Stockholm School of Economics Master Thesis in Business & Management Spring 2018

## Designed by me

Motivations and barriers affecting consumers' willingness to co-create products in the physical store

## **Abstract**

**Purpose:** The rise of e-commerce has caused a dramatic shift in consumer behavior. Therefore, strategies in bricks-and-mortar retailing need to be adapted to ensure the continued relevance of physical stores. The purpose of this thesis work is to discover opportunities for shopper-centric and experience-focused brick and mortar retail in the future. By specifically looking at the case of the Lobby, an experiential retail space in the center of Stockholm, we explore consumer motivations to engage in new product co-creation in-store. Previous studies on consumers' willingness to co-create have mostly focused on co-creation in the online sphere. Hence, there is an opportunity to tap into an unexplored research area.

Research methodology: In the pre-study, we interviewed four industry experts to explore the opportunities for co-creation in brick and mortar retail. The consecutive main study employs a qualitative approach, and through scenario building, it investigates consumer motivations to engage in in-store co-creation.

**Empirical findings:** We identify seven different motive categories for engagement in in-store cocreation. Moreover, we recognize the existence of five thresholds and two hygiene factors, which can decrease an individual's willingness to co-create.

Relevance: Previous research has not considered thresholds and hygiene factors as influencers on the motivation to co-create. Combining these factors with the identified motivation categories provides a novel framework depicting influencing factors for consumers' willingness to co-create. Thereby, we contribute to existing co-creation research with the investigation of consumers' motivations and barriers to engage in in-store co-creation.

**Keywords:** Co-creation, In-store co-creation, Product co-creation, New product development, Retailing, Consumer motivation, Willingness to co-create, Customer experience, Customer participation

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## Thank you,

## PhD Karina T. Liljedal

for being a wonderful supervisor. You provided us with highly valuable perspectives and feedback from the initial idea to the submission of our thesis.

## **Professor Per Andersson**

for your inspiring input which shaped this thesis project to a great extent.

## AMF Fastigheter,

first and foremost **Annelie Gullström** and **Göran Swärdh**, for making this research project possible and giving us a glimpse of the future of retailing.

## All the interview partners

for sharing your knowledge and experience in retailing with us.

## All the study participants

for your time taking part in this project.

## Mathias Östlund

for your support.

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## Glossary

**Co-creation** can be defined as "the joint, concurrent, peer-like process of producing new value, both materially and symbolically" (Galvagno & Dalli, 2014).

**Co-creation in New Product Development** is "a collaborative new product development (NPD) activity in which customers actively contribute and/or select the content of a new product offering" (Rindfleisch & O'Hern, 2010).

**In-store co-creation** refers to a co-creation activity that consumers may engage in within a physical store environment.

Willingness to co-create (W2C) is "an attitudinal concept that represents the extent to which consumers are willing to integrate their own resources with those of the service firm" (Neghina, Bloemer, van Birgelen, & Caniëls, 2017).

**Motivation** can be defined as a psychological construct that combines two aspects: Possessing energy to take some sort of action and translating the energy to move into a specific direction (Deci & Ryan, 1985).

**Engagement** relates to the connection between an individual, a stimulus and an activity. It occurs when the stimulus becomes the focus of attention and attracts the individual's full interest (Rigby, 2015).

**Showrooming** is "a practice whereby consumers visit a brick and mortar retail store to (1) evaluate products/services firsthand and (2) use mobile technology while in-store to compare products for potential purchase via any number of channels" (Rapp, Baker, Bachrach, Ogilvie, & Beitelspacher, 2015).

**Customer experience**: "An experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by the service provider" (Gupta & Vajic, 2000).

### 1. Introduction

"It's not a store (...) the Lobby is a place for brands and consumers to meet, interact and create the offerings and shopping experiences of tomorrow." states AMF Fastigheter (2018), one of the largest property investment and development companies in Sweden. AMF Fastigheter takes part in shaping the future face of retail in Sweden's capital Stockholm. In April 2018, the company introduced the Lobby, a "plug-and-sell retail solution" (ibid.). The idea is simple but highly innovative: retailers rent space in the Lobby and can move in and out on a monthly basis. Following a showroom strategy (Hodson, Perrigo, & Hardman, 2017) the Lobby dispenses with high inventory in-store and rather displays a selection of products for inspection, testing and need identification with the support of staff. Products can then be ordered in-store as well as online and picked up or delivered.

Concepts like the Lobby capitalize on a shift in consumer behavior: today, customers test out products in-store and then buy online (ibid.). This becomes apparent when looking at revenue growth in the retail industry: According to a recently published PwC report (ibid.), overall sales growth in retail remained around 1 % in the past years, whereas the sales growth for online retail is nearly ten times as high.

Is such a showroom strategy the way to go for brick and mortar to survive? At least it poses great opportunities for brands. In the Lobby, brands can not only exhibit their products but experiment with the store environment, launch a new brand concept and invite customers to try out an innovative product idea. Being present in a showroom yields advantages also for online retailers who are struggling with converting those that browse in the online shop into actual purchasers (ibid.). In the Lobby, online retailers can expose their brand to consumers in a store environment, which enlarges their target group and markets their brand through a new channel.

Together with "The Edit", located just outside of New York (PR Newswire, 2017), the Lobby is among the first stores in the world to implement a turnkey retail concept offering the customer an ever-changing shopping experience. There is, however, one thing that sets the Lobby apart from other store concepts: in the Lobby, the consumer should be truly engaged, and co-creates more than just the experience. AMF Fastigheter is planning to offer co-creation activities in the Lobby inviting consumers to participate in product design processes and thereby empowering the customer to shape the offerings of tomorrow.

Why is it interesting to use the case of the Lobby with respect to such a co-creation activity from an academic perspective? Grewal, Roggeveen and Nordfält (2017) regard consumption and engagement as closely intertwined. Successfully engaging the customer with the in-store experience means adding value to the goods designed as well as to the purchase process (ibid.).

This enables bonding between the consumer and the brand and contributes to building a favorable brand image (cf. Grewal et al., 2017). Especially in times of e-commerce, bricks-and-mortar retailing has to find new ways of engagement and "stores need to be more than just places to transact" (Geddes & Perkins, 2018). While online shopping is convenient, physical retail stores have the advantage of providing a holistic customer experience that can motivate the customer to engage (Ashley, Ligas, & Choudhuri, 2010). An all-encompassing consumer experience incorporates "the customer's cognitive, emotional, sensory, social and spiritual responses to all interactions with a firm" (Lemon & Verhoef, 2016) - something that is much easier to create in a physical environment. If the brands in the Lobby can successfully engage consumers in co-creation in-store, it will be likely that bonding between the consumers and the brand will be much stronger than in any other context. Empowering the consumer to co-create in the physical store environment can therefore contribute to the continued relevance of bricks-and-mortar retailing.

## 2. Purpose and research questions

For the Lobby and for other brick-and-mortar stores, the need to engage the consumers will be key in the near future (Fantoni, Hoefel, & Mazzarolo, 2014). The purpose of the physical store is changing, and Annelie Gullström, Head of Business Development at AMF Fastigheter, regards the Lobby as a marketing tool rather than a store to sell products. With the rise of e-commerce, the traditional KPI of maximizing sales per square meter is starting to become irrelevant. As touched upon in the introduction, the focus for brick and mortar is shifting from selling to branding, bonding and creating an enjoyable customer experience (Fantoni et al., 2014). Hence, a more innovative way to engage consumers in stores will be explored within this thesis, namely co-creation in new product development (NPD) which essentially means that consumers will be involved in-store to create a product together with a brand.

The relevance of redefining the purpose of bricks-and-mortar retailing becomes apparent when looking at the prioritized research topics set by the Marketing Science Institute. The institute regularly sets priorities for marketing research over a specified time period. One of the questions they identify as important between the years 2016 to 2018 is: "How to design stores and channels that are shopper centric? What will the in-store experience be, given the digitized consumer?" (Marketing Science Institute, 2016). Through identifying consumers' motivations and barriers to engage in a co-creation task, we aim to better understand how such in-store activities can be best designed for maximized consumer benefit and contribution to the company. In other words, the purpose of this thesis work is to discover opportunities for shopper-centric and experience-focused brick and mortar retail in the future, by specifically looking at the case of new product co-creation in the Lobby.

Co-creation is a fairly new stream of research which has been given attention to in two interrelated research areas: innovation and marketing (Roberts & Darler, 2017). In marketing research, co-creation has come about with the works of Vargo and Lusch (2004) and Prahalad and Ramaswamy (2004). Within this field, co-creation activities are regarded as means to strengthen the connection between the co-creating consumer and the brand through a joint effort (Nysveen & Pedersen, 2014; Hsieh & Chang, 2016). In innovation research, the consumer is viewed as an important knowledge source to co-develop products that better fit consumers' needs (Kristensson, Gustafsson, & Archer, 2003). Previous research shows that involving consumers in NPD indeed leads to new ideas that have a higher likelihood of being valued in the market and therefore increases probability of success (Kristensson et al., 2003; Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010). Whereas the groundwork in this field (von Hippel, 1986) focused on co-creation with so-called lead users, which are consumers who possess great product expertise and are ahead of market trends, today's product development collaborations often involve a broader range of consumers (Füller, 2006; Fernandes & Remelhe, 2016).

There is still much room for research advancements within the field, especially within the explicit field of consumer motivations for co-creation engagement. Several previous studies have focused on reactions of consumers as a result of their own engagement in co-creation projects (Nysveen & Pedersen, 2014), reactions of consumers in the periphery who know other consumers have co-created with the brand (Fuchs & Schreier, 2011; Liljedahl & Dahlén, 2018), or effects on brand attachment, purchase intentions or other resulting factors (Fuchs, Prandelli, & Schreier, 2010; Dijk, Antonides, & Schillewaert, 2014). However, little attention has been given to understanding why consumers co-create with companies.

When it comes to the question what determines consumers' willingness to engage in cocreation activities, previous research has mostly focused on examining consumers in a virtual environment (Füller, 2006; Füller, 2010; Fernandes & Remelhe, 2016; Neghina, Bloemer, van Birgelen, & Caniëls, 2017; Hsieh & Chang, 2016; Roberts, Hughes, & Kertbo, 2014). Furthermore, very few of the existing studies concentrate on co-creation specifically in NPD and most studies consist of mainly quantitative elements. To our best knowledge, only Roberts and Darler (2017) examined co-creation in a face-to-face context conducting an in-depth qualitative study. However, taking the firm's viewpoint, the focus area in the latter study lied on the managerial and strategic implications of co-creation between consumers and companies. Having said this, we believe there is an unexplored research gap with regards to consumers' motivations driving them to participate in co-creation in a physical store. In order to successfully involve consumers in co-creation, it is important to understand what encourages the consumer to engage in such an activity in the first place and which potential value they expect to derive from this form of engagement. This knowledge is crucial to redefine the role of brick and mortar when aiming to meet the expectations of increasingly empowered consumers (Roberts & Darler, 2017). Therefore, this thesis aims to contribute to closing this research gap and helps to extend existing theory in the field.

Given the importance of this research area and the outlined research gap, we investigate and provide an answer to the following question:

# What motivates consumers to engage in new product co-creation in a physical store environment?

Moreover, previous studies on consumer motivations to co-create have not identified, or tried to identify, if there are any potential barriers to engaging in the activity. However, there is a reason to believe that barriers do exist, since it has been found that humans can suffer from anxiety in social settings (cf. Maslow, 1943), can experience anxiety in relation to testing new technology (Meuter & Bitner, 1997; Meuter, Ostrom, Bitner, & Roundtree, 2003), and can be demotivated by a sense of low self-esteem or low perceived ability to perform a task (cf. Deci & Ryan, 2000). The abductive approach of this study allowed for an add-on of a sub-question relating to barriers for consumers to co-create. In the course of the interview process, the

realization emerged that consumers' perceived barriers indeed affect W2C in a highly notable way. Hence, the following sub-question has been formulated to generate a better understanding of the potential barriers to engaging in co-creation:

What barriers exist for consumers to engage in new product co-creation in a physical store environment?

Through a pre-study focusing on semi-structured interviews with four industry experts and a qualitative study employing semi-structured interviews with twenty consumers, the two research questions were examined in this thesis project.

#### 2.1 Delimitations

In order to provide answers to our research questions, we narrow down the scope of the research and delimit ourselves to only include participants who live in the area of Stockholm. This is because the Lobby has been deemed an excellent case study example for setting up a co-creation scenario, and the target group of the Lobby lives within Stockholm. AMF Fastigheter expects people who work in proximity to the Lobby to be their main customers who can visit the store during the lunch break or on their way home. Further, the Lobby might also be attractive for those that live or study in the area. The sample comprised for this study aims to represent this broad, yet distinct target group.

#### 2.2 Thesis outline

So far, the background to the thesis topic, purpose and research questions have been described. The outline of the thesis will continue in the following way: Firstly, we present our pre-study, which serves as an aid in further understanding the research topic and the possibilities for co-creation in the Lobby. Secondly, the previous literature on the area of co-creation and motives for consumers to engage in co-creation are summarized and synthesized, followed by a review of human motivation theories. We then present our methodological approach and go on to elaborate on our empirical findings in section seven. Finally, we include a discussion and conclusion of our findings, where we also review implications and limitations, and suggest further research areas.

## 3. Pre-study

## 3.1 Purpose of the pre-study

A pre-study was conducted to ensure a solid understanding of the Lobby, to explore the functions which will be integrated in the store and obtain knowledge on the partners that are actively involved in the collaboration. The Lobby brings a new store concept to Sweden and opened after this thesis study had already been conducted. Speaking to the different stakeholders involved in developing the Lobby was therefore crucial to collect the necessary knowledge to develop a realistic in-store co-creation scenario. Interviewing experts in the field of retailing deepened our understanding of the opportunities that exist for co-creation between brands and consumers in physical stores. To be able to fulfil the aims of the pre-study, an inductive approach (Bryman & Bell, 2011) was employed, in which we did not connect to previous theories.

#### 3.2 Method of data collection

In this pre-study, a purposive sampling approach (Bryman & Bell, 2011) was used. The reasons for this were twofold. Firstly, this method is suitable when the interviews are not connected to any underlying theories and the number of participants is limited (Etikan, Musa, & Alkassim, 2016). Secondly, we wished to select interviewees that were knowledgeable about the topic and were able to provide specific answers to our questions, which this method allowed best for (Etikan et al., 2016). The Lobby at this time was working with six partners. Given the time constraints of this thesis project, we were able to conduct long interviews with four experts (see table 1) out of the six companies contacted.

The method chosen for the pre-study was semi-structured face-to-face interviews. This method is especially suitable when the interviews should allow flexibility and freedom for the interviewee to express their own views (O'Gorman & Macintosh, 2015). As the partner companies possess expert knowledge in different fields, this method was deemed applicable. Nevertheless, we ultimately wanted to discuss certain main topics in every interview related to the interviewee's respective perspective on the future of retail, the role of technology and human interaction in the Lobby. Furthermore, the Lobby's suitability for in-store co-creation and potential pitfalls related to such a project were explored. Hence, a semi-structured approach was more useful than a fully unstructured approach.

## 3.3 Analysis

A descriptive and interpretative analysis method (O'Gorman & Macintosh, 2015) was used when analyzing the pre-study data. The procedure of data analysis started through open coding

(ibid.) which was carried out separately by the authors. The following section describes the general findings relating to each of the broader identified themes and includes combined conclusions from all interviews.

## 3.4 Pre-study: empirical findings

## The partner companies and their role within the Lobby

The Lobby has several partners that aid in providing the envisioned customer experience for the store. Our pre-study included semi-structured interviews with representatives from four of these companies, as outlined in table 1. These representatives have been working closely together with AMF Fastigheter on developing the Lobby. They all have backgrounds from retailing, customer experience management, business development and technology. A more detailed description of the partner companies can be found in the appendix.

Before diving into our pre-study results, we wish to highlight that all information summarized here is given by one representative from each company. Thus, we are not summarizing the general opinion of these companies, but rather the point of view of the representatives we have chosen to speak to.

Table 1. Description of pre-study participants

Participants in pre-study					
Company name	Representative (pseudonym)	Role in The Lobby	Interview place	Time (h:min:s)	
Slash.ten	Adam	Providing "stars" to work as sales representatives for brands in the Lobby.	Slash.ten office	0:34:22	
Symbio	Bertil	Programming of app for the Lobby's customers. Providing tailor made services for brands in the Lobby using AR/VR.	Symbio office	0:51:27	
IBM	Carl	Partner to AMF in discussions on technology in retailing, etc. No formal role in the Lobby.	AMF Fastigheter office	0:41:08	
Apple	David	Helping the Lobby provide a positive customer experience using technology.	Apple office	0:48:54	

#### Technology as a facilitator in the retail space

Bertil (from Symbio) regards technology as a facilitator that provides retailers with the right capabilities for innovation. The usage of smartphones and apps links consumers, retailers and brands closer together and leads to more informed decisions. Hence, technology empowers companies to establish a more personal relationship to the consumer and provides products and experiences that better fit their needs (Carl from IBM).

In general, Carl sees a huge potential for tech-empowered co-creation activities in-store that enable consumers to communicate their preferences to the company and provide direct customer feedback. A fundamental requirement for such a co-creation activity is the omnichannel experience: the seamless integration of online and offline sales as well as communication channels (Carl).

A consumer's attention span and willingness to interact with a technical tool in-store is limited. While the technical tools available multiply, consumers become increasingly tired of engaging with a new technology, according to several of the interviewed experts. If technology in stores should serve its purpose, it needs to be easy to understand, use and adapt. Only if a technical tool extends consumers' and staff's capabilities rather than limiting them, it will be used. Once some form of technology is in place it needs to be properly maintained and updated since technical failures will provoke frustration among the stakeholders and decrease the willingness to engage with it (Carl & Bertil).

#### Human interaction enhances store experience

One crucial part of creating a customer experience, and one of the main reasons why people still visit physical retail stores, is the human interaction that the physical space allows for (Bertil & Adam [from Slash.ten]). Staff has a highly important role in physical stores, which was emphasized by both Adam and David (from Apple).

"The staff needs to be the interpreter of the technology, find the answers for the consumer and teach the consumer. So they definitely need to have a very good grip on the technology, and make people interested in it, since there will be a lot of technology that they don't see." (Adam)

According to Adam, competent staff provides a unique selling point in relation to e-commerce. Adam also stated that: "If the staff behaves like robots, they are going to be replaced by robots." Therefore, future physical stores will need a strong focus on highly skilled staff that can be a part of ensuring a strong customer-brand connection and an engaging in-store experience.

#### Potential risks of consumer co-creation

Even though co-creation may be able to create positive emotions and other benefits for consumers, several experts raised the question of whether consumers are actually willing to engage. Carl spoke of a tech fatigue among consumers, saying that consumers only want technology to facilitate the purchasing process. With a vast amount of apps and other technical

solutions available today, consumers' interest in trying out a new technical solution may decrease, thus affecting the willingness to invest time in a technical tool that enables cocreation. Carl emphasized that a technical solution must be easy and fast to use so that the consumer feels competent as well as encouraged to co-create in the store. In order to provide such a solution, Carl suggested to employ a platform approach, where consumers can add on features to a basic structure of a product. Such an approach will reduce the complexity for the co-creating consumer and offers the possibility to choose different levels of engagement. Furthermore, David emphasized that the product being co-created must bring value to the co-creating customer and that the consumer must perceive this value directly. Ideally, it would be a product that the consumer needs and is highly involved with. Otherwise, he or she will not make the effort to spend time understanding the application.

#### Potential challenges for the Lobby

Launching a new store concept involves risks, and in the case of the Lobby, the main area of potential risk concerns the usage of technology. According to David, a lot of new solutions being developed are technologies that helps the customer do the job themselves. Because of the tech fatigue described earlier, it is questionable whether this type of equipment will be a successful addition to the in-store experience or not. Do customers really want to work in the stores? Technology needs to be used smartly in physical stores. If it makes the "boring" activities easier, and creates fun opportunities for brand engagement, it will be a success. Otherwise, it can potentially ruin the customer experience.

## A changing retail landscape

Consumers continue to buy – and retail sales performance stays strong (Hodson et al., 2017). David observes an inverse relationship in retail revenues: While e-commerce sales increase, instore sales decrease which indicates a change in consumer behavior: purchases shifted from the offline to the online sphere.

Observing the retail industry trends, David recognizes that an increasing amount of large stores, especially in remote locations, close down. At the same time, online players become interested in presence in attractive urban locations (Bertil). With this, they do not aim to maximize their sales revenue per square meter but try to offer the customer an additional value and create a memorable experience that connects the consumer back to the brand. Adam proposes a shift for bricks-and-mortar KPIs to put more emphasis on the amount of time spent in store or other measures that indicate the location's marketing value.

In order to stay relevant in times of rising e-commerce, the store needs to become a destination for spending quality time. The representatives we have spoken to in this pre-study, as well as AMF Fastigheter themselves, agree that the role of physical stores will increasingly evolve towards creating an engaging experience, and acting as a showroom for brands to showcase themselves and a selection of their products. It can be concluded that physical stores will continue to exist, but the format and purpose is changing rapidly and retailers need to adapt.

As Adam puts it: "if companies cannot provide a strong experience, that [physical stores] is going to disappear".

## 3.5 Conclusions and implications of the pre-study

Several conclusions affecting the design of the main study were drawn from the pre-study results.

Today, brands are using the physical store to create an experience for the customer linked to joy and entertainment. Engaging consumers in co-creation activities in stores as opposed to online can be one way of tying consumers closer to the brand. Furthermore, co-creation may also be a feasible solution to satisfying the seemingly increasing need for self-expression.

With regards to moving co-creation activities to the in-store environment, the pre-study results have confirmed that this would be viable. None of the interviewees has been involved in creating a co-creation activity in a physical store before, but all saw the opportunities and possible benefits of it. However, the experts interviewed raised several concerns about potential factors negatively influencing a consumer's willingness to co-create (W2C). This highlights the importance of not only looking at the motivations but also at the thresholds and hygiene factors that affect W2C in the following main study.

Since there is uncertainty regarding how co-creation in physical stores should best be designed, and whether consumers would engage or not, there is a need to experiment with these types of activities. Our pre-study has confirmed that the Lobby would be an optimal setting for our main study simulation, as it can be regarded as an arena for brands to experiment in.

#### 4. Literature review

## 4.1 The concept of co-creation

#### A review of the co-creation literature stream

Co-creation can be defined as "the joint, concurrent, peer-like process of producing new value, both materially and symbolically" (Galvagno & Dalli, 2014). It allows customers and companies to create value through interacting with each other. Different but related streams of research deal with co-creation. The research stream focusing on value co-creation is rather broad and deeply rooted in the theories stemming from two seminal works: Vargo and Lusch (2004) and Prahalad and Ramaswamy (2004). Vargo and Lusch (2004) argue that marketing previously used a model from economics, which is based on the exchange of goods, whereas the new dominant logic for marketing is the service-dominant logic. According to Vargo and Lusch (2004) the service-dominant logic "suggests that the goal is to customize offerings, to recognize that the consumer is always a co-producer, and to strive to maximize consumer involvement in the customization to better fit his or her needs". Furthermore, Prahalad and Ramaswamy (2004) propose a model that acknowledges the changing role of the consumer: "from isolated to connected, from unaware to informed, and from passive to active".

Companies are increasingly engaging their consumers in the NPD process, and the opportunities for doing so have rapidly grown with the development of the Internet and tools such as online platforms or communities (Sawhney, Verona, & Prandelli, 2005). This shift has provided consumers with a heightened sense of empowerment: consumers nowadays wish and expect to engage and take a greater role in exchanges with the company (Hoyer et al., 2010).

## Co-creation in new product development

A more specific research stream within the field of value co-creation is co-creation in new product development. Although being related to the broader value co-creation research, product co-creation specifically focuses on consumer and company collaboration to create new products. Co-creation in the context of this study will therefore be defined from the perspective of new product development in line with Rindfleisch and O'Hern (2010), who state that it is "a collaborative new product development (NPD) activity in which customers actively contribute and/or select the content of a new product offering".

Taking the specifics of NPD into account, the definition stated above has been deemed as most suitable for co-creation in this study, as it centers around empowering consumers to actively participate in the product creation process. Thereby, it highlights the shifting role of the consumer as previously acknowledged in the value co-creation research.

#### Defined area of research

Companies are increasingly engaging the consumer and adopting a more customer-centric view, and this new perspective has so far been enacted primarily in the virtual space.

Today, we are witnessing a rapid development of technological tools, and technological applications have vast importance and multifunctional use in-store (Ring, 2015). We therefore explore a new way for companies to co-create in NPD with consumers: in physical stores, using technology and connectivity tools to keep the consumer engaged during and after the in-store experience. Figure 1 explains the traditional and new perspective of consumer engagement and illustrates the focus area of this thesis at the intersection of both.

Figure 1. Perspectives on consumer engagement



## Why the physical setting for co-creation?

The reason companies may want to include consumers in co-creation at the point of sale, as confirmed by our pre-study participants, is that it is an experiential environment which offers many possibilities for enabling value co-creation processes (Fox & Sethuraman, 2010; Baker, Parasuraman, Grewal, & Voss, 2002). The store atmosphere may serve as an attention-creating medium, a message-creating medium and an affect-creating medium (Kaltcheva & Weitz, 2006). Therefore, it is an applicable space for connecting, interacting with, and influencing consumers and thus it may also be highly suitable for co-creation activities. Activities in stores may not attract every type of consumer. Kaltcheva and Weitz (2006) find that for consumers who are motivated by recreational activities, in other words, who are deriving inherent satisfaction from the shopping activity in itself, arousal has a positive effect on pleasantness. A high-arousal environment could involve such elements as loud music, bright lights, or action displays (ibid.). It enhances the experience for a person with a recreational-oriented motivational orientation, whilst it decreases pleasantness for a person with a task-oriented motivational orientation, who has a specific goal in mind when entering a store (ibid.).

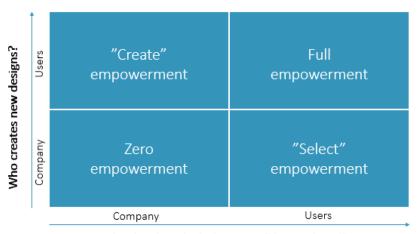
#### Involvement of consumers in NPD

Fuchs and Schreier (2011) suggest a model that defines different types of consumer involvement. They conceptualize customer empowerment in NPD along two basic dimensions:

- (1) customer empowerment to create (ideas for) new product designs, and
- (2) customer empowerment to select the product designs to be produced.

As the model in figure 2 illustrates, a company may then choose not to engage their customers at all, empower the customers to create, for instance by allowing them to submit their own designs, empower the customers to select, for instance through voting for a design option, or fully empower the customers, in that they have the opportunity both to create and to select.

Figure 2. Customer Empowerment Strategies in NPD



Who decides which designs will be produced?

(Fuchs & Schreier, 2011)

The involvement of consumers in the NPD process has been enabled to a greater extent by the development of the internet in the form of online virtual communities (Fuchs & Schreier, 2011; Hoyer et al., 2010; Fernandes & Remelhe, 2016). These platforms provide a neutral and low-risk environment (Quinton & Harridge-March, 2010) which holds together diverse actors and enables their engagement in innovation and co-creation (Frow, Nenonen, Payne, & Storbacka, 2015). So far, we have not yet come across a study that focuses on motivations for NPD co-creation with consumers in physical stores and therefore, the following section summarizes findings on motivations to co-create in virtual settings.

## 4.2 Consumer motivations to engage in co-creation

Willingness to co-create (W2C) is "an attitudinal concept that represents the extent to which consumers are willing to integrate their own resources with those of the service firm" (Arnould,

Price, & Malshe, 2006; Rindfleisch & O'Hern, 2010). It has also been found to be a strong determinant of co-creation behaviour (Neghina et al., 2017).

Several researchers have investigated the possible motives for consumers to engage in the broader concept of value co-creation. Gambetti and Graffigna (2010) find that consumers want to build their identities, express themselves creatively, socialize with others and enjoy unique and memorable experiences. Neghina et al. (2017) look at consumer motivations that drive W2C in service contexts and identify six general motivation categories.

- 1) The first category they identify is individualizing motives. This means "establishing a mutual understanding of the customer's resources, roles, and desired outcomes". Related to this is Robert et al.'s (2012) findings that individuals' desire to see change and take place motivates them to co-create, and that the desire for a better product or service plays a role in the willingness to engage in co-creation.
- 2) A second category is the empowering motives, which are "the desire to negotiate the power to influence the service process or outcome" (Neghina et al., 2017). Consumers today wish to feel empowered to a greater extent than before (Hoyer et al., 2010). Moreover, heightened consumer empowerment has been shown to increase willingness to engage in co-creation (Fernandes & Remelhe, 2016).
- 3) Thirdly, Neghina et al. (2017) identify relating motives as an important motivational category and explain that these motives "pertain to enhancing the social and emotional connection with the service provider or other customers". Relating motives are highly important from a consumer perspective; Neghina et al. (2017) state that the need to relate to others is a fundamental trait. Other previous studies on motivations to engage in co-creation recognize this type of motives as well (Fernandes & Remelhe, 2016; Gambetti & Graffigna, 2010; Roberts et al., 2014).
- 4) Another category is concerted motives, which "pertain to synchronizing efforts with the goal of engaging in pleasant, relevant, and timely interactions" (Neghina et al., 2017). This means that the consumer wants to experience flow through good organization and easy collaboration and wishes to perceive synchronized efforts between themselves and the co-creating company (Neghina et al., 2017).
- 5) The fifth motive category is ethical motives, which Neghina et al. (2017) define as "to require fair, honest, and moral guidelines for the service interaction".
- 6) The sixth and final category is developmental motives. They relate to the development of consumers' competencies, capabilities and skills (Roberts et al., 2014). Neghina et al. (2017),

Roberts et al. (2014), as well as Fernandes and Remelhe (2016) found skills development to be a motivational factor for co-creation engagement.

Regarding motivations among consumers to engage in NPD processes, most of the existing research has been conducted within the area of software development projects. For example, Fernandes & Remelhe's (2016) study is concerned with motives for engaging in collaborative innovation in the specific context of free software. Their results show that knowledge acquisition emerged as the most important determinant of engagement in collaborative innovation. Additionally, they found that intrinsic motives such as curiosity and interest in new and innovative things, as well as social motives such as being able to get in touch with likeminded people play a role in the motivation to engage. In addition to providing similar results, Wu, Gerlach & Young's (2007) study concluded that open-source software developers are motivated by the ability to develop something they can use personally or in their job and by the altruistic opportunity to make a valuable contribution for others.

Research on consumers' motives to engage in NPD of actual consumer products is not as extensive. However, it replicates the findings of studies focusing on value co-creation and software development to a great extent. Füller's study from 2006 focuses on motivations for participating in NPD of various products within virtual communities. According to the results from this study, there are several reasons why consumers engage in virtual co-creation: the main drivers are intrinsic innovation interest, curiosity and the opportunity to show one's ideas to others. Furthermore, other motivations exist, such as dissatisfaction with existing products in the market, to gain knowledge, or to receive monetary rewards. A monetary reward is interesting to consumers when more time and effort is required from them.

An additional research paper from Füller (2010) reveals that there are four different types of consumers who engage in co-creation: reward-oriented, need-driven, curiosity-driven and intrinsically interested. Reward-oriented consumers have high motivation to participate in virtual co-creation, and a desire for monetary rewards is what drives their engagement. Need-driven consumers participate if they feel a need for a better product, in other words, when they are dissatisfied with the existing products offered by the market. Curiosity-driven consumers are motivated to participate in co-creation because of their curiosity for the task. Finally, intrinsically motivated consumers don't seem to care much about financial rewards but are rather motivated by their interest in innovation activities. Hoyer et al. (2010) refer to psychological reasons for consumers to participate in the co-creation process which include a sense of self-expression and the pure enjoyment of engaging in a creative task.

#### 4.3 Bases for successful co-creation

#### User toolkits for co-creation

Successful NPD depends on understanding consumers' needs (Kristensson et al., 2003). Through active involvement of consumers, new ideas are more likely to be valued in the market, and it follows that the probability of success is increased (ibid.). If a company wants to successfully inspire users to make creative contributions, a compelling experience is critical (Fernandes & Remelhe, 2016). However, even though consumers may be inspired and willing to co-create, consumers are usually not educated product designers. As suggested by the representative from IBM in our pre-study, users may need some type of frame and guidance in order to best create a new product. Von Hippel (2001) proposes that companies should provide users with toolkits to guide them in creating a new product. These toolkits enable companies to shorten the trial and error process. In fact, consumers can more easily determine what to create with a tool which supports them in envisioning a potential creation. The toolkit should contain commonly used modules to let users focus only on the unique elements of design. It is critical that the toolkits are user friendly and that they provide a wide enough "solution space" (ibid.). Whilst giving the user options and necessary tools, this method still ensures that the guidelines are in line with the manufacturer and that it is possible to produce the finished product.

#### Technology anxiety

The results of the pre-study show that there is currently a tech fatigue, and that some consumers may be reluctant to try out new technology. Previous research on consumer interaction with technology confirms that individuals can be differently oriented toward trying out new technology, and some may experience anxiety related to technologies (Meuter et al., 2003). This means that the consumer is reluctant to approach and try out new technologies and fears the mistakes that can be made when using new technology (Meuter, Bitner, Ostrom, & Brown, 2005). Technology anxiety "may lead to confusion regarding the task to be performed, decreased motivation levels, and a reduced perception of ability" (Meuter & Bitner, 1997; Parasuraman, 2000; Ray & Minch, 1990). According to the pre-study results, and in line with what literature suggests, technology anxiety may be a potential block for consumers to engage in a co-creation task facilitated by technology. Therefore, technology should aim at creating a seamless experience and needs to aid the consumer in his/her interaction with the company.

#### Gamification

If implemented in the right way, the use of technology can enhance the consumer experience, especially in its function as a facilitator for gamified designs. Since several years, gamified designs are becoming increasingly popular in business and service contexts aiming to heighten customer engagement (Palmer, Lunceford, & Patton, 2012). This has attracted interest in the academic world where gamification became a topic of high interest. Gamification is considered as the "use of game design elements in a nongame context" (Hoy & Brigham, 2015). The characteristics of a game include the achievement component which is the "desire to gain

power, compete against others, and master the mechanics of a game" (Rigby, 2015), a social component that relates to the wish to be part of a group and establish relationships (ibid.) and the immersion component which enables the player to experience flow and escape from real life (ibid.). Following Rigby (2015), the motivation to engage in gamified designs ultimately corresponds to three psychological needs which are competence, autonomy and relatedness (Deci & Ryan, 1980) and which will be discussed more in-depth in the following section. Satisfaction of these three needs through a gamified experience will result in the player's sustained engagement in the activity (Rigby, 2015).

According to Nobre & Ferreira (2017), the application of gamified designs can in fact contribute to a more effective communication with the customer and a more tangible experience. Due to these previous findings, the elements of the co-creation activity in this study are designed to mirror the fundamental features of gamified designs. Such features are competition, the possibility for social interaction and innovativeness, and they all contribute to an experience that the consumer perceives as entertaining, creative and innovative (cf. Nobre & Ferreira, 2017).

## 5. Theoretical background

In the following paragraphs, a synthesis of theories will be provided that possess explanatory potential for the findings presented in the empirical section of this study. Consumers' motivations to engage in product co-creation differ widely. Therefore, theories from different research areas need to be considered to provide a holistic theoretical background. This serves as a base for building an understanding of why consumers engage in new product co-creation activities, specifically in a physical store environment.

#### 5.1 Human needs drive consumer behavior

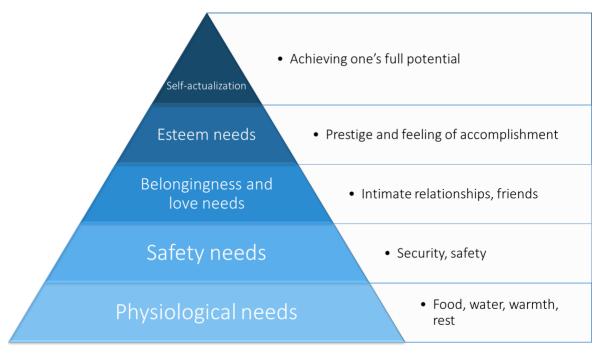
There is a wide array of theoretical perspectives on human and consumer motivation. One of the most fundamental theories is Maslow's theory of human motivation (1943)<sup>1</sup>. It suggests that the desire to fulfill their needs motivates humans to take action. According to Maslow (1943), five fundamental human need categories exist. These can be placed in a hierarchical order, starting with the most basic needs. The respective categories are physiological needs, safety needs, love and belonging, esteem as well as self-actualization, as shown in figure 3. The identified needs are universal to all human beings. However, the behavior motivated by these needs is affected by our culture, societal constraints, traditions and learnings. Seely (1992) has shown that consumption behavior, as defined as the purchase and use of economic goods, may partially fulfil the needs identified by Maslow. This is especially the case for needs related to safety such as resources and property as well for physiological needs, for example the supply of food and clothing. However, certain needs higher up in the hierarchy require the individual's close interaction with its physical, cultural and social environment and cannot be met by pure consumption behavior (Seely, 1992).

Connecting motivational theory to the research on NPD, it is not far to seek that consumers' motivation for engaging in co-creation behavior in a physical store environment can be linked to the fulfilment of higher needs such as a sense of affiliation, recognition and the feeling of self-confidence.

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<sup>&</sup>lt;sup>1</sup> Although being a fundamental theory of motivation, Maslow's theory has also received critique. Wahba & Bridwell (1976) discuss the limited empirical support that has been found for this model and emphasize that there is only partial support for fundamental human needs being hierarchical. Agrawal & Sharma (1977), in an attempt to verify the theory, also found limited support for it. However, since universal needs have been confirmed by later and larger studies (Tay & Diener, 2011; Seeley, 1992), we consider Maslow's hierarchy of needs to be useful as an explanatory theory of basic human needs that can guide motivation and we do not pay specific attention to the order of the needs.

Figure 3. Maslow's Hierarchy of Needs



(Adapted from Maslow, 1943)

## 5.2 The role of hygiene factors for motivation to perform tasks

While previous research on co-creation has only looked at consumers' motivations to engage in co-creation, this study also examines the factors that keep consumers from participating in new product co-creation. As this particular research area has remained unexplored up until this point, we need to draw on theory from a different but comparable context: the motivation to work. A connection between research on task completion in the work environment and participation in co-creation can be established: both require motivation to perform an activity. In 1959<sup>2</sup>, Herzberg conducted a study on engineers' and accountants' work attitude in nine different companies in the United States. He examined what affects employees' motivation positively and negatively. As a result, he identified several motivation factors such as recognition, advancement and responsibility that increase workers' satisfaction and contribute to a positive job attitude.

Based on his findings, Herzberg also argued for the existence of so-called hygiene factors which are, for instance, adequate work conditions, appropriate administration, as well as good

<sup>&</sup>lt;sup>2</sup> Stemming from 1959, Herzberg's theory has been established in literature concerning human motivation and is still frequently used in contemporary literature. The theory has continuously evolved, and both Herzberg as well as other prominent researchers have later altered the theory (Miner, 2005). The theory is still prominent in more recent literature and studies. Some researchers have criticized the theory, whilst others have found many consistencies with it, and it has especially re-emerged within the field of positive psychology (Sachau, 2007). Several studies performed across a variety of sectors confirm that many aspects of Herzberg's theory are still applicable (Bassett-Jones & Lloyd, 2005; Chan & Baum, 2007; Wu & Chen, 2008).

relationships with peers. As opposed to motivation factors, the absence of hygiene factors can cause dissatisfaction and lower motivation to engage in certain tasks at work. However, their presence does not increase satisfaction with the job itself (ibid.). Hygiene factors are linked to the context in which the activity is performed and can therefore be controlled by the employer (ibid.). Similar to the work environment, there are certain factors in the context of a co-creation activity whose absence can have a negative effect on the consumer's motivation to engage in NPD. These factors are to be identified and closer examined in the course of this thesis.

## 5.3 Social exchange theory

Whereas Herzberg's analysis of motivation in the workplace (1959) is more concerned with factors that can affect human motivation negatively, social exchange theory (Thibaut & Kelly, 1959; Homans, 1961; Blau, 1964; Emerson, 1976) investigates the cost-benefit analysis humans conduct to decide whether to engage in a task in the first place. This theory describes an interaction as being rewarding if the subjective derived benefit is greater than the experienced effort (Emerson, 1976). The estimate of the subjective derived benefit is calculated based on rewards received from past experiences (Blau, 1964). In line with social exchange theory, one can argue that consumers will be motivated to engage in a co-creation activity when they expect that an experience will be rewarding enough to outweigh the costs associated with performing the respective activity. Applying social exchange theory to the context of co-creation, Neghina et al. (2017) state that "consumers engage in co-creation activities in order to fulfil their own personal wants and needs, which then translate into motives for their behavior based on the expected value they seek to achieve".

## 5.4 Self-determination theory

Self-determination theory suggests that the motivation to engage in an activity is dependent on the task's specific characteristics. According to Deci & Ryan (1980) humans are motivated if an activity satisfies three innate psychological needs. These entail autonomy, competence and relatedness. Autonomy refers to the inner endorsement of one's own actions implying that the human is acting out of free will independent from the influence of others (Deci & Ryan, 1980). Competence relates to obtaining new skills and to completing a challenge in the aspired fashion (ibid.). Finally, relatedness expresses the feeling of belongingness and being valued by others (ibid.).

In the context of co-creation, self-determination theory can be used to argue that "task characteristics of co-creation may provide satisfaction to innate psychological needs and thus strengthen participative motivation in the co-creation process" (Hsieh & Chang, 2016). Self-determination theory pertains to consumers' needs for autonomy and self-esteem and can

therefore explain why empowering motives are important in the context of co-creation (Gecas & Schwalbe, 1983; Usta & Häubl, 2011).

In addition, Deci & Ryan (2000) claim that two different categories of motivations arise depending on the context of an activity and the human's respective personality: intrinsic and extrinsic motivation. Intrinsic motivation stems from the inner desire to seek and master new challenges for social and cognitive advancement. Extrinsic motivation "refers to the performance of an activity in order to attain some separable outcome" (Deci & Ryan, 2000) and is related to external sources such as expected monetary rewards (ibid.). In contrast to intrinsic motivation, extrinsic motivation is less linked to the enjoyment of the task itself (ibid.). Perceived autonomy, competence and relatedness are typically lower for motivation originating from external sources (ibid.).

## 6. Methodological approach

## 6.1 Methodological fit

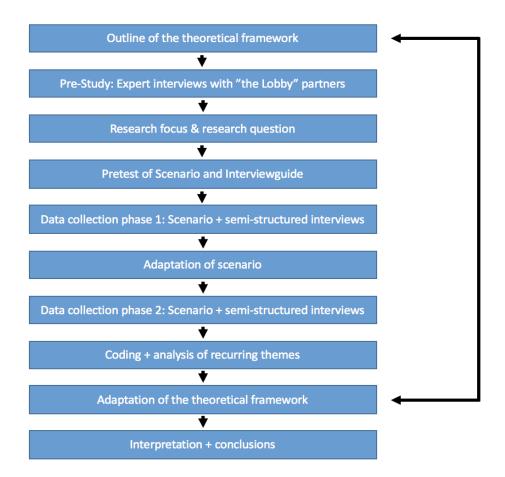
Most studies in the field of consumer motivations for co-creation have employed a quantitative approach focusing on the online sphere. Hence, existing theory can only serve as orientation for exploring the motives behind co-creation in the physical store environment and should neither be regarded as exhaustive nor as fully applicable to the store setting. An abductive approach following a qualitative research design is therefore the right choice for the setting of this study. It has the potential to produce new insights into why consumers would like to engage in co-creation in-store, building on existing knowledge in related areas.

## 6.2 Research approach

Studying a co-creation activity set in the Lobby is regarded a case study due to the fact that the focus lies on a very specific context. It is important to note that case studies have previously received critique for being too dependent on the respective context observed which makes it difficult to draw generalizable conclusions (Yin, 1994). However, a lot of scientific disciplines started to see exactly that as an opportunity to develop a deep understanding for how a phenomenon and its context interact. We believe that the Lobby is at the forefront of retail innovation, and studying its specifics therefore poses a unique chance for researchers to generate new knowledge about customer engagement. Thus, we are convinced that this case study can yield valuable results for similar retailing concepts in the future.

Following a common way to approach a case study, we employed an abductive logic (Alvesson & Sköldberg, 2009; Flick, 2007; Dubois & Gadde, 2002). Pursuing an abductive approach, the researcher gathers knowledge around the theoretical background of a topic prior to the main study but adapts the analytical framework during the course of the study (Dubois & Gadde, 2002). This technique, described by Dubois & Gadde (2002) as "systematic combining", enables the researcher to go back and forth between the empirical world, the analysis and the theoretical model. Systematic combining challenges the assumptions of the models developed in previous research (Flick, 2014) allowing to incorporate new knowledge into the theoretical framework (Dubois & Gadde, 2002). As there is little known about the specific motivations for in-store co-creation we build on findings from research in the area of online co-creation. We believe that employing an abductive approach will enable us to extend existing knowledge in the field of co-creation and develop a framework that incorporates the observed phenomena of the specific physical store context.

Figure 4. A visual representation of the research process employed in the study at hand



#### 6.3 Data collection

#### Qualitative interviews

Over the course of three weeks a total amount of 20 potential customers to the Lobby have participated in the study. The interviews took place at a quiet office space in Stockholm city center and lasted between 25-35 minutes. Before the interview, the participants had been presented to a co-creation scenario in a Power point presentation for approximately 10 minutes. All interviews were conducted face-to-face.

Prior to the study, the research instruments, which are the scenario as well as the interview guide, were pre-tested to ensure methodological validity and comprehensiveness (Bryman & Bell, 2011).

Both researchers were present during the interviews but took on different roles. One was conducting the interview, devoting focus to the interviewee, whilst the other was responsible for time management, recording, taking notes, and adding follow-up questions if applicable. This approach has been suggested by Bechhofer, Elliott and McCrone (1984), who claim that dividing tasks and creating a more informal atmosphere are advantages of having more than

one interviewer. All interviews were transcribed word by word within 48 hours of their recording.

#### Sampling methodology

The interview sample was chosen purposefully based on two criteria: The participant is working or studying in close proximity to the Lobby and would therefore potentially enter the Lobby in his or her everyday life. Furthermore, the study participant should be considered a potential customer to the Lobby according to the definition from AMF Fastigheter. When asked about the Lobby's customer target group, AMF Fastigheter defined it as broad regarding demographics and gender but considered a general curiosity for novel retail concepts as important.

In order to recruit participants, we utilized our social network and contacted companies located in close distance to the Lobby inviting employees to participate. 16 of the interviewees stemmed from our second- or third- tier social network, in other words, they were contacts of people in our own social networks. In four other cases, one of the interviewers was personally acquainted with one of the interviewers but in these cases the interviewer that did not have a personal connection to the interviewee was the one who carried out the interview. This is something that may have affected our results, however, interviewees did not receive any information about the study beforehand, and thus, it was not deemed possible for them to give desirable answers. In addition to that, we directly approached students on campuses that are not far from the Lobby. Prior to the interview, we introduced potential participants to the Lobby concept and asked whether this would evoke their interest. If the response was positive, an interview was set up.

The gender distribution was 60 % female and 40 % male and the age of the participants ranged from 15 to 51. The educational background of the study participants was diverse, including university graduates as well as high-school students.

## Interview design

The central value of an interview is that the researcher can ask the why-question. Hence, it enables the researcher to explore the meaning of answers given by the interviewee while both parties are able to speak freely (Brenner, Brown, & Canter, 1985). In this case study, interviews were therefore considered the appropriate method to explore the underlying motives of participating in co-creation activities.

We decided to perform semi-structured interviews as opposed to unstructured or structured interviews for several reasons: semi-structured interviews pose enough flexibility to tap into new areas of motivation for co-creation that the interviewee introduces and which the researcher did not consider before (Bryman & Bell, 2011). At the same time, this technique allows for drawing comparisons between interviews as the same narrative-generating questions are asked repeatedly in all of the conversations. Having an underlying interview structure in place helps the interviewer to stay close to the constructs being investigated.

Furthermore, it contributes to reaching a level of theoretical saturation (ibid.), where all possible motivations in the respective context are explored and no new knowledge is generated through additional interviews. From a practical standpoint, semi-structured interviews are the preferred technique if more than one person is to carry out the interviews as this ensures comparability across interviewers (ibid.).

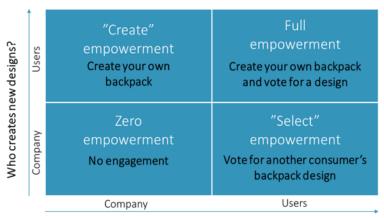
We employed an interview design, commonly used in social sciences today, which has been introduced by Witzel in 1985 as the problem-centered interview. This method is highly applicable when the researchers have a clear focus topic and when the research approach is located at the intersection of inductive and deductive logic (Bryman & Bell, 2011). Problem-centered interviews are context specific and explore the interviewee's perceptions of a certain situation reconstructing actions and driving motivations in the specific context (Witzel, 1996). A central aspect of problem-centered interviews is openness towards empirical observations which contributes to the generation of new knowledge and goes beyond the verification of existing theory (Witzel, 1985).

An interview guide (see appendix) served as a framework for orientation and ensured comparability across interviews (Witzel, 1985). Inspired by the framework developed by Witzel (1985), an interview guide has been developed specific to the co-creation scenario. Existing constructs explaining motivation for co-creation were operationalized in order to be tested. In line with an abductive research approach, the interview guide has been adapted in the course of the study according to the knowledge generated in the first interviews.

#### The co-creation scenario

In order to introduce the participants to the in-store co-creation activity, a scenario was created (see appendix). This scenario was set in the Lobby. It guided the participants through the stages of the co-creation activity providing them with different alternatives for engagement, in line with the typology from Fuchs and Schreier (2011). The participants could choose to co-create their own backpack design from a variety of set options with the help of an interactive screen, conceptualized according to the user toolkit approach (von Hippel, 2001). This design would then immediately be displayed on a physical backpack exhibited in the store. Participants could also vote on designs created by other users or on their own design if they chose to create one. The designs would then enter a competition, and the winning design would be produced by the brand. Finally, participants could also choose not to engage at all in any form of co-creation.

Figure 5. Various levels of consumer empowerment in the scenario



Who decides which designs will be produced?

(Adapted from Fuchs & Schreier, 2011)

Practical as well as methodological considerations affected the decision not to observe an actual co-creation activity in the Lobby. First of all, the Lobby was still in the phase of development at the point in time the study was conducted. Second, it could have been too difficult to find enough participants at the Lobby by chance who would be willing to be interviewed for approximately half an hour after having performed the co-creation activity. Last but not least, it would have been difficult to identify and interview those who deliberately chose not to engage in the co-creation activity — even though they noticed the installation. The chosen scenario setting allowed us to also cover the motivations for non-engagement and can therefore provide a richer data set.

#### Scenarios as a qualitative research method

Scenarios are a highly applicable method for context specific research producing new knowledge by challenging existing assumptions and exploring novel alternatives (Ramirez, Mukherjee, Vezzoli, & Kramer, 2015). Looking at the application of scenario building specifically in management research, we focus on Ramirez et al.'s (2015) definition of a scenario which is "a small bespoke set of structured concepts or systems of equally plausible future contexts, often presented as narrative descriptions, manufactured for someone and for a purpose, typically to provide inputs for further work." Even though the context of the present study is novel, the scenario methodology has already proven to be useful in a related field when exploring the future of retail modernization in India (Ramirez et al., 2015).

Following an abductive approach, the scenario has undergone an iteration after the first phase of data collection: it has been slightly adapted according to new knowledge generated throughout the interviews. Self-evidently, an iteration of the scenario bears the risk of lowering comparability across interviews conducted during the first and the second phase of data collection. At the same time, it enabled us to test out more factors and their effect on consumer's willingness to engage in in-store co-creation.

## 6.3 Data analysis

Toward the middle of the data generation phase, the process of coding was commenced. This helps understanding the data and aids in further theoretical sampling (Bryman & Bell, 2011). Having executed 20 interviews, the authors realized that new data is no longer shedding new light on the topic. The data collection process was therefore pronounced saturated.

The analysis was carried out in accordance with Mayring's (2015) approach for the analysis of qualitative interviews. As a first step, a summarizing content analysis was conducted (ibid.) reducing the collected material to a category system that was then interpreted with regard to the initial focus of research: the motivations, thresholds and hygiene factors for in-store co-creation. The coding was performed separately by the authors and afterwards, the coded material was further discussed and synthesized.

The categories were directly extracted from the interview material. The authors agreed to a great extent on the types of categories that were prominent as well as what data supported which category. In case of disagreement, the issue was discussed until a conclusion was reached, or a second opinion was sought from a person external to the research work. In a last step, the coded material was then put in relation to existing research findings in the field of online co-creation for interpretation and explanatory purposes as presented in the section on empirical findings.

## 6.4 Critical review of data quality

There are several indicators of high quality research that can be employed in research. Following Lincoln and Guba's (1985) argumentation, we are using trustworthiness as a quality indicator as this is deemed most applicable in qualitative research. The criterion trustworthiness contains four aspects (Lincoln and Guba, 1985) which we will review and assess individually in relation to our research.

## Credibility

Credibility to the study is given by ensuring that the research was carried out appropriately. All research tools were pretested before conducting the main study to ensure comprehensibility and avoid biases. Furthermore, the researchers were aware of possible biases that can occur when holding interviews. Therefore, both researchers were present during the interview. The role of the main interviewer was alternated while an interview guide enhanced the comparability of the interviews. A relaxed atmosphere and ensuring anonymity contributed to

receiving as open and honest answers as possible. Furthermore, interviewees were provided with authority to pose questions or add comments (Bryman & Bell, 2011).

## Transferability

The second aspect is transferability, which concerns whether the findings are applicable to other settings. Even though we perform a case study, the results of this study can still be judged as transferable to a certain extent. This is because the Lobby uses a showroom approach, which will probably become increasingly popular among physical stores. Furthermore, the Lobby is, after all, a physical retail store and shares many similarities with other retail stores and, therefore, findings of this study could be applicable to these as well.

### Dependability

A third aspect, dependability, is judged by the researchers' auditing process. All interviews have been recorded and transcribed in detail, and both researchers have been present at the interviews.

### Conformability

The fourth aspect of trustworthiness is conformability, meaning that the interviewers should not transform any personal values to the interviewees. The nature of the semi-structured interviews might have created some conformability issues. In a few instances, the interviewer needed to interpret the interviewee's views in order to move forward, and these interpretations may have been biased by the interviewer's opinions to a certain extent.

Taking all of the four aspects of trustworthiness together, we assess the trustworthiness of this study to be considerably high.

# 7. Empirical findings

This section will firstly summarize our findings in an illustrative framework. It then continues with a detailed description of the identified motives, thresholds and hygiene factors. Thereafter, motivations regarding online and in-store co-creation will be contrasted.

# 7.1 Summary of findings

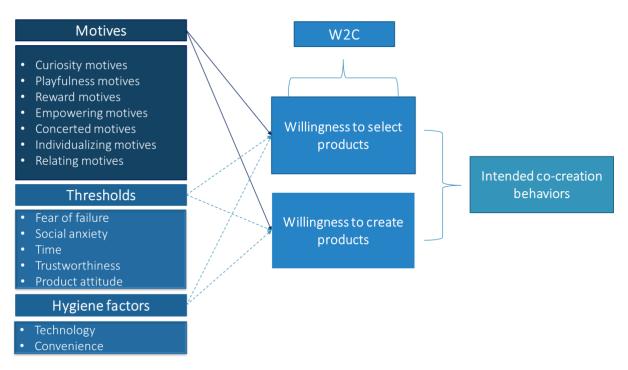
An overview of the empirical findings is given in the framework displayed in figure 6. The insights from the qualitative study suggest that there are seven motive categories, five thresholds and two hygiene factors that influence a consumer's W2C, which describes the willingness to select and/or the willingness to create products. The seven motive categories' effects on W2C have been previously confirmed in quantitative studies (Füller, 2006; Neghina et al., 2017). However, the thresholds and hygiene factors are a result of this qualitative study, meaning that we cannot yet confirm their respective impact on W2C, even though we have identified a relationship. A consumer's W2C gives a clear indication of intended co-creation behaviors (Neghina et al., 2017) given the possibility to engage in new product co-creation in a physical store such as the Lobby.

The framework (figure 6) is adapted from Neghina et al. (2017). However, we don't include all motivation categories from the framework, as we did not find support for ethical and developmental motives. The existence of developmental motives in a product co-creation context has been previously confirmed by several researchers (Neghina et al., 2017; Füller, 2006). However, we did not identify any participants with strong developmental motives for performing the task, perhaps because the co-creation task concerned an activity that many expressed as very easy. The additional motive categories of curiosity and rewards are adapted from Füller (2006). The framework has also been expanded to include playfulness motives which can be connected to previous research on motivations to engage in gameful experiences (Hoy & Brigham, 2015; Nobre & Ferreira, 2017). The reason for combining motive categories from several streams of research is that none of the original frameworks presenting the motivations for online co-creation can fully function as a framework to explain why consumers would engage in co-creation in a physical store environment.

In the context of this case study we found that not only motivations influence a consumer's W2C but that there are certain thresholds and hygiene factors that affect the willingness to create and/or the willingness to select products in an in-store co-creation setting. Thresholds, as defined in this study, are related to a consumer's personality and mindset. Therefore, they cannot be controlled by the co-creating brand. If the experienced thresholds are too high, the consumer is likely not to create a product him- or herself but to vote for another user design or not to engage in the co-creation activity at all. As opposed to thresholds, hygiene factors (cf.

Herzberg, 1959) are within the co-creating brand's control and should be taken into account when successfully wanting to engage the consumer in new product co-creation.

Figure 6. An illustrative framework of study results



(Adapted and expanded from Neghina et al., 2017)

The arrows show previously identified motives that have been confirmed to impact W2C. The dotted arrows illustrate possible predictors of W2C, which yet have to be confirmed using a quantitative study.

An overview of the study participants is displayed in table 2. To ensure anonymity, every participant is given a pseudonym that he or she is referred to throughout this section. The participants are categorized according to their W2C. Having gone through the scenario, each interviewee described his or her W2C according to one of four categories: they could either decide to create their own design and vote for a design, to only design their own product without voting, to select another user design or not to engage at all.

Table 2. An overview of main study participants

Participants in main study					
Pseudonym	W2C	Gender	Age		
Susanne	Creation & Selection	f	31		
Chloe	Creation & Selection	f	16		
Fiona	Creation & Selection	f	24		
Ji-woo	Creation & Selection	f	32		
Ina	Creation & Selection	f	35		
Annika	Creation & Selection	f	40		
Chris	Creation	m	28		
Anna	Creation	f	26		
Marina	Creation	f	26		
Oliver	Creation	m	15		
Sten	Creation	m	28		
Karl	Creation	m	25		
Sanna	Selection	f	24		
Aline	Selection	f	25		
Florian	Selection	m	25		
Chang	Selection	m	33		
Melanie	Selection	f	24		
Natasha	Selection	f	25		
Johan	No engagement	m	51		
Anders	No engagement	m	46		

The majority of the participants showed W2C. The strongest reasons for their willingness to engage, based on the high emphasis in the interviews, were curiosity, empowering and relating motives, as well as expected rewards. Interestingly enough, 12 out of 20 participants chose to create their own design, but only half of these 12 decided to also enter the competition with their product and vote. Participants who created and selected their design were highly driven by the expectation to win the competition and to receive their creation as a physical product. The other half of those that created did not vote for their own design. Hence, they chose not to participate in any competition with their creation - even if that implied that they had forgone the possibility to have their design being produced. The strongest motivations to still engage in the co-creation activity without expecting any rewards were customization, concerted and individualizing motives as well as playfulness. Six out of twenty interviewees showed the

willingness to vote for another user's design, but thresholds kept them from creating their own design. Among these participants, the drivers to vote are linked to feeling empowered to influence the outcome of the competition and by the thought of becoming a part of a community around the co-creation activity. Lastly, the two participants that showed no W2C had little interest in product co-creation and perceived the thresholds as too high to engage at all.

As a matter of fact, we decided not to structure the empirical findings according to distinct consumer types categorized by their respective W2C. According to the findings of this study, motivations to engage often go together and they are also not mutually exclusive to a certain co-creating consumer type. A reason why categorizations are even less appropriate becomes apparent when taking thresholds into account: for several consumers the thresholds affected their willingness to co-create negatively and outweighed their motivations for the respective engagement. In the interview however, they still elaborated extensively on their motivations. Motivations as well as thresholds were not distinct for the different W2C categories, they merely were present to varying degrees.

In the following paragraphs, each category of motives, thresholds and hygiene factors will be analyzed with respect to its influence on W2C.

#### 7.2 Curiosity motives

#### Innovative concepts and interest in technology raises curiosity

Exploring the unknown in a safe environment is intriguing for most of us (Berlyne, 1960). It is therefore hardly a surprise that most participants named curiosity as a determining factor for making them engage with the co-creation activity by voting or designing their own backpack. According to Berlyne (1960) curiosity can be defined as the desire for knowledge because of intrinsic reasons. In his study Füller (2006) had identified a strong relationship between curiosity and the willingness to engage in new product co-creation. Supporting Füller's findings from co-creation in an online environment, participants engaged in in-store co-creation as they perceived it as a stimulating experience which satisfied their curiosity around the co-creation concept. In addition to that, it can function as a form of escapism from boredom (Berlyne, 1960) which Chris explains in the following: "Like I said, boredom. So cure from boredom if I'm shopping".

Due to the rarity of in-store co-creation activities, almost none of the participants had encountered a product co-creation task in a physical store environment before. The unfamiliarity of the concept and its innovativeness increased the level of curiosity: "I thought it was very interesting because I hadn't come across anything like it previously. So I was, I became like curious to see what the next step would be" (Melanie).

#### A tactile experience empowered by technology sparks interest

The integration of a tactile experience into a technology-empowered user interface enhanced the perceived level of innovativeness of the co-creation task. In the pre-study, concerns were raised about anxieties to engage with technology suggesting that this can have a negative effect on W2C. Such concerns were refuted in this study. In fact, the opposite was the case as the interest in trying out new technology was a highly motivating factor to engage in the activity: "I like the technological kind of application, and the newness of the solution of a product, so that's what I liked about it" (Sten). In fact, it is even more appealing to some of the consumers to interact with the technology as opposed to interacting with other people present in the store environment: "Also I like to deal more with the technical part than dealing with people. [...] And it would be fun to play around with functionality and also I mean it's fun it's low barrier when your screen is just in front of you" (Susanne).

Interestingly enough, two thirds of the consumers interviewed were even willing to download the app to follow up on the competition, proving that their interest exceeded the actual store experience.

# 7.3 Playfulness motives

#### Game design elements increase motivation to engage in co-creation

"It's a playful experience so it's just something fun. You know I do tests sometimes 'Which hunger games character are you?' just to pass time because it's fun." (Susanne)

All participants engaging in the co-creation activity regarded it as a joyful experience in itself which enables them to play around with different designs. Chris aptly described this aspect of playfulness as acting "like a big child" in the store environment. According to motivational research, fun is defined as a form of playful enjoyment linked to a positive emotional state in which the individual is intrinsically engaged and values the experience in itself (Deci & Ryan, 2000).

In addition to playfulness, the co-creation activity enabled the consumers to express their creativity. When asked why she decided to create her own design, Anna stated: "I thought it was something new and something that let me be creative." A joyful experience, expressing creativity and "exploring possibilities" (Chris) of an innovative task turned out to be key drivers for engagement. All these aspects are connected to the gameful design (Hoy & Brigham, 2015) of the co-creation activity. Connecting back to literature on gamification, Nobre and Ferreira (2017) identify several reasons that drive customers to get involved in gamified systems. Among these are fun, leisure, novelty and entertainment relating to the empirical findings of the study at hand.

#### Gamification promotes social interaction

The aspects discussed in the previous section can explain what sparks consumers' interest in gamified designs in the first place. However, what makes gaming so addictive is its social component fostering interactions and establishing a sense of community (Nobre & Ferreira, 2017). Indeed, the gamified design encouraged the participants to share their designs and also to talk to their peers about this co-creation opportunity at the Lobby. This indicates that "gamification can be seen as an innovative branding tool to promote consumer interaction" (ibid.) in the context of this study. It does not only tie the consumers closer to the brand but also closer to each other. An interesting observation can be made at this point: different motivations reinforce each other. The gamified design in this case fosters social interaction, which is categorized as a relating motive in the framework (figure 6).

#### Trigger consumers with competitive aspects

One of the main reasons to participate in a gamified activity, other than the enjoyment of the experience itself, is, according to Nobre and Ferreira (2017), the chance to pursue goals and to compete with others. In fact, the expected reward, in this case the possibility to receive the cocreated product, increased the participants' competitiveness in our study. The expectation of receiving their own design as a physical product motivated those that created their own product to also vote for it and promote it further: "If I really really want to have this product, then I want to win. [...] If I really like it and I want to get it, then I will engage much more" (Jiwoo). Sanna states: "I think it could be a competition with a prize. Maybe I would be triggered if it's: 'This will be in the stores.'".

#### 7.4 Reward-oriented motives

We recognize reward-oriented motives as a main driver for W2C. The identified reward categories are in accordance with Füller's (2006) findings and can be divided into intrinsic rewards and extrinsic rewards.

#### Extrinsic rewards: show me the money!

"I mean the company would make money out of my design. I would expect a little bit of compensation." (Annika)

When the interviewees were made aware that a winning design will be produced and launched to the market, the expectancy for compensation came into play. Why is that so? The participants realized that a profit-oriented company stands behind the co-creation activity. This provoked a shift in the participant's mindset from focusing on the joy of the experience in itself to the expected outcome of designing a backpack.

Several of the participants explicitly mentioned that they would want to obtain a share of the profits that the company generates from selling their co-created design. Most expected to at least receive their designed backpack for free, but also discounts on other products and a

percentage of the sales revenue were mentioned repeatedly. For some interviewees the expectancy for a monetary compensation was not only linked to the direct profits a company makes from selling a co-created product. They also understood the marketing value behind involving users in a product co-creation competition as the participants will most likely engage in word-of-mouth marketing - a reason why Chris expects a form of extrinsic reward: "Some kind of compensation. Free products, discounts, a free backpack. And also, I mean you get free word-of-mouth from that, if you win a backpack, it's free marketing. I designed this backpack, I won the competition and now I'm wearing it".

In line with Füller's (2006) findings on online co-creation competitions, the participants in our study would be incentivized by monetary rewards to even higher engagement meaning that they would spend more time and effort in designing the product as well as following up on the competition.

In addition to monetary rewards, recognition has been identified as a reward driving consumers to engage in W2C. The participants liked the idea of being recognized as a designer and seeing their own design worn by others. The study results indicate that having the opportunity to be visible as an "innovator beyond their local boundaries" (Füller, 2006) motivates consumers to become product co-creators. When asked whether Anna would like her own design to be produced, she answered: "That would be cool because I would actually feel like a designer. If I saw it on the streets I would be happy. I think I wouldn't consider a shift in profession - but maybe I would think that for a few minutes and it would make me happy". Several participants perceived winning the competition and having their design produced as a confirmation of their competence and creative skillset: "I think it's about prestige. Other people seeing that you are good. Like getting confirmation" (Marina).

#### Intrinsic rewards: helping others win

Engagement in co-creation is not only driven by extrinsic reward-orientation but also by the expected intrinsic rewards. Several of the participants, specifically those that voted for another user design, perceived the contribution to someone else's success as rewarding. They are driven by altruistic motivation (cf. Füller, 2006) perceiving that they give value to someone else within their community and that their engagement is appreciated. In line with self-determination theory, this satisfies the innate psychological need of relatedness (Deci & Ryan, 1980). When asked why he might be likely to vote, Johan explained: "I don't know, it sounds a bit strange, but to help that person who has the same taste is I do".

#### 7.5 Empowering motives

Many consumers today wish to feel empowered and be able to exercise control over the service and production process (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004). Increasingly, many people recognize their active role and enjoy the opportunities that come with this. In this

study, we find that motives of empowerment play a large role in why consumers co-create. It goes in line with the research stream on the shifting role of the consumer, turning the consumer from passive to active (ibid.). However, few studies have recognized empowerment as an actual motive for co-creation in NPD. Hsieh and Chang (2016) and Neghina et al. (2017) demonstrate relating findings in the field of value co-creation. For instance, Hsieh and Chang (2016) find that consumers' perceived competence relates positively to brand co-creation engagement. Sembada (2018) recognizes the positive effect of participation in co-creation for the consumer's sense of power but does not investigate the role of empowerment as a motive to engage in co-creation in the first place.

#### A sense of self-esteem increases consumers' empowerment

Consumer empowerment relates to the need for autonomy and self-esteem (Gecas & Schwalbe, 1983; Usta & Häubl, 2011) and according to self-determination theory, both autonomy and competence are determining factors of consumer motivation to engage in a task (Deci & Ryan, 1980; Deci & Ryan, 2000). Several study participants experienced confidence and a sense of empowerment in that they would feel like accredited designers if they won the competition. Taking a task which traditionally belonged to educated professionals and enabling consumers to perform it seems to produce a sense of heightened ability and pride among participating creators.

Furthermore, Karl mentioned the following: "It's your creation, something you built up from the ground let's call it. Maybe you gain a little bit of confidence doing that for example. You see like okay, I'm a little bit more creative than I thought.", signaling that he would feel empowered and even more confident after performing the co-creation task of designing the backpack. Further, Karl expressed a strong sense of psychological ownership for the created product. In fact, previous studies found a link between consumer empowerment and purchase intention (Fuchs et al., 2010). Consumers who perceive ownership for a product, as a result of the participation in NPD processes, express a higher demand for the respective product (ibid.). This connection could also be observed in several of the interviews conducted in this study.

#### The user toolkit makes consumers feel competent

In this specific co-creation activity, the user toolkit (von Hippel, 2001) acted as a facilitator of consumer empowerment. When asked how they would feel about designing a backpack from scratch, the majority of our study participants were slightly concerned with the fact that they are not designers and therefore lack previous product design experience. This is illustrated clearly in the following quote from Annika. "I don't think I'm that creative. I don't think I would have that much of an imagination. I mean I would get paralyzed." The user toolkit instead serves as a guide, which increases their perceived competence of performing the creation task. When using the toolkit, everyone described the difficulty level of the design activity as easy or very easy. This indicates that in theory, all participants felt competent to design the backpack - even though not everyone was confident enough to enter the competition with their own design.

Only a few participants would actually prefer designing a backpack completely from scratch without the options and restrictions provided by the toolkit. And these consumers were those who already had previous experience with designing clothes or accessories. There is a clear link, then, between self-esteem and willingness to co-create. An individual who has high confidence in his/her ability to perform the task seems to be more likely to engage with the task whereas someone with a low esteem becomes more reluctant. This is why the toolkit is very suitable to use in a situation of consumer involvement in NPD. It enables the company to empower the consumer to be creative and produce valuable output for the brand.

When it comes to selection of designs, consumers can use the "Wall of Fame" tool (A screen used in our simulation which shows other users' designs and the amount of votes each design has) to get a sense of empowerment. For Florian, selecting a design had a strong connection to a heightened feeling of empowerment: "Because I would feel like I'd been a part of... not the design process but the making it happen, basically, and then I'd probably feel a bit proud".

#### What's mine is mine

A pattern that became evident from our interviews is that consumers who are highly focused on the task, competitive and consider buying the product want to be in control of their own design. These consumers may be willing to accept advice from others, but do not wish to collaborate with others to create a joint design, as expressed by Annika: "They [my friends] would help me with my own design. I would not share [laughs]". Seemingly, fairly high value stems from performing the activity alone, since it gives the opportunity to create something very personal that fits the needs of the particular consumer. Collaborating with someone else on a product that should actually be produced can potentially even demotivate people, as expressed by Chris: "And also, it's not really yours anymore if you're designing it with someone else. Because that's what customized design is for, it's for you. So, if you have to bring other peoples' opinion it makes it not fun".

#### 7.6 Concerted motives

According to Neghina et al. (2017), consumers want to feel a flow through good organization and easy collaboration. This goal of perceiving synchronized efforts between the consumer and the company is a part of the motivation category concerted motives. These kinds of motives were also displayed in our study, as the user toolkit provided by the company increases the willingness to engage since it functions as a facilitator for an easy collaboration.

Even though the co-creation activity is fun to engage in, consumers still realize and reflect upon the fact that there is a brand behind the activity, and that their input will in some way be valuable to this brand. Individuals want to feel the presence of, and connection to, the other party when they are engaging with in the activity. Several participants in our study also expect some type of collaboration with the company, as well as some appreciation for what they have done.

# 7.7 Individualizing motives

The willingness to express one's own interests and preferences is a major part of the individualizing motives, which has been found to be an important motivational category for W2C (Neghina et al., 2017), and was also prominent among our study results. A majority of our respondents seemed very intrigued by the thought of being able to adapt the product to their own wishes and preferences. The reason for Oliver to create his own backpack was the following: "I think, if I should wear something, I like that it is personal, and that it matches my personality in a way". Indeed, the aspect of adapting the details to fit the consumers' specific needs is a motivator to co-create, and also to buy the end product. Several study participants state that as long as they like the product themselves, they would be happy to buy and wear it.

Other study participants were more oriented towards the functional aspects of products, rather than the design. Sanna said that "I pay attention to functionality rather than the way it looks. When it goes in line with my body type and such, yes. But functionality before looks". This desire to ensure that the product will fit one's needs goes in line with the results from Füller (2006), who also identified this as a main motive for engaging in co-creation activities.

#### 7.8 Relating motives

Several previous studies illustrate that the desire to improve one's social network and be able to relate with service employees or other consumers is a strong motive to co-create (Neghina et al., 2017; Füller, 2006; Roberts et al., 2014). In this study, we can confirm that relating motives do serve as a driver for W2C in several regards, especially in relation to social proof from peers and friends.

# Co-creating with friends shifts the purpose of engagement

Taking part in the co-creation activity is for many people more connected to fun when others, particularly friends or family, are involved. When imagining that one's friends are designing or selecting the backpack with them, the task focus of our study participants shifts from fairly high to rather low. Thus, the motives to co-create change from primarily being motivated by creating a backpack they would like to wear, to being motivated by having fun. As Chloe puts it: "If I would go out with friends for example, we would perhaps do it for fun, joke around with it. [...] It would probably be less serious with friends". Marina further explains the purpose that the activity would have for her together with her friends: "You would not choose the nice-looking

bag. You would create something weird, something more fun". The fact that our participants wished to create something weird with their friends was explained by Sten in that it feels less serious and it becomes more of a playful and social activity. Several of the participants explicitly stated that co-creating a product is, indeed, not necessarily linked to a purchase intention, but: "That was just for fun because I didn't know if I was gonna buy one" (Chris). When the primary motive is to have fun, pass time and socialize with others, it seems that the purchase intention of the product is rather low. If the participant decides to create the product in-store on his/her own, the purchase intention appears to be much higher.

#### Social proof has a strong influential power

Several participants also have the need for seeking confirmation from other people. Even though the "Wall of Fame" serves as an indicator of whether other consumers value the design or not, a majority of our participants value the input of friends higher than the input from the community. Oliver would want to receive confirmation from his friends regarding his creation: "And if you do something fun or something good, then your friends will see it and be like, wow that's cool, kind of". Many of our participants emphasize similar viewpoints. They highly value input from friends and wish to show their friends that they did something nice.

Despite the fact that the participants enjoyed receiving confirmation from their social environment, they perceive the idea of the "Wall of Fame" as rather tiring, as it is very similar to what they encounter on social media. "If you do it, and a hundred or a thousand people do that, it just becomes a little bit the same as the experience you have in social media, where you keep scrolling through designs. And I think I would probably not even go through that because I would find it a tiresome process." (Karl)

Even though many respondents claim that they are not interested in social media aspects, several also state that they still like to look at the "Wall of Fame" in order to be inspired by others, get an understanding of what other people like, and to see the winning design. Evidently, many consumers do seek social proof, whether it is from friends or from the broader community of consumers. In accordance with Cialdini (2001), we find that social proof has a strong influence on the thoughts and actions of consumers. The "Wall of Fame" heightens the perceived credibility of the co-creation activity as it shows that other consumers have spent time and effort creating a nice-looking backpack. Fiona mentions that this makes her contribution feel more important. Chen additionally speaks about the community aspect, and how the "Wall of Fame" impacts his sense of closeness to his community: "Instead of hearing like this bag is from this famous designer, it feels quite far away, but saying that this is from some Facebook user from Stockholm, you feel, oh this is like one of us".

#### Co-created products have a signaling purpose

As stated in the section on individualizing motives, co-creating a product is a way to express one's preferences. Going beyond that, the finished product can be used as a means of expressing one's identity and signaling it to people in one's surroundings. Several participants

motivated their purchase intention of the co-created backpack with the possibility to show to others that they own something different and unique. As Sanna stated: "Maybe it would look a bit different and people would start asking. To have one of these details that kind of stand out". Also, Natasha was intrigued by the idea of buying a user-created backpack, emphasizing the deeper meaning behind the product; "I like items which have a story and I like to be brand ambassador for many products actually. I like to tell if to my friends and family". Hence, behind the more apparent motive of customizing a backpack to fit one's taste lies the motive that many individuals have a wish for self-expression through the items that they wear.

### 7.9 Thresholds to engage in in-store co-creation

While previous research has focused solely on identifying the motives that drive consumers to engage in co-creation, this study has also examined the thresholds that result in low or no willingness to co-create or select. In the following, we explain which inner barriers the participants perceived as too high to be able to create their own design.

#### The fear of failure

As stated in the previous section, the participants that chose to co-create want to enter the competition with a design that satisfies their aspirations. Placing high expectations on oneself turned out to be a threshold for many of the participants which prevented them from creating their own product design: "If I myself would design? Now, I don't think I would but if I did I would be very nervous about doing something ugly that would be published that people would see. So it would probably end with me giving up and feeling that it's no use that I participate. Because I would feel like it would be too hard." (Johan)

The fear of failure has a large impact on the emergence of the two main types of co-creating consumers: Those that are keen on entering a competition and exposing their own design to the public and those that prefer not to engage in the competition. The latter ones decided to vote on another user's design instead. The reason why several of the participants did not want to engage in a competition is mainly linked to the perceived level of design competence. They expected not to possess enough design competence to win the competition, especially when considering a high amount of contestants: "I'm doubting myself a little bit: I don't think that my design would have gotten over 4000 votes or something" (Natasha). Also, Karl has high expectations of himself when entering a competition and wants to avoid a situation that puts him under pressure: "It is just that I don't think it makes the whole experience more enjoyable. It actually may just cause... make it a little bit more stressful because actually it is a competition in the end. And the whole psychology behind a competition is that you want to win. It's not like 'oh I'll be fine with second place.'" (Karl). Interestingly enough, the possibility to employ the

user toolkit did not lower this threshold enough for the selecting participants to actually create their own design instead of just voting.

#### Social anxiety

The fact that the co-creation activity was supposed to be conducted in a public setting with high visibility produced social anxiety. Anxiety in social settings can be defined as "the fear of being judged and evaluated negatively by other people" (Richards, 2018). This type of fear can for example evoke feelings of self-consciousness, embarrassment and inferiority (ibid.) - all of which were frequently addressed during the interviews.

Social anxiety in combination with a lack of time became a major threshold for Florian which he perceived as too high to be able to create his own design: "I'm not super comfortable participating in a kind of competition with others on display, you know... and If I would, I'd take the time to do something really good, if I should put my name on it basically". Anders explained further: "The aspect of engaging with it at the store would be a little bit of self-consciousness of doing it in front of people".

#### Time becomes a stress factor

The empirical findings suggest that time is a crucial factor influencing the level of engagement. A store is, according to many participants, an environment where they typically do not have a lot of time at their disposal to engage in a co-creation task. Many of the selecting participants regard the possibility to co-create directly at the store as too stressful: "In the Lobby it feels like you don't have so much time and also, it feels like you are blocking other people behind you then" (Chen).

# Concerns about trustworthiness and data privacy

In addition to that, the majority of the participants emphasized the importance of a legitimate appearance of the presented activity and the related brand. Concerns about data privacy were mentioned frequently throughout the interviews, becoming a threshold for some of the participants to engage in the competition. In order to participate, the consumer needs to possess enough trust in the data policy of the respective brand, and wants to be able to actively decide how much of his or her own private information is disclosed to the public.

#### Product attitude matters

Last but not least, the attitude towards the product and its perceived value to the consumer is a major threshold affecting W2C - a concern that was already discussed by the experts interviewed in the pre-study. Most participants expressed liking for the backpack as a cocreated product. However, several of the consumers explained their low willingness to engage with their aversion for the backpack: "I think that it might have something to do with the fact that it was a backpack and I don't use those. So that might have, that might be a factor. But if it was a dress I would be interested. So I guess I'm biased because it was actually a backpack" (Aline).

Self-evidently, it is difficult to identify a product for co-creation that is liked by everyone in such a broad target group. Still, these results indicate that those not engaging in this specific case might have been willing to do so if the selected product would have been a different one. Having said this, the discussed thresholds are linked to the consumer's personality and mindset. Therefore, they are ultimately outside of the brand's and the store's control.

# 7.10 Hygiene factors

#### Hygiene factors affect the willingness to engage

Analogous to Herzberg's theory on motivation in the workplace (1959), we suggest that there are certain hygiene factors whose absence can lead to low levels of W2C. As opposed to motivators, hygiene factors do not increase the motivation to co-create but if these factors are not present, the consumer is less likely to be willing to engage in the task. What differentiates hygiene factors from thresholds in the context of our study is the fact that the former are under full control of the co-creating brand and the store. Hence, the presence of hygiene factors creates the foundation of a successful execution of the co-creation activity.

#### Interaction with technology

It is important to note that most participants had no concerns about using the provided technology in the store. However, they emphasized that the app and the interactive screens should be easy, as well as intuitive to use and directly accessible. Anders stated in the interview: "I mean the thing more a bit of the retailer's concern is quite often it is a source of errors. If it shows a blue screen and something is wrong and it shows an error". These findings are in line with the insights generated through the pre-study: the retail experts emphasized the importance of a seamless and reliable interaction with technology as a fundamental requirement for the project's success. If the participants encounter any obstacles using the respective technology they will stop engaging with it: "I need it to be really easy to handle. So that if it's like the least frustration coming out from that, then I would leave it" (Aline).

In this specific case, several of the consumers interviewed expected a high level of accuracy from the projection onto the physical product. It should give a realistic picture of how the created design will look like when produced.

#### Convenience is important

Other hygiene factors are related to inconveniences that affect W2C negatively. Most consumers considered queuing for the activity as a hassle which is too time consuming. Furthermore, the majority of the participants would want to try out the activity in the store if they were close by, but they would not actively seek the store in order to engage.

#### 7.11 Online versus in-store co-creation

Previous research on co-creation in NPD has mostly focused on online co-creation, and therefore, research has not been able to identify differences in consumer perceptions and preferences in regard to the online versus the physical settings. In this study, we find that several consumers see many benefits from engaging in co-creation in physical stores as opposed to in online stores. The motivation for and purpose of co-creating differs slightly between the two settings as well.

#### Higher focus and lower perceived risk in the physical setting

The physical setting in-store heightens the authenticity of the experience due to the sensory stimuli that it provides (Grewal & Levy, 2007). Our interview participants associate a lower level of risk with the in-store setting, as they can feel more certain that the product they co-create will look the same in reality as it does on the screen. Regarding the co-creation in the Lobby, Annika expresses that "this is kind of cool because you can actually see and touch the backpack and possibly see the other fabrics like how is this fabric different from this fabric, what is the texture like and stuff. I think online it is a big risk. And if you customize something you might not be able to return that. So you got this 1000 SEK backpack that you don't like". Furthermore, being in the store gives several people an increased commitment to the experience and a sense of absorption in the activity. Usually, being in a store is connected to a certain purpose and there is a "now or never" (Sanna) feeling associated with physical stores, which makes some of our participants more engaged in such a setting. "I'd probably be more engaged in a store setting, I have less attention span online." (Natasha)

The in-store co-creation is related to a higher sense of urgency and encourages the participants to complete the task right away. Finally, the probability that a consumer may approach the co-creation task is seemingly higher when they are in the store, as explained by Sten: "And, it sounds a bit weird but I think it's just easier when it's two meters away from me, I can just check out. And I think it, online would bother me more, to click on it, when there's a new tab and I wouldn't know what to expect. So I think I can see more specifically what's going on there in the real world, I think that's a bit easier for me, and so I would rather try it out there probably, to explore it.".

The store setting enables the social element of co-creating together with someone else. As explained under relating motives, there is a risk that task engagement is lower when consumers are co-creating together. Nevertheless, this is also something that can enhance the overall store experience for a consumer. The social elements of co-creation may also enhance the competitiveness of the participating co-creators. Some of our study participants would like to compete against their friend when designing in-store.

#### Lower willingness to buy online

As our findings suggest, the participants enjoy testing out a co-creation activity in an online setting. However, the probability that the consumer would also buy what s/he designed is lower online than in the store, at least when the consumer is co-creating on his/her own in the Lobby setting. This is because of the perceived risk of receiving a product that does not match what the consumer envisioned and because of a lower commitment level online. Seeing the item in front of them seems to be a determining factor for many of our participants. When we asked Fiona if she would also co-create online, she stated: "I would... I probably would. I would still try. I'm not sure I would buy the final backpack, because, okay this is my personal opinion, but when I'm in a shop, I have more of a sense of commitment to buy stuff when I'm in there, whereas online I would probably try it and make my own design, but in the end I don't think I would, I might buy, I don't know. I like to see. [laughs]". Designing or selecting something from a company's website may additionally evoke concerns about the company's intentions, and they may easily be disturbed by pop-up advertising or links on the website. Anna explains: "I think online there's always so much buzz and fuzz and commercials, and I feel kind of tricked always, when I am online".

Despite the aspects explained above, designing something online is a good solution for those consumers who perceive any of the identified thresholds. Half of the participants who said they wanted to select their backpack, said that they would co-create the design of the backpack if they were online. The reasons for this was either that they would have more time than in the store and would be able to do it anywhere, or that they would not be disturbed by any other consumers watching them.

#### 8. Discussion

This study has identified several motives and barriers for consumers to co-create a new product through creation or selection. Apart from the respective categories in themselves, the study has also recognized certain situations in which some motives have enhanced importance. These elements will be further discussed in the following paragraphs.

#### 8.1 Individuality versus collaborative design

When consumers take part in the co-creation activity to have fun, they are open to collaborating on the design together with friends and do not consider the task very seriously. They even state that they might want to try to create a strange looking backpack. As opposed to this, when the consumer has a purpose of designing a backpack for their own intended use, the task focus is high. They want to design it on their own and it seems important that they can be proud and confident with their end result. This pattern has not been reflected in previous studies on motivations for co-creation. The reason for this may be that past studies have mostly been set in an online context, where it might not appear as natural to co-create an item together with someone. For example, in development of open-source software, consumers do co-create together, although in what seems to be a more product-centered manner (c.f. Casaló, Flavián, & Guinalíu, 2010). One co-creating developer passes on the code to the next developer who adds his/her developments. In this way, the act of co-creating has very strong ties to the community in which the co-creation activity is located (Casaló et al., 2010). However, in-store co-creation offers an opportunity to co-create together directly and face-to-face.

# 8.2 Technology anxiety – or curiosity?

Our pre-study results as well as previous research indications (Meuter et al., 2003; Meuter et al., 2005) led us to postulate that in-store technology might be connected to anxiety for some consumers. Consumers experiencing technology anxiety may be more reluctant towards the activity and less willing to approach in-store technology. However, the opposite was the case. The technology became a motivator in itself, serving as a means of generating interest for several people. We can conclude that providing a tactile experience in the store encourages customer engagement in in-store product co-creation. Most customers today are already familiar with the usage of technology in retailing and are not anxious about engaging with it. They are rather curious to explore innovative technological solutions. What is important to consider, though, is that the application of technology for a co-creation project in a store will be most beneficial if it is easy and intuitive to use, as well as directly accessible. These findings are in line with the suggestions made by the experts interviewed in the pre-study.

#### 8.3 Engagement through gamified design

The integration of gamified design in the co-creation activity is a crucial factor, as it increases interest in approaching and engaging in co-creation as well as the perceived ease of use during the creation process (cf. Nobre & Ferreira, 2017). The gamification aspects can also keep the users engaged after they participate in-store, since they want to follow up on the competition. However, it is important to note that competition is a double-edged sword, as some people perceive competition as a threshold to engage in co-creation. This is primarily linked to the fear of creating something that friends do or the community does not approve of.

# 8.4 Extending the research: thresholds and hygiene factors

Because of the qualitative nature of this co-creation study we were able to explore the underlying reasons for the co-creation motives and identify situations in which some motives are more prominent. The nature of a scenario analysis enables the researcher to explore different alternatives (Ramirez et al., 2015), as in this particular case, the alternatives of creation, selection or no engagement. Going beyond our initial research objective, this study expanded previous research on factors influencing W2C. In the framework below (figure 7), not only motivation factors, but also barriers to co-create are highlighted, which constitute novel theoretical contributions. We see a tendency that these barriers in some instances can be even more powerful than the motivations, and that they may decrease W2C substantially, both in terms of willingness to create and select products.

Curiosity motives
Playfulness motives
Reward motives
Empowering motives
Individualizing motives
Individualizing motives
Relating motives
Fear of failure
Social anxiety
Time
Trustworthiness
Product attitude
Hygiene factors
Technology
Convenience

Willingness to select products
Willingness to create products
Willingness to create products

Figure 7. Theoretical contribution of the study

*New theoretical contributions of this study are highlighted in yellow.* 

#### 8.5 Recreation versus task motivation?

In line with Kaltcheva and Weitz (2006), we could also identify that participants who usually have a task-motivational orientation (Johan and Anders) when they shop were not stimulated by the Lobby environment and did not choose to co-create. In order for a co-creation activity to work in-store, it is therefore crucial that it targets the right consumer group. In other words, consumers with a higher recreation-motivational orientation.

#### 8.5 Summary of discussion

This study identifies seven important motivation categories, five thresholds and two hygiene factors that together determine a consumer's W2C. Similar motive categories have been established in previous research in online settings (Füller, 2006; Neghina et al., 2017). However, this study confirms that co-creation is contextual in its nature (Neghina et al., 2017), since it illustrates that in-store co-creation in some instances is connected to a different purpose for engagement. Therefore, even though we identify similar motive categories, we see that instore co-creation has several advantages over online co-creation and can be used in different ways. The most apparent and important factor is that in-store co-creation offers co-creating consumers the possibility to see the item they design in front of them. The physical-store

environment can also increase absorption into the activity and heighten the focus of participants because of the holistic experience it offers. Furthermore, the physical setting allows for more playfulness and social activity than the online setting does.

#### 9. Conclusion

Co-creation in stores seems to be excellent for engagement purposes and creating an exciting in-store environment. Nearly all of the participants showed willingness to select and/or to create their own product in this setting, indicating that the Lobby seems to be a suitable co-creation environment. Judging from the sample of participants representing the Lobby's target group, these consumers are very open to engaging in co-creation. Most of the motives to co-create as explored in previous studies have been found also in this study. Additionally, the instore environment helps heighten consumers' focus, level of absorption and customer experience.

The identified motive categories that drive consumers to engage in co-creation (see figure 6) provide an answer to our first research question:

What motivates consumers to engage in product co-creation in a physical store environment? However, in the course of this study it became evident that not only motivations, but also the perceived barriers, affect a consumer's willingness to co-create. As a result, our research focus was extended to include the following sub-question:

What barriers exist for consumers to engage in product co-creation in a physical store environment? The absence of certain hygiene factors as well as the presence of thresholds (see figure 6) give an indication of the existing barriers that influence W2C negatively and therefore provide an answer to the posed sub-question.

Moreover, the empirical findings contribute to bridging the existing research gap in three ways:

- 1. First of all, to our best knowledge there is no previous research that explores the motivations for creation and selection in an in-store co-creation setting. The findings suggest that motivations to engage in in-store co-creation are comparable to the motivations to engage in online co-creation.
- 2. While identifying the same motive categories as previous research on online co-creation, we enrich the findings generated through quantitative studies with insights from an in-depth qualitative study conducted in a specific store setting. Hence, we generated a deeper understanding of the reasons why consumers would want to create a product or why they would want to select a design. We were also able to determine which motivations have the strongest effect on W2C in this physical setting.
- 3. Most importantly, we contributed to existing research beyond our initial expectation having identified thresholds and hygiene factors that affect W2C. Such barriers to W2C have not been investigated in previous studies, and hence they pose a valuable extension to research aiming to explain consumers' W2C.

#### 9.1 Theoretical implications

This thesis work has called for and initiated an investigation into motivations for co-creation in physical stores. In this study, co-creation has been found to be rather context-dependent (cf. Neghina et al., 2017): some motives, such as relating motives, appear to be stronger in the physical store setting, whilst other motives, for instance developmental motives, did not play a role in this environment. Therefore, it is crucial to study co-creation with respect to different environments. This study serves as an initial work in the field of in-store co-creation. Nonetheless, more attention needs to be devoted to this research area, as co-creation surely can be a way to engage consumers in stores.

Co-creation seems not only to be context-dependent, but also dependent on the individual consumers and their purpose of engagement. The study at hand suggests a link between engagement with the purpose of having fun or socializing and a weak purchase intention. An explanation for these findings may be that the purpose of having fun and socializing is related to a low task focus. Moreover, the results show that engaging to customize the product for oneself seems to be strongly linked to purchase intention. These theoretical contributions call for more attention to investigate consumers' purpose of engagement and how it connects to the outcome of the co-creation activity.

As mentioned previously, thresholds and hygiene factors have been an unexplored research area in the context of product co-creation. This has important theoretical implications. The empirical findings suggest that these perceived barriers have an extensive effect on W2C, calling for a revision of the factors that influence consumers' W2C. We believe that further investigation of thresholds and hygiene factors in co-creation research will reveal deeper insights into why consumers will engage in in-store or online co-creation and why they would want to create and/or select a design.

#### 9.2 Practical implications

The insights provided in this study do not only have theoretical implications but they are also relevant in a practical context. They are of special importance to AMF Fastigheter, co-creating brands and other stakeholders involved in conceptualizing a co-creation activity in the Lobby. Going beyond the context of the Lobby, we are convinced that the empirical findings are also interesting for businesses that offer a comparable store concept. With the rise of the showroom strategy (Hodson et al., 2017), these insights will become even more relevant for the retailing sector in the future. This study indicates that co-creation can in fact attract consumers to the physical store environment. We believe that engaging the consumer in such an activity can provide a reason for a store visit and thereby contribute to the continued existence and purpose of bricks-and-mortar retailing.

Involving consumers in NPD is a form of democratized innovation. This has become a trend-not only in software development but also in the context of physical products (von Hippel, 2005). In fact, product co-creation can empower consumers to participate in design processes which have previously been reserved for professionals. Such a form of collaboration can provide several benefits for consumers and the co-creating brand depending on how the co-creation activity is designed. Product co-creation can function as a marketing tool establishing a closer connection between the consumer and the brand. Based on how much input a consumer can give in the process, co-creation is also a chance for brands to receive valuable input to design a better product. Regardless of how the co-creating brand defines the purpose of such an activity, the findings of this study and pre-study suggest that the co-creation activity should be designed in a way that leaves enough options for the consumer to design a customized and unique product. This is an important factor to highlight when intending to market the co-creation activity to a consumer and when aiming to convey the potential benefit, as previously suggested by Neghina et al. (2017).

Prior to marketing such a co-creation activity, it is crucial to define a target group whose interest should be attracted. In our study, it became evident that no co-creation activity can correspond to the motivations and concerns of everyone. Some consumers favor the tangible experience of a co-creation activity in a store and others prefer to co-create online. While a competition component encourages a lot of consumers to become engaged, the competitive factor can also provoke social anxiety and the fear of failure. In order to mitigate the risk of perceived thresholds related to the competition, we propose to design the activity in a way that empowers every consumer to make certain decisions for themselves: the consumer should be able to decide how much of their data is shared, which design they want to publish and if they wish to enter a competition or not. This would create the possibility to appeal to different types of customers. If the aim of the co-creation is to attract a broad group of consumers, brands should also consider extending the in-store co-creation to an omnichannel solution. Several participants of our study would have wanted to download the app to follow up, but also to make final touches to their own design. An omnichannel solution would therefore not only result in potentially improved end products, but would also allow for consumers to choose whether they wish to engage in-store or online.

In general, it can be said that the proposed toolkit approach (von Hippel, 2001) lowers the thresholds for engagement in co-creation and therefore represents an important success factor for collaboration between brands and consumers. It does not only provide the consumer with enough competence to design a product but it also ensures that the co-created product complies with the respective brand guidelines.

Last but not least, the empirical findings suggest to control certain hygiene factors related to the consumer's interaction with technology and convenience. Accordingly, brands who intend to co-create with the help of technological tools should ensure to implement an easy, seamless and reliable solution. This conclusion is evident not only from the consumer interviews in the main study, but also from the expert interviews in the pre-study. Furthermore, in regards to convenience, the co-creation activity needs to be fast and easy to access for the consumer.

#### 9.3 Limitations

The character of this study as well as the composition of the sample present five categories of limitations.

Firstly, by its very nature this case study delimits the empirical findings to the context of the Lobby and also to its geographical location. Stockholm is known to be a hub for innovation (Invest Stockholm & The Local, 2016). Therefore, people who live in Stockholm may be more open to testing out new activities than people in other regions or countries. Furthermore, we selected a sample of participants that matches the Lobby's target group, meaning consumers that already show an interest in experiential retail concepts. While the selected sample can depict a wide spectrum of potential customers to the Lobby, the sample may not be representative for the general population, limiting the generalizability of our findings. The fact that our social network was used in order to find interviewees could potentially be argued to have affected the results. However, due to our interviewees not being part of both our immediate social circles and since we did not touch upon any sensitive issues, we judge the risk of obtaining socially desirable answers to have been relatively low.

Secondly, it needs to be said that the sample used in this study can only reflect the potential target group as it was defined by AMF Fastigheter prior to the Lobby's opening. As the Lobby was not yet opened at the point in time the main study was conducted, no data on the Lobby's actual customer base was available.

Thirdly, results from previous studies on co-creation (Neghina et al., 2017; Roberts et al., 2014) indicate that the strength of motivations to co-create is very specific to the context. This affects the transferability of the empirical findings of this study to other contexts.

As a fourth limitation, it is important to note that the participants were only presented with a co-creation scenario and not engaged in an actual co-creation opportunity. Under the given time and resource constraints, the latter was not possible. Instead, a simulation was conducted and consumers' intended co-creation behaviors were investigated. These may potentially deviate from co-creation behaviors in the actual co-creation situation. As mentioned in the methods section, scenarios as a method lowers generalizability of a study, as they are set on investigating a very specific context. Furthermore, the usage of a specific product in the scenario may to some extent have skewed the results of this study, as some interviewees did not like the backpack as a product to co-create. However, this was accounted for in the study by asking questions around the product and by focusing the discussion on a more preferable

product for the interviewees who did not prefer a backpack. It also allowed for the discovery of the product as a threshold for co-creation.

Last but not least, we cannot ensure causality between the identified categories and the W2C since the conducted study is of qualitative nature. While quantitative research offers support for the effect of the identified motivations on W2C (Füller 2006; Neghina et al., 2017), thresholds and hygiene factors were first introduced as a result of this study. These factors therefore require further quantitative investigations to confirm a correlation with W2C. With this qualitative study we do not claim to depict the investigated phenomenon to its full extent and rather suggest considering the generated insights as groundwork for further research.

#### 9.4 Future research

Future research should seek to confirm the established connections between W2C and motivations, thresholds and hygiene factors in the in-store co-creation context. In order to connect W2C not only to intended co-creation behavior, but to the actual co-creation behavior, we propose to triangulate a quantitative survey design with observations of consumers' behavior in a co-creation situation.

On a broader level, it could be interesting to investigate who is involved in conceptualizing a co-creation activity, which role these stakeholders play and how the dynamics between the stakeholders affect the final design of the co-creation activity. As stated in the empirical findings, hygiene factors may affect a consumer's W2C. As hygiene factors are controlled by those designing the co-creation activity, it would be worthwhile to investigate the influence brands and other stakeholders exert on a consumer's willingness to engage in new product co-creation.

# **Appendix**

# Description of the partner companies to AMF Fastigheter

**Slash.ten** is a staffing agency with a fresh approach. They specialize in building culture, providing service and creating engagement. All "stars" provided by Slash.ten for the Lobby will share Slash.ten's core values; commitment, joy, grit and honesty, and will also receive specific training to handle the distinct and new concept, as well as the in-store technology.

Symbio does consulting, digital product development and end-to-end Product development projects. They work with various technologies, such as app development, web, backend development, Artificial Intelligence, Augmented Reality, and Virtual Reality. In The Lobby, they are specifically providing four things. Firstly, they developed an AR app to demo the Lobby to AMF Fastigheter's potential clients. Secondly, an onboarding web has been developed. Thirdly, Symbio has created a "room calendar", showing which spaces are available when, allowing for AMF Fastigheter to plan the use of the space. Finally, Symbio has developed augmented reality tools for the different brands to use. They offer basic, medium and customized offers.

**IBM** can be described as a close partner to AMF Fastigheter and The Lobby, even though not providing any specific technology or service to the project at this point in time. They use technology at three different imperatives in retailing: the storefront, supply chain fulfilment and operations.

**Apple** is a company that works, among other things, with creating positive customer experiences, and have in recent years moved more into projects within retailing and the storefront. For The Lobby, Apple provides advice on how to create the best possible customer experience in store.

#### Interview guide: Pre-study

- 1. Could you firstly give me a short introduction about your company and your role there?
- 2. What is the service you want to offer, and how does your technology help you achieve the service offering?
- 3. How does your technology affect the customer experience?
- 4. What value does your technology bring to the end customer in the store?
- 5. How do people interact with your devices?
- 6. Why do you think people engage with technology?
- 7. We have the idea to examine what type of technology will be feasible in the store and do some type of co-creation there (designing products, picking color, etc.). What do you think about that? Would such an activity be feasible?

- 8. What are the reasons for companies to engage in co-creation?
- 9. What are the reasons for consumers to engage in co-creation?
- 10. Do you have ideas for co-creation in-store using your technology?
- 11. Are there any drawbacks when it comes to the interaction with your technology? e.g. do customers have troubles understanding the functionality?
- 12. How do you envision the future of retailing?

# Scenario: The Lobby

### Dear study participant,

We are so happy that you join us for this simulation today!

You will be going on a journey into the future of retailing. Please remove or mute all items that could disturb you within the next 20 minutes and try to fully immerse into the scenario that will be presented to you.

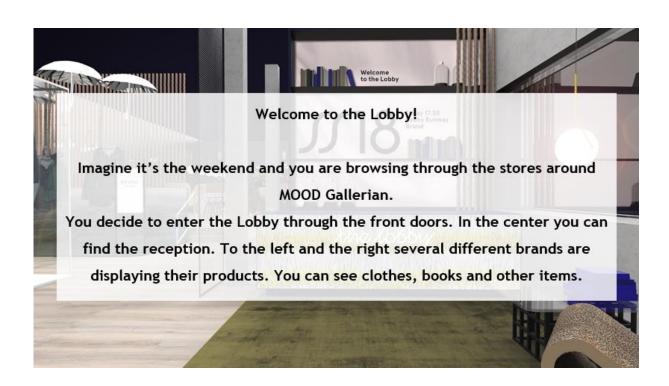
Read all information carefully and click to view the next slide when you're ready. Take as much time as needed. You have the possibility to go back to the previous slide, if necessary.

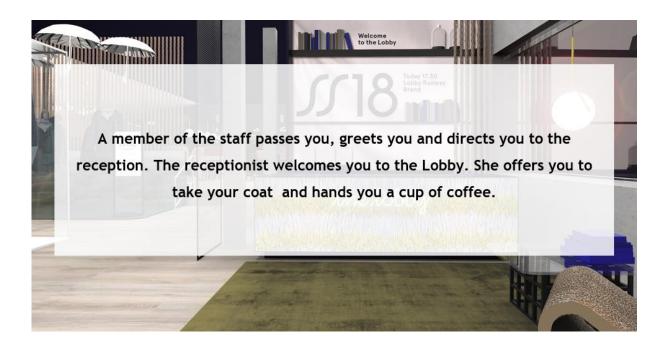
This study is part of a Master Thesis project within Business & Management at Handelshögskolan in Stockholm.

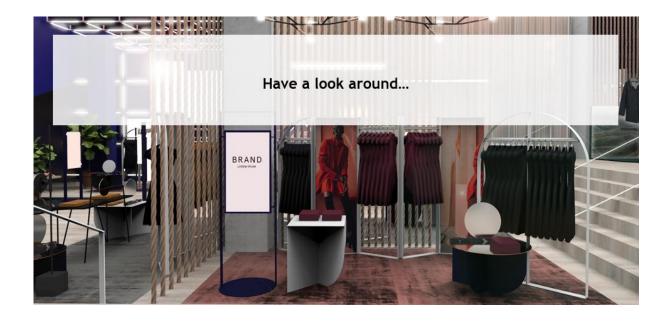
Miranda Schüler and Michelle Maier are collaborating with AMF Fastigheter who are developing "the Lobby". In April 2018 this retail innovation lab will open its doors for customers in the heart of Stockholm.

Without telling you too much: Today we would like to explore how we can engage consumers in "the Lobby".

Any questions before we start?











Next to the installation with the backpack you can see a large interactive screen.

Welcome to the Lobby!

We truly believe that engaging our customers will bring the Lobby and its brands to the next level.

Today, we want to invite you to design a backpack with us. It is super easy and quick.

If your design receives the most likes it will be produced and launched in September.

You want to see designs from other users? Take a look at the wall of fame!





There are 3 different scenarios how to move forward at this point.

Click on the next slide to view **scenario 1**.

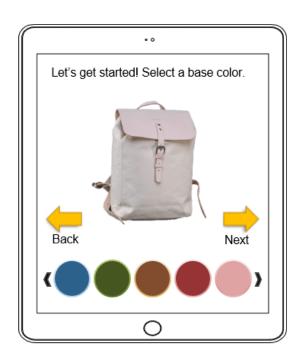


# Scenario 1: Creation

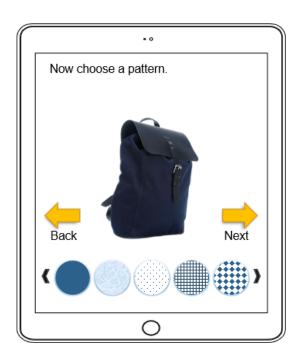
Navigate through the preview of the App to see how you can design your own product.



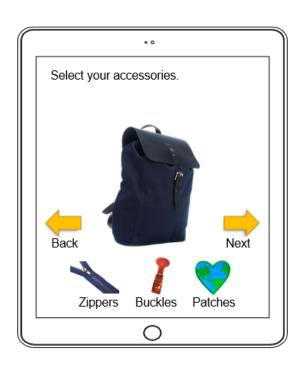
Navigate through the preview of the App to see how you can design your own product.



Navigate
through the
preview of the
App to see how
you can design
your own
product.

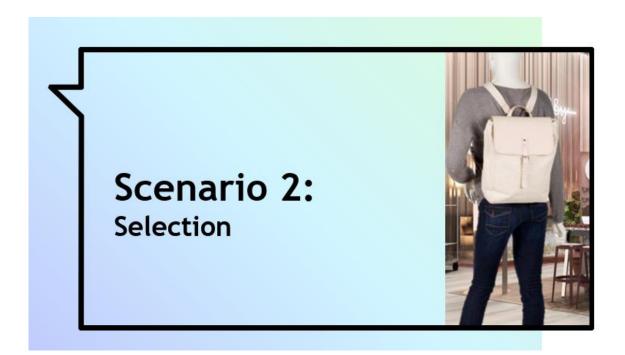


Navigate through the preview of the App to see how you can design your own product.

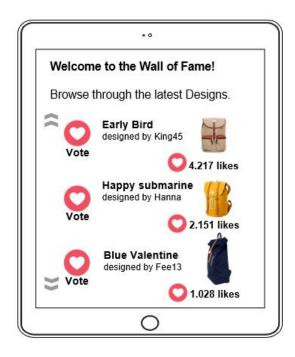


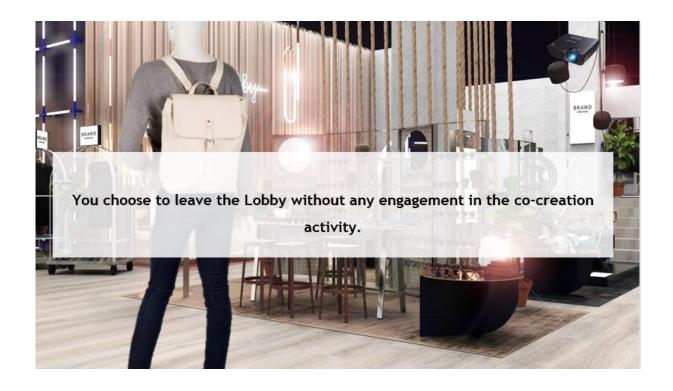
Your design can immediately be projected on the mannequin in the Lobby.











# Which scenario would you have selected in the store?

A. Scenario 1: Creation

B. Scenario 2: Selection

C. Scenario 1 & 2: Creation & Selection

D. Scenario 3: No engagement

(Please remember which letter you select)

Topic	Questions	Second level questions	Construct
Introduction	Please describe to me how you felt during this simulation.		
	Which option did you choose during the simulation? Why did you choose option A (B, C or D)?	Why did you not choose any of the other options?	Form of empowerment (Fuchs & Schreier, 2011)
	Imagine you came across this in real life. What would strike your interest to engage in an activity like this?	Why?	
Motivation to co-create	Now Imagine you came across a similar cocreation activity online. How would you have engaged in the activity online?	In how far does that differ from your engagement in the store?	
Willingness to co-create	How much time would you have liked to spend on the cocreation activity?	Why not longer (or shorter) than that?	Time as a factor for willingness to co-create (Neghina et al., 2017)
Empowering motives	Do you have previous experience with product co-creation?	If yes: In how far do you think it affected your engagement?	Perceived competence (Deci & Ryan, 1980; Hsieh & Chang, 2016; Neghina et al., 2017)
	How would you describe the level of difficulty of this activity?	Did you perceive any barriers to performing this task?	Self-determination theory/Perceived competence (Deci & Ryan, 1980)
	Would you have preferred to design the backpack completely from scratch?	Why?	Toolkit approach (von Hippel, 2001)
Individualizing motives	A/B: How much did you like a backpack as a co-created product? C/D: Would you have been more engaged if it was another product being co-created?	Why?	Interest for/attitude towards the co-created product (Hsieh & Chang, 2016 ("brand interest"); Füller, 2006; Füller, 2010)
Relating motives	While you were going through this simulation, did you imagine that there was	If so, who? What role did they have?	Interest in social engagement (Fernandes & Remelhe, 2016; Füller, 2006; Neghina et al., 2017)

	someone else with you?  What did you think about the "Wall of Fame"?	Did it matter to you that you could see the designs created by others?	Perceived relatedness (Hsieh & Chang, 2016)
Reward oriented motives	Would you think about the co-created product again after leaving the store?	Would you keep track of the votes on your design through the app after you left the store? How important is it to you that your design wins the competition? Would you have expected a monetary compensation for your contribution?	Reward oriented motives (Füller, 2006), Extrinsic/intrinsic motivation (Deci & Ryan, 2000), Social Exchange Theory (Emerson, 1976)
Ethical motives	Was there anything you were concerned about?	Would you feel comfortable with your name and design being projected on the "wall of fame"?	Ethical motives (Neghina et al., 2017)
Individualizing motives	If interviewee talks about buying co- created backpack =>	Would you want to buy the backpack that you cocreated? Would you want to buy a backpack that was designed by someone else? Would you like to buy a backpack that was designed by the brand? Why?	Individualizing motives (Neghina et al., 2017; Füller, 2006)
Developmental motives	If interviewee brings up developmental motives like learning, skills, knowledge =>	Do you feel like you would have learned something from doing this co-creation task?	Developmental motives (Füller, 2006; Neghina et al., 2017; Fernandes & Remelhe, 2016)
Relating motives	If interviewee brings up that their input can be valuable for someone else =>	Do you feel that other people would perceive your input on this co-creation task as valuable? If so, for whom is it valuable? Why?	Altruism (Füller, 2006; Wu et al., 2007)

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