers seriously and considers them to be competent in not only generating new products but also deciding which one is best. In five cases – Ritter Sport, McDonald's, Griesson de Beukelaer, Edeka and Lidl – the task included idea creation, finding a name for the created product and Web-based voting.
- *Types of incentives for participation*  
Mostly, non-monetary incentives were promised as rewards for participation (e.g. personal computer, product sample, shopping voucher, participation in a commercial, invitation to the company's headquarters, etc.). In one case – Bonprix – a monetary incentive of 1.000 Euro plus participation in sales of the winning product was offered as reward.
- *"Mechanics" of the idea-generating process*  
The idea contests carried out so far indicate a generalized way of functioning that includes four typical stages:  
(1) *Call for participation* (on Facebook and the company's website, sometimes assisted by communication activities on TV, radio and/or print media)

- (2) *Registration* (Users have to register on Facebook site or company's site. Here the users have to provide various kinds of personal information. The analysis of this information can offer relevant insights on the participants and the evaluation of the objectives of the idea contest, e.g. the number of participants in total or specific groups of participants.)
- (3) *Idea generation* (In some contests idea generation took place with the assistance of a software tool, a so-called idea or product configurator (see below).)
- (4) *Idea-evaluating procedure* (Crowdvoting can be used for the preliminary or the final selection of product ideas. Voting processes in the network can also be executed in conjunction with an internal jury.)
- *Results of idea contests* (Direct and measurable results of a campaign show up particularly in the number of participants, generated product ideas, number of participants voting and the increase of followers on Facebook.)

#### 4.2 Use of Product Configurator as a Toolkit for User Innovation

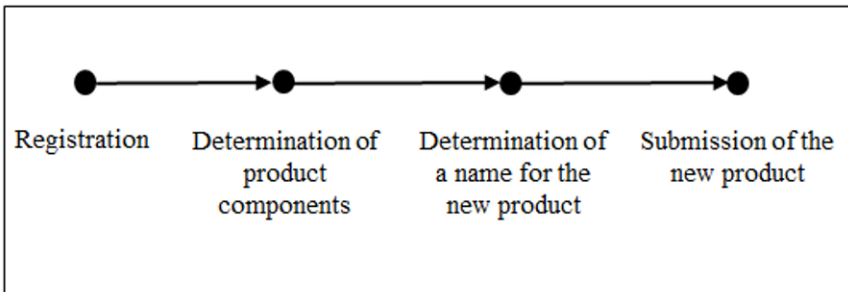
In the classical approach within the context of NPD, it is difficult to track down need-related information via market research techniques. The problem is, however, that consumers are often unable to accurately describe their ideas or wishes for new products in written or oral form (Piller and Walcher, 2006; von Hippel and Katz, 2002). So, need-related information remains often vague, incomplete and ambiguous, i.e. it cannot be represented explicitly, or in other words, the company has to do with so-called "sticky information" (von Hippel and Katz, 2002; von Hippel, 1994). This makes it difficult to use consumers' knowledge for the NPD process.

Acquisition, decoding and utilization of sticky information is often a time consuming and cost-intensive iterative process between external knowledge holders (crowd) and the organization. However, adaptation and utilization of need-related information can fail due to a lack of "absorptive capacity" on part of the company (Cohen and Levinthal, 1990; Zahra and George, 2002). This primarily means the organisational and procedural interface between the company and the crowd. Technical means to improve the knowledge transfer, and therefore to improve the absorptive capacity, are *toolkits for user innovation* (also called toolkits for user innovation and design or toolkits for idea competition) (Piller and Walcher, 2006; Jeppesen, 2005). Such toolkits are Web-based applications which are used at the user/company interface to gather proposals for new products in a systematic manner (Prandelli et al., 2008; Prügl and Schreier, 2006). *Product configurators*, as used in the social media-based idea competitions, represent relatively simple structured toolkits. They make it possible to collect a lot of product ideas from outside the company. Product configurators are also known as a sales tool. They are used by many companies

in the context of mass customization to give the customer the opportunity to have a product produced according to their individual preferences (e.g. when configuring a car) (Franke and Piller, 2004 and 2003). For this, the customer selects predetermined product characteristics/components from those that characterize their specific product. However, production configurators can also be used to generate new products within the scope of the innovation process (Piller et al., 2011; Franke and Schreier, 2002).

In five of the analyzed contests (McDonald's, Griesson de Beukelaer, Homann, Edeka and Lidl) such configurators were used. It is typical for configurators that the product development task is divided into several sub-tasks. An easy and self-explanatory usability is another characteristic feature. Particular product knowledge is not necessary for the configurator-guided creation of new products.

Since the company defines the scope of possible product ideas ("solution space") through the deliberate setting of product components, it ensures that the best ideas developed by the consumers can also be produced cost-efficiently (von Hippel and Katz, 2002). Another advantage of such configurators can be seen in that nonsensical, silly ideas are excluded from the outset. Figure 2 shows the structure of configurators which have been used in the conducted contests.



*Figure 2: Typical structure of product configurators used in social media-based idea contests*

After registration on the contest site, the user determines the product components for the new product. Depending on the contest, there are a different number of components to choose from. For example, in the first idea contest by McDonald's, 70 different components from the categories rolls, fish/meat etc., standard ingredients and extra ingredients could be selected. In this way, users developed a total of 116,000 burger creations. In the campaign by Griesson de Beukelaer, three varieties of biscuit (chocolate, multigrain and classic biscuit) and a total of 140 components for the biscuit filling (from the categories chocolate cream, spices, nuts/seeds, fruit and miscellaneous) were available. In