Validating the Role of Social Capital on Engaging in Value Co-Creation Behavior for South Korean Firms

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Abstract

In view of the increasing importance of creating values that require shared societal responsibilities to be borne by not just firms but customers as well, this study aims to empirically investigate whether customers’ social capital plays a role in creating shared values for South Korean firms directly or indirectly through social identity and corporate authenticity. For this purpose, this research adopts the consumer-centric as well as societal perspectives to conceptualize value co-creation behavior, and tests the moderating roles of psychometric measures of self-monitoring and corporate trust. Next, the research confirms whether social identity and perceived corporate authenticity mediate the relationship between social capital and value co-creation. The study results shed new insights into the societal, psychological, and normative aspects of value co-creation.

Key Words: Corporate trust, Perceived corporate authenticity, Social capital, Social identity, South Korea, Value co-creation
1. Introduction

The principle of social capital theory is that resources can be gained via social relationship networks between people (Coleman, 1988). Social capital is defined as a characteristic of social organization, which includes networks, norms, and social trust, which enable cooperation and coordination for reciprocal benefit (Putnam, 1995). People cannot live in isolation from the social network relationships to which they are connected, and social capital may create common value between companies and customers or damage the relationship between them.

In the past, consumers evaluated companies based on the one-way communication messages they provided. However, the development of multimedia and interactive communication technologies now enables consumers to interact and share information instantaneously with companies. Consumers are connected, informed, and active; that is, consumers now try to influence all aspects of the industrial system.

In addition, companies traditionally focused on company-centric value creation. However, marketers now require a new frame of reference for value creation. Equipped with new technology and dissatisfied with previously available choices, people seek to interact with companies, thereby co-creating value (Prahalad & Ramaswamy, 2004). According to the business literature, value creation is a process of cooperation between companies and consumers, and thus interaction has become the root of value co-creation (e.g., Prahalad & Ramaswamy, 2004). In other words, consumers no longer simply buy products or services, but engage in customized interaction with the producing companies to co-create offerings that acknowledge the desired results (Foster, 2007). Companies can no longer create value without the engagement of people. Previous research based on social capital theory shows that social capital factors such as social interaction ties, social networking, and a shared vision influence civic engagement behavior (e.g., Warren, Sulaiman, & Jaafar, 2015). However, little empirical research focuses on the effect of social capital on co-creating value.

Social identity captures the fundamental viewpoint of people’s identification with the group, in that individuals come to see themselves as part of the community—as “belonging” to it (Dholakia, Bagozzi, & Pearo, 2004). Social networks have an important role in identity formation (e.g., Deaux & Martin, 2003). In addition, a greater level of identification creates a more favorable relationship between consumers and other members and positively affects consumer participation (Hogg & Abrams, 1998).

Authenticity is defined as “real or genuine, not copied or false”; “true and accurate”; and “made to be or look just like an original” (Merriam-Webster online, 2014). The concept has recently received wide scholarly attention. The advent of the experiential economy, the increasing need for consumer participation, and the shift towards a consumer-driven communication environment are the main mechanisms affecting perceived corporate
authenticity (e.g., Beverland & Farrelly, 2010).

The strength of social network ties may be a significant determinant of trustworthiness (e.g., Burt, 1992). That is, the structure of consumer relations with its accumulated social capital positively influences perceived corporate authenticity. Authenticity is a new business necessity for the experience economy (Pine & Gilmore, 2007), because consumer perception about the company’s authentic marketing activities is an important variable in determining positive consumer response (e.g., Illic & Webster, 2014).

Along these lines, it is inferred that social identity and perceived corporate authenticity are important in value co-creation, because consumers with higher identification and corporate authenticity are willing to create value through cooperation and participation. Despite the importance of social identity and corporate authenticity for consumer behavior, little previous research has investigated whether these variables mediate social capital and the co-creation of value.

Many studies focus on company-centric value creation rather than value co-creation between companies and customers (e.g., Gronroos, 2000). Co-creating value with the customer is important in the emerging reality and changing environment. Therefore, the current research concentrates on a new approach to value creation. In particular, as little or no empirical research focuses on social capital, this study considers the correlation between social capital and value co-creation. As such, the purposes of the research are as follows:

First, this study examines how social capital contributes to value co-creation. Second, considering the limited empirical understanding of whether and how social identity and perceived corporate authenticity affect value co-creation, this study aims to address the role of social identity and perceived corporate authenticity in value co-creation. In addition, it aims to verify whether social identity and perceived corporate authenticity mediate social capital and value co-creation. A final aim is to explore the role of self-monitoring and corporate trust as a moderating variable. Specifically, this study considers whether self-monitoring moderates social identity and value co-creation, and whether corporate trust moderates perceived corporate authenticity and value co-creation. Figure 1 provides the suggested conceptual framework to be verified by consumer survey data.

2. Theoretical Background and Hypotheses

2.1 Relationship between Social Capital and Social Identity

Social capital is generally obtained through reciprocal relationships through trust, norms, and social networks among individuals (Bourdieu, 1986; Coleman, 1988; Burt, 1992; Putnam, 1993). Social capital is defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet & Ghoshal, 1998, p. 243).
People with a diverse and extensive network of contacts tend to have higher social capital and live a more positive life than those with small and less diverse networks. By investing more in social networks, people gain norms (and expectations) about reciprocity and trust, and have more positive views and expectations about people and life (e.g., Putnam, 2000). Social capital also works as a resource available to individuals through social interaction (Lin, 2001; Putnam, 2004).

Putnam (1995) explains that social capital refers to social networks that enable cooperation among social community members, and argues that promoting coordination and cooperation results in an increased social network. Putnam (2000) classifies capital into two types, namely bridging and bonding. Bonding social capital refers to a strongly tied relationship composed of families and friends (Ellison, Steinfield, & Lampe, 2007). People possessing a high level of bonding social capital are able to obtain emotional or substantive support through continued reciprocity (Williams, 2006) and share homogeneous backgrounds. On the other hand, bridging social capital refers to weak ties. People obtain new information and useful resources through tenuous connections. People who hold bridging social capital forge temporary and superficial relationships, which are observed in a heterogeneous group.

Previous research explains the role of social networks as a source of identity formation (e.g., Deaux & Martin, 2003; De La Rua, 2007). For example, Deaux and Martin (2003) propose the use of social networks as a bridge between broad social categories and interpersonal relationships. Prior research also shows the relationship between social networks and social identity (Putnam, 2000; Davis, 2014). That is, categorical social identities are present in homogeneous social networks, whereas relationship social identities emerge in social networks among heterogeneous groups of people. Lubbers, Molina, and McCarty (2007) suggest that the degree of homogeneity and heterogeneity of social networks influences the level of identity exclusiveness. Similarly, Yurtsever (2012) suggests that social capital components have a significant effect on identification: the greater the heterogeneity of social networks, the greater the tendency to accept others. Maya-Jariego and Armitage (2007) argue that involvement in new communities reduces dependence on strong identities.

In addition, showing connections publicly is accepted as a significant identity signal encouraging individuals to explore their social network connections (Donath & Boyd, 2004). In this context, higher homogeneity and density in social networks facilitate the maintenance of social identity (House, Umberson, & Landis, 1988; Liu & Chan, 2011). Therefore, we propose the following hypothesis.

H1: Social capital has a positive effect on social identity.

2.2 Relationship between Social Capital and Perceived Corporate Authenticity

The evaluation of corporate authenticity from a consumer’s viewpoint is an important
criterion for judging social capital, as the relationship between social capital and corporate authenticity is based on mutually beneficial norms. Defrauding the consumer can be viewed as acting to deteriorate the company’s authenticity in a company evaluation (Gillmore & Pine, 2007; Henning-Thurau, Henning, Sattler, & Eggers, 2006). Specifically, the advent of the experiential economy has increased the need for consumer participation, and the consumer-driven communication environment has become a critical mechanism affecting corporate authenticity. The concept of authenticity is related to the notions of genuineness, truthfulness, honesty, trustworthiness, and actuality (Alhouti, Johnson, & Holloway, 2016).

Fogel (1967) suggests that consumers seek trust more than material satisfaction, even resorting to spiritual sources. In other words, products or services that meet consumers’ physiological needs are not sufficient; therefore, they seek to create value based on sincere trustworthiness that embraces spiritual aspects (Kotler, Kartajaya, & Setiawan, 2010). In this sense, consumers perceive corporate authenticity as a new evaluation criterion to seek both satisfaction and value creation.

According to previous research, social network ties have a strong effect on faith and trust in a company and the social environment. Furthermore, a vital determinant of trustworthiness emerges from the social network or interaction (Coleman, 1990; Fu, 2004; Tsai & Ghoshal, 1998; Warren, Sulaiman, & Jaafar, 2015). Fu (2004) argues that the relations structure could build obligations between social actors, create a reliable and genuine social environment, and open channels for information. Coleman (1990) proposes that mutual trust must be created in casual, small, closed, and homogeneous groups, which can enforce normative sanctions. New information on social organization may be best acquired through strong network ties (Burt, 1992), and these strong ties may increase the inherent trustworthiness of information exchange (Keefer & Knack, 2008).

For this reason, companies with high social capital can build authenticity by acting reliably, honestly, reasonably, and sincerely. In addition, it can be inferred that consumers’ strong network ties and structured relations accumulate social capital, creating a positive impact on corporate authenticity through a beneficial positive perception and the ability to consider social organization and company information. Thus, we propose the following hypothesis.

H2: Social capital has a positive effect on perceived corporate authenticity.

2.3 Relationship between Social Capital and Value Co-Creation

Consumers purchase brands through a comprehensive assessment of tangible and intangible associations, rather than simply buying a product as a physical entity. Thus, consumers’ positive association with a company can be a competitive advantage and strategic asset from an enterprise perspective. Marketers perform optimal activities to improve public image such as sponsorship and cause-related marketing, because of the importance of corporate
association (Brown & Dacin, 1997). Previous literature shows that corporate associations positively affect the attitude towards and evaluation of a company’s product (e.g., Brown & Dacin, 1997), as well as consumers’ corporate evaluations (Sen & Bhattacharya, 2001). Sen and Bhattacharya (2001) indicate that CSR activities positively affect consumers’ evaluation of the company through consumer-company identification. Specifically, consumers use various clues such as associations in addition to product attributes when evaluating a product and company.

Based on social capital theory, Putnam (2000) explains that consumer networks can effectively promote the norms of generalized reciprocity. The norms of reciprocity facilitate communication, which foster citizen participation for mutual benefit (Putnam, 1993). Reciprocity can tie the group together through shared interests, promote an environment that encourages voluntary collective behavior, and create the goodwill needed to peacefully resolve conflict (Newton, 1997). These studies support the notion that the norm of generalized reciprocity, which is similar to the creation of social capital, contributes to citizens’ participation in social enterprises that work for the public good.

The interaction between the company and consumer is the locus of co-creating value (Prahalad & Ramaswamy, 2004). In other words, consumers no longer simply purchase companies’ products or services, but engage in customized interaction with them to co-create offerings that reflect the desired results (Foster, 2007). This engagement is defined as “the phenomenon of corporations creating goods, services, and experiences in close cooperation with experienced and creative consumers, tapping into their intellectual capital, and in exchange, giving them a direct say in what actually gets produced, manufactured, developed, designed, serviced, or processed” (Trendwatching.com). As such, social capital based on the norm of generalized reciprocity brings the prospect of the positive co-creation of value when consumers voluntarily participate in certain company activities, when they interact with the company, or when a company is motivated to learn about the process of consumers’ experience with products or services (Bettencourt, 1997; Groth, 2005).

Similarly, previous research based on social capital theory shows that social capital factors influence civic engagement behavior (e.g., Warren, Sulaiman, & Jaafar, 2015). For example, the presence of social relationships, shared goals among social network members, and strong group norms increase the efficiency of coordinated actions (Kankanhalli, Tan, & Wei, 2005) and participatory behavior (Chiu, Hsu, & Wang, 2006; Warren, Sulaiman, & Jaafar, 2015). According to McAdam and Paulsen (1993, p. 644), “strong or dense interpersonal networks encourage extending an invitation to participate and ease the uncertainty of mobilization.”

Therefore, social capital is the network of relationships that produces value to actors building the network by permitting access to the resources embedded in the network (Adler &
Kwon, 2001; Florin, Lubatkin, & Schulze, 2003). Individuals rich in social capital create superior value, because they are more knowledgeable, creative, and productive (Bouzdine & Bourakova-Lorgnier, 2004). Thus, we propose the following hypothesis.

H3: Social capital has a positive effect on value co-creation.

2.4 Relationship between Social Identity and Value Co-Creation

Social identity theory predicts specific intergroup behavior, and postulates that peoples’ sense of identity originates from the groups to which they belong (Tajfel & Turner, 1979). Social identity theory elaborates the fundamental aspects of peoples’ identification with the group (Dholakia, Bagozzi, & Pearo, 2004), which involves cognitive, emotional, and evaluative components (e.g., Bergami & Bagozzi, 2000).

Higher identification is claimed to encourage more favorable relationships with other community members, who will be motivated to participate and engage in the behavior needed to do so (Hogg & Abrams 1988). One important way to sustain a positive relationship with group members is active participation according to Dholakia, Bagozzi, and Pearo (2004), who suggest that social identity as a key social influence factor has a positive effect on virtual community participation.

Similarly, social identity influences political participation (Fowler & Kam, 2007), members’ participation in a virtual healthcare community (Lin & Chan, 2011), and organization citizenship behaviors (Bergami & Bagozzi, 2000) in various contexts. Based on these previous studies, social identity in consumer perspectives can be considered a variable contributing to the co-creation of value by both companies and customers and inducing customers’ participation. Therefore, we propose the following hypothesis.

H4: Social identity has a positive effect on value co-creation.

2.5 Relationship between Perceived Corporate Authenticity and Value Co-Creation

Authenticity is associated with genuineness, honesty, trustworthiness, and actuality (Alhouti, Johnson, & Holloway, 2016). Authenticity is conceptualized as owning one’s personal experiences, self-awareness, acting in accordance with the true self, and infusing a sense of social wellbeing in the relationship between an individual and social entity (Harter, 2002; Kernis, 2003).

According to Winsted (2000), corporate authenticity is one behavioral attribute that increases consumer satisfaction. Crosby, Evans, and Cowles (1990) and Suprenant and Solomon (1987) interpret company authenticity as a concept similar to sincerity and trustworthiness. Thompson (1976) emphasizes the importance of corporate authenticity in the relationship between consumers and companies, arguing that “synthetic compassion (inauthenticity) can be more offensive than none at all.”

Many companies are committed to authenticity, because consumers may be susceptible to
various interpretations of the underlying motivations of a particular company. That is, consumer response to the company may vary depending on the type of products or services and individual consumer characteristics such as level of knowledge, involvement, and cultural factors (e.g., Solomon, 2016). Therefore, consumer perception of the authenticity of a company’s marketing activities is an important variable in determining consumer response to the company.

Despite the obvious importance of perceived authenticity for consumer behavior and branding (e.g., Beverland & Farrelly, 2010; Leigh, Peter, & Shelton, 2006; Newman & Dhan, 2014), research on its contribution to value co-creation is still limited. Previous research shows that consumers’ perception of authenticity significantly affects consumer response, including brand/company image, brand association, purchase intention, consumer loyalty, and value (Ballantyne, Warren, & Nobbs, 2006; Lu, Gursoy, & Lu, 2015, Napoli, Dickinson-Delaporte, & Beverland, 2016). For example, Lu, Gursoy, and Lu (2015) argue that the level of authenticity is a critical factor in brand association, which determines a brand’s value. Several studies show that authenticity has a positive impact on brand image (Ballantyne, Warren, & Nobbs, 2006; Lu, Gursoy, & Lu, 2015), emotional attachment, and word-of-mouth (Morhart, Malär, Guevremont, Girardin, & Grohmann, 2015).

Companies that act with sincerity may create value, because consumers may evaluate an authentic brand as being more reliable and trustworthy, as the company and brand remain loyal to their values (Coary, 2013). Similarly, authentic brands deliver higher consumer- and brand-derived value compared to less authentic brands (Napoli, Dickinson-Delaporte, & Beverland, 2016). Therefore, value creation from both business and consumer perspectives can vary according to the level of perceived corporate authenticity of service and marketing activities. Thus, we propose the following hypothesis.

H5: Perceived corporate authenticity has a positive effect on value co-creation.

2.6 Self-monitoring

Self-monitoring is defined as a personality characteristic referring to an ability to change behavior to accommodate social situations. Individuals concerned with their expression and self-presentation to others tend to use these clues as instructions for monitoring their own self-presentation (Snyder, 1974). Given this, self-monitoring describes understanding how people will perceive their behavior.

Social identity is a crucial construct in interpersonal communication, which emphasizes social networks and close relationships (Kim & Ko, 2007). Social identity, if present, can dictate how individuals monitor themselves in social relationships and act in public (Lee & Sandar, 2015).

People with a high level of self-monitoring use the behavior of others as a guide to how they should act. They tend to manipulate their expression and self-representation to maintain a
desirable public appearance, and therefore concentrate on the interpersonal appropriateness of social conduct, utilizing the expressions of others in social circumstances as signs for controlling the self (Kjeldal, 2003; Kumru & Thompson, 2003). This inclination is referred to as the concept of other-directedness (Briggs, Cheek, & Buss, 1980), or how much others affect individuals (Bachner-Melman, Bacon-Shnoor, Zohar, Elizur, & Ebstein, 2009). This disposition seems more evident when social identity is clearly defined.

On the other hand, people with a low level of self-monitoring utilize their internal beliefs, values, attitudes, and other properties specific to themselves to guide behavior, and have little interest in regulating their expression and self-presentation based on the social situation identity (Kjeldal, 2003). Previous research supports the idea that such individuals present strong consistency between their inner states and behavior (Snyder, 1987).

According to previous research, consumers with high levels of self-monitoring are more focused on image-based features, while those with low levels are more focused on quality-based features. That is, high self-monitoring people are concerned with the images they present to others in social circumstances (e.g., DeBono, 1985). Kumru and Thompson (2003) suggest that high self-monitoring adolescents perceive themselves as changing their identity based on their role, and are sensitive to social circumstances.

This is consistent with Snyder’s argument that high self-monitoring people tend to attempt to solve conflicting roles by becoming more flexible in their self-presentation in the organization of various reference groups, whereas low self-monitoring people tend to solve similar problems by directly expressing their beliefs and values. That is, high self-monitoring consumers see the self that characterizes identity from a standpoint of a particular social situation and roles—an adaptable “me for this circumstance”—while those with low self-monitoring view the self as a “me for all times and places,” which does not vary with the social situation (Snyder, 1987, pp. 48–49). In addition, Gudykunst, Yang, and Nishida (1987) explain that people from individualistic cultures perform significantly lower on other-directedness compared to those from collectivist cultures.

Based on prior research, it can be concluded that social identity interacts with the level of self-monitoring, eventually influencing the co-creation of value. Thus, this study proposes a hypothesis about the moderating role of self-monitoring on the relationship between social identity and value co-creation. Therefore, we propose the following hypothesis.

H6: Self-monitoring will moderate the relationship between social identity and value co-creation.

2.7 Corporate Trust

Trust refers to a multidimensional concept of competence, dependability, and integrity (Hon & Grunig, 1999). Fukuyama (1995, p. 26) defined trust as “the expectation that arises
within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community.” The branding literature defines brand trust as a salient construct in improving competitiveness and the success of the company (e.g., Morgan & Hunt, 1994). Brand trust is “the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Chaudhuri & Holbrook, 2001). Brand trust also refers to a consumer’s belief that a brand will perform as promised, and that companies make an effort to determine any issues that may lead to risk (Delgado-Ballester, 2004).

Essentially, brand trust results from consumers’ assessment of the company or its brand as honest and reliable (Doney & Cannon, 1997). Notwithstanding, it is becoming increasingly difficult for firms to establish brand trust, especially given that the “cynical” nature of the postmodern buyer (Arnould & Price, 2000; Firat & Venkatesh, 1995) associates brands with fraud, exaggeration, and misdirection (Holt, 2002). However, if a brand is authentic, consumers have confidence that a company’s activities are driven by respect for the product, and they perceive the company as “genuine” and “honest,” rather than “fake” and “superficial” (e.g., Beverland, 2005; Grayson & Martinec, 2004). As such, consumers trust authentic brands more than inauthentic brands (Napoli, Dickinson-Delaporte, & Beverland, 2016).

If consumers trust the brand, a positive consumer perception of product authenticity results (Groves, 2001), as consumers rely on corporate authenticity as a basis of product evaluation (Balmer, 2011). Authentic brands make characterized center values their orientation for company activities and practices. This has a significant effect on a firm’s bottom line. In addition, Jennings and Zeitner (2003) note that trust influences consumers’ Internet civic engagement behavior. Trust is a salient factor that reduces uncertainty and affects consumers’ participation behavior and civic action (Lee & Turban, 2001; Pavlou & Gefan, 2004). Hence, understanding how to manage trust is important in promoting corporate authenticity. Consequently, people with a high level of trust in a company and brand will perceive high corporate authenticity, which will serve as a strong motivator for co-creating value. Therefore, we hypothesize about the moderating role of trust on the relationship between perceived corporate authenticity and value co-creation. Thus, we propose the following hypothesis.

H7: Corporate trust will moderate the relationship between perceived corporate authenticity and value co-creation.

3. Research Methods

3.1 Research Model

This study adopted Williams’ (2006) classification of social capital, which views social capital as consisting of bridging and bonding capital and further conceptualizes social identity and perceived corporate authenticity as mediators linking social capital to value co-creation behavior. In addition, we adopted self-monitoring and corporate trust as measures moderating
the relationship between social identity/corporate authenticity and value co-creation behavior. The research model based on these hypothesized relationships is shown in Figure 1.

Figure 1: Research Model

3.2 Study Subjects

To understand the effects of social capital on value co-creation, we conducted a face-to-face questionnaire survey with a selected group of 400 adult respondents aged more than 20 years residing in Seoul and Kyonggi province. To verify precision in wording and sentence structure, and the validity of questions in reflecting the study objective, we conducted a pretest on 40 respondents before administering the main survey. Ultimately, 50 questionnaires considered inappropriate and with inconsistent response patterns were discarded, leaving 350 questionnaires for the statistical analysis.

3.3 Scale Measures and Operational Definition

The scale comprised five major sections, and excepting demographic questions, all scale items were constructed using a seven-point Likert scale where “1=totally disagree,” “4=neutral,” and “7=totally agree.” The scale included 16 items for social capital, composed of bonding and bridging capital, 6 items for corporate trust, 9 for perceived corporate authenticity, 5 for self-monitoring, 9 for social identity, and 12 for value co-creation, totaling 57 items plus an additional 5 items for demographics.

Table 1: Description of Scale Items

<table>
<thead>
<tr>
<th>Factor</th>
<th>Items</th>
<th>No</th>
<th>No. of Items</th>
<th>Scale</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td>Social capital</td>
<td>Bonding capital</td>
<td>1-8</td>
<td>16</td>
<td>Seven-</td>
<td>Williams(2006)</td>
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3.4 Measures

3.4.1 Social Capital

Social capital refers to the resources obtainable through social interactions (Putnam, 1993; Lin, 2001). Thus, social capital is obtainable by capitalizing on social networks and exchange. Accordingly, this study viewed social capital as embracing the bonding and bridging capital attained by engaging in social networks. For the scale items, we drew on Williams’ (2006) conceptualization of bonding, from which eight items were adopted as follows: “I have a few people I can trust to help solve my problems,” “I have people who can advise me on important decisions,” “I have some people I can talk to when I feel lonely,” “Those I interact with will stake their reputation on my behalf,” “Those I interact with would be good job references for me,” “Those I interact with would share their last dollar with me,” “Those I interact with would
help me fight an injustice,” and “I have people I can turn to if I needed an emergency loan of $500.”

The bridging capital scale was also incorporated from Williams’ (2006) scale, from which eight items were adopted as follows: “Interacting with people makes me interested in things happening outside,” “Interacting with people makes me want to try new things,” “Interacting with people makes me interested in what others think about,” “Interacting with people makes me curious about other places in the world,” “Interacting with people makes me feel like part of a larger community,” “Interacting with people makes me feel connected to a bigger picture,” “Interacting with people reminds me that everyone in the world is connected,” and “Interacting with people helps me seek new conversation counterparts.”

3.4.2 Social Identity

Dholakia, Bagozzi, and Pearo (2004) assert that group members view themselves as part of the group and identify with them in reference to other comparative groups. Dholakia, Bagozzi, and Pearo (2004) also maintain that social identity is composed of three components: 1) Cognitive identity refers to categorizing oneself interactively from other community members; 2) Affective identity refers to the extent of affective involvement, attachment, and identification with a community, and 3) Evaluative identity refers to the evaluation of self-worth in light of belonging to a particular group. In this study, we drew on research by Han (2001), adopting nine items related to corporate community as follows: “My identity within the corporate community is similar to that of other members of the community,” “My identity is in line with corporate goals,” “My self-image is identical to the image of the corporate community,” “I am an important member of the corporate community,” “I can impress other members of the corporate community,” “I have a strong sense of belongingness to the corporate community,” “I believe that I am a member of the corporate community,” “I feel strongly attached to the corporate community.”

3.4.3 Perceived Corporate Authenticity

This study derived nine items from Beverland, Lindgreen, and Vink (2008), who viewed perceived corporate authenticity as composed of three components, namely pure authenticity, iconic authenticity, and moral authenticity (Seo, 2010). The items are as follows for pure authenticity: “This firm’s core values have been kept intact,” “This firm has existed for a long time,” and “This firm produces persistent performance.” The items for iconic authenticity were as follows: “This firm holds a meaningful trademark,” “This firm maintains its historical heritage and spirituality,” and “This firm’s products cannot be duplicated.” The items for moral authenticity were: “This firm’s products are distinctly differentiated from other brands,” “There are products that can be bought only from this firm,” and “This firm always conducts innovative experiments.”
3.4.4 Self-monitoring

We drew from the revised self-monitoring scale (RSM) by Lennox and Wolfe (1984) and Bacher (2009), who defined self-monitoring as the “propensity to observe, control, and manage oneself in compliance with situational clues to make one’s own behavior socially recognized.” The five items adopted were as follows: “I tend to recognize people’s emotions,” “I am sensitive to small changes in my conversation counterpart’s facial expressions,” “I can easily transform my self-image when it differs from the image held by others,” “I can recognize when my words are inappropriate by the other party’s facial expressions,” and “I tend to create an atmosphere where people can comfortably talk and joke.”

3.4.5 Corporate Trust

We adopted the definition of trust proposed by Crosby, Evans, and Cowles (1990), namely that it is the “belief held by customers that the firm will keep its promises to benefit them in sincerity over the long term.” This study adopted six items from the scales proposed by Uslamer (2003) and Lee and Park (2009) as follows: “The more long-term the customers, the greater loyalty they will display towards the firm,” “Customers will highly rate a firm’s authenticity when it impresses them not just with products, but also with services,” “When the firm produces high-quality products, consumers will highly rate the firm’s capability,” and “When the firm produces high-quality products, consumers will highly rate the firm’s credibility.”

3.4.6 Value Co-creation

This study defined value co-creation as voluntary customer citizenship designed to enhance corporate value beyond an ordinary customer’s role. A review of the extant literature on customer citizenship behavior reveals that the concept has been operationalized to embrace customer recommendations (Bettencourt, 1997; Yi, Gong, & Yu, 2004), feedback (Groth 2005), and helping other customers (Seo, Cheon, & Ahn, 2009). Based on the aforementioned studies, we adopted three factors of value co-creation: 1) Customer engagement: “I provide problem solutions to the firm even when there is no problem,” “I intend to make suggestions for the firm when problems occur,” and “I intend to make suggestions for the firm to improve product quality.” 2) Helping: “I am willing to help the firm,” “I will support a policy benefiting the firm,” “I feel intimate with the firm,” and “I will continue to support the firm.” 3) Advocacy: “I will recommend products made by the firm,” “I always consider the firm’s products when buying something,” “I first choose the firm’s products,” and “I always recommend the firm’s offerings.”

4. Results

4.1 General Characteristics of the Sample Respondents

For the statistical analysis of collected data, we used SPSS 18.0 for Windows and AMOS
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18.0 after data coding and cleaning. We first performed a frequency analysis to determine the general characteristics of respondents. The respondents were an equal number of males and females, 175 respectively. Their ages varied: 15.4% were in their 20s, 23.7% in their 30s, 23.1% in their 40s, 30% in their 50s, and 7.7% were older than 60 years. Regarding education level, 48.9% were high school graduates or below, 33.7% were college graduates, 13.1% were university graduates, and 4.3% had a graduate degree. In terms of occupation, 16.6% were professionals, 31.4% were office workers, 24.0% were service professionals, 18.3% were managers, and 9.7% were others. For monthly income level, 14.1% earned below $2000, 30.6% earned $2001–3000, 7.8% earned $3001–4000, 22.6% earned $4001–6000, and 3.1% earned more than $6001

4.2 Data Purification

4.2.1 Validity of Measures

To verify the validity of the measures, we performed a confirmatory factor analysis to produce fitness indices ($\chi^2$, $\chi^2$/df, RMSEA, CFI, NFI, TLI). As a result of the analysis, we obtained $\chi^2$=7984.128, $\chi^2$/DF=8.548, RMSEA=0.147, CFI=0.809, TLI=0.877, and NFI=0.883, which were judged to meet the minimum requirements and C.R values for all variables exceeding 1.96 ($p=0.05$). Therefore, we concluded that the research measures demonstrated structural fitness (see Table 2). According to generally accepted statistical principles, GFI, AGFI, CFI, and NFI are acceptable if they are above .8 and RMR below .5 (Gefen & Straub, 2000; Bai, 2004).

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<th>Factor</th>
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<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>Factor</th>
<th>Items</th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridging capital</td>
<td>bridging 1</td>
<td>2.66</td>
<td>0.65</td>
<td>4.09***</td>
<td>Bonding capital</td>
<td>bonding 1</td>
<td>1.39</td>
<td>0.12</td>
<td>11.01***</td>
</tr>
<tr>
<td></td>
<td>bridging 2</td>
<td>2.45</td>
<td>0.60</td>
<td>4.05***</td>
<td></td>
<td>bonding 2</td>
<td>1.73</td>
<td>0.13</td>
<td>12.63***</td>
</tr>
<tr>
<td></td>
<td>bridging 3</td>
<td>3.65</td>
<td>0.86</td>
<td>4.23***</td>
<td></td>
<td>bonding 3</td>
<td>1.78</td>
<td>0.14</td>
<td>12.54***</td>
</tr>
<tr>
<td></td>
<td>bridging 4</td>
<td>3.94</td>
<td>0.93</td>
<td>4.24***</td>
<td></td>
<td>bonding 4</td>
<td>1.79</td>
<td>0.14</td>
<td>12.87***</td>
</tr>
<tr>
<td></td>
<td>bridging 5</td>
<td>4.08</td>
<td>0.95</td>
<td>4.25***</td>
<td></td>
<td>bonding 5</td>
<td>1.74</td>
<td>0.13</td>
<td>12.67***</td>
</tr>
<tr>
<td></td>
<td>bridging 6</td>
<td>3.95</td>
<td>0.92</td>
<td>4.25***</td>
<td></td>
<td>bonding 6</td>
<td>0.83</td>
<td>0.09</td>
<td>8.44***</td>
</tr>
<tr>
<td></td>
<td>bridging 7</td>
<td>3.87</td>
<td>0.92</td>
<td>4.21***</td>
<td></td>
<td>bonding 7</td>
<td>0.92</td>
<td>0.10</td>
<td>8.80***</td>
</tr>
<tr>
<td></td>
<td>bridging 8</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td>bonding 8</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cognitive identity</td>
<td>cognitive 1</td>
<td>.93</td>
<td>0.04</td>
<td>21.29***</td>
<td>Evaluative identity</td>
<td>evaluative 1</td>
<td>0.21</td>
<td>0.06</td>
<td>3.55***</td>
</tr>
<tr>
<td></td>
<td>cognitive 2</td>
<td>1.05</td>
<td>0.04</td>
<td>26.04***</td>
<td></td>
<td>evaluative 2</td>
<td>0.74</td>
<td>0.05</td>
<td>12.70***</td>
</tr>
<tr>
<td></td>
<td>cognitive 3</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td>evaluative 3</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective identity</td>
<td>affective 1</td>
<td>1.03</td>
<td>0.04</td>
<td>25.15***</td>
<td>Pure authenticity</td>
<td>Pure 1</td>
<td>1.15</td>
<td>0.04</td>
<td>25.11***</td>
</tr>
<tr>
<td></td>
<td>affective 2</td>
<td>1.01</td>
<td>0.04</td>
<td>25.38***</td>
<td></td>
<td>Pure 12</td>
<td>1.09</td>
<td>0.04</td>
<td>25.30***</td>
</tr>
<tr>
<td></td>
<td>affective 3</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td>Pure 13</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Symbolic</td>
<td>symbolic 1</td>
<td>0.88</td>
<td>0.03</td>
<td>24.63***</td>
<td>Moral</td>
<td>moral 1</td>
<td>1.33</td>
<td>0.04</td>
<td>27.38***</td>
</tr>
</tbody>
</table>

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15
### Customer engagement behavior

<table>
<thead>
<tr>
<th>Factor</th>
<th>No. of items</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social capital</td>
<td>Bonding</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Bridging</td>
<td>8</td>
</tr>
<tr>
<td>Corporate trust</td>
<td>Personal trust</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Public trust</td>
<td>3</td>
</tr>
<tr>
<td>Corporate authenticity</td>
<td>Pure</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Symbolic</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Moral</td>
<td>3</td>
</tr>
<tr>
<td>Self-monitoring</td>
<td>Self-evaluation</td>
<td>5</td>
</tr>
<tr>
<td>Social identity</td>
<td>Cognitive</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Affective</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Evaluative</td>
<td>3</td>
</tr>
<tr>
<td>Value co-creation behavior</td>
<td>Cust engagement</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Help</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Advocacy</td>
<td>4</td>
</tr>
</tbody>
</table>

#### Model Fit Statistics

\[ \chi^2=7984.128, \chi^2/DF=3.448, \text{RMSEA}=0.147, \text{CFI}=0.809, \text{TLI}=0.877, \text{NFI}=0.883 \]

### 4.2.2 Reliability of Measures

To test reliability of the measures, we performed a reliability test. The results indicate that all factors have Cronbach’s alpha scores exceeding .70.

#### 4.3 Correlations among Major Factors

We performed a correlation analysis among the major latent factors extracted from the factor analysis. The results show that social capital and corporate trust highly correlate at 0.664, and social identity and self-monitoring at 0.663. However, self-monitoring and corporate trust demonstrate the lowest correlation at 0.025.
Table 4: Result of Correlations Analysis

<table>
<thead>
<tr>
<th></th>
<th>Social capital</th>
<th>Social identity</th>
<th>Corporate authenticity</th>
<th>Self-monitoring</th>
<th>Corporate trust</th>
<th>Value co-creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social capital</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social identity</td>
<td>0.350**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate authenticity</td>
<td>0.530**</td>
<td>0.334**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-monitoring</td>
<td>0.340**</td>
<td>0.663**</td>
<td>0.206**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate trust</td>
<td>0.664**</td>
<td>0.222**</td>
<td>0.443**</td>
<td>0.025</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Value co-creation</td>
<td>0.443**</td>
<td>0.381**</td>
<td>0.518**</td>
<td>0.339**</td>
<td>0.300**</td>
<td>1</td>
</tr>
</tbody>
</table>

** p<0.01

4.4 Hypotheses Verification

This study sought to verify the relationships between social capital, value co-creation, social identity, and perceived corporate authenticity by constructing an SEM model. After running an SEM analysis, we determined that the model has acceptable fit ($\chi^2$/DF=6.423, RMSEA=0.125, CFI=0.919, TLI=0.886, NFI=0.906).

The results of H1 verification reveal that social capital has a significant influence on social identity (est=0.589, C.R=5.777, p<0.001). H2 verification shows that social capital also has a significant influence on perceived corporate authenticity (est=0.845, C.R=6.228, p<0.001). The results of H3 verification indicate that social capital has a significant impact on value co-creation (est=0.293, C.R=2.278, p<0.05). Verification of H4 shows that social identity significantly influences value co-creation (est=0.375, C.R=4.932, p<0.001). Finally, H5 verification confirmed that perceived corporate authenticity also has a significant impact on value co-creation (est=0.426, C.R=7.341, p<0.001).

Table 5: Result of Hypotheses Verification

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent Var</th>
<th>Dependent Var</th>
<th>Est B</th>
<th>Std β</th>
<th>S.E</th>
<th>C.R.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Social capital</td>
<td>Social identity</td>
<td>0.589</td>
<td>0.399</td>
<td>0.102</td>
<td>5.777***</td>
<td>Accept</td>
</tr>
<tr>
<td>H2</td>
<td>Social capital</td>
<td>Corporate authenticity</td>
<td>0.845</td>
<td>0.431</td>
<td>0.136</td>
<td>6.228***</td>
<td>Accept</td>
</tr>
<tr>
<td>H3</td>
<td>Social capital</td>
<td>Value co-creation</td>
<td>0.293</td>
<td>0.144</td>
<td>0.128</td>
<td>2.278*</td>
<td>Accept</td>
</tr>
<tr>
<td>H4</td>
<td>Social identity</td>
<td>Value co-creation</td>
<td>0.375</td>
<td>0.272</td>
<td>0.076</td>
<td>4.932***</td>
<td>Accept</td>
</tr>
<tr>
<td>H5</td>
<td>Corporate authenticity</td>
<td>Value co-creation</td>
<td>0.426</td>
<td>0.411</td>
<td>0.058</td>
<td>7.341***</td>
<td>Accept</td>
</tr>
</tbody>
</table>
4.4.1 Testing the Moderating Effect of Self-Monitoring

An additional test for H4 using regression analysis was conducted, indicating that all three dimensions of social identity (cognitive, affective, and evaluative) significantly impact value co-creation. Based on this relationship, we tested whether self-monitoring moderated this relationship using a moderated regression analysis.

As a result, in Model 1, social identity significantly influenced value co-creation ($R^2=24.6\%$, $F=19.730$, $p<0.05$). Model 2, which contains social identity and moderating independent variables, demonstrated improved predictability ($R^2=26.5\%$, $F=17.055$, $p<0.05$). Model 3 contained social identity, and the moderator variable demonstrated improved predictability ($R^2=27.2\%$, $F=11.386$, $p<0.05$). The results of Model 3 show that the interaction variable (evaluative social identity x self-monitoring) is significant ($\beta=-0.557$, $p<0.05$). In sum, we found that evaluative social identity significantly moderates the relationship, thus partially supporting H6.

Table 6: Test of Hierarchical Moderated Regression for Self-Monitoring

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th></th>
<th></th>
<th>Model 2</th>
<th></th>
<th></th>
<th>Model 3</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>$p$</td>
<td>$\beta$</td>
<td>$t$</td>
<td>$p$</td>
<td>$\beta$</td>
<td>$t$</td>
<td>$p$</td>
</tr>
<tr>
<td>Cognitive(A)</td>
<td>0.163</td>
<td>2.018</td>
<td>0.044*</td>
<td>0.029</td>
<td>0.307</td>
<td>0.759</td>
<td>0.164</td>
<td>1.090</td>
<td>0.277</td>
</tr>
<tr>
<td>Affective(B)</td>
<td>0.186</td>
<td>2.300</td>
<td>0.022*</td>
<td>0.198</td>
<td>2.465</td>
<td>0.014*</td>
<td>0.057</td>
<td>0.443</td>
<td>0.658</td>
</tr>
<tr>
<td>Evaluative(C)</td>
<td>0.182</td>
<td>3.657</td>
<td>0.000***</td>
<td>0.196</td>
<td>3.957</td>
<td>0.000***</td>
<td>0.323</td>
<td>4.861</td>
<td>0.000***</td>
</tr>
<tr>
<td>Self-monitor (M)</td>
<td>0.187</td>
<td>2.803</td>
<td>0.005**</td>
<td></td>
<td></td>
<td></td>
<td>0.529</td>
<td>1.600</td>
<td>0.111</td>
</tr>
<tr>
<td>(A) x (M)</td>
<td></td>
<td></td>
<td></td>
<td>-0.284</td>
<td>-0.763</td>
<td>0.446</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) x (M)</td>
<td></td>
<td></td>
<td></td>
<td>0.457</td>
<td>1.329</td>
<td>0.185</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C) x (M)</td>
<td></td>
<td></td>
<td></td>
<td>-0.557</td>
<td>-2.808</td>
<td>0.005**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td>19.730</td>
<td></td>
<td></td>
<td>17.055</td>
<td></td>
<td></td>
<td>11.386</td>
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<tr>
<td>$R^2$</td>
<td>0.246</td>
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<td></td>
<td>0.265</td>
<td></td>
<td></td>
<td>0.272</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change of $R^2$</td>
<td>+0.019</td>
<td></td>
<td></td>
<td>+0.024</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change of $P$</td>
<td>0.000</td>
<td></td>
<td></td>
<td>0.005</td>
<td></td>
<td></td>
<td>0.019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* $p<0.05$, ** $p<0.01$, *** $p<0.001$

4.4.2 Testing the Moderating Effect of Corporate Trust

In an additional test of H5 using regression analysis, only two dimensions of perceived corporate authenticity (symbolic and moral) were found to significantly impact value co-creation. Based on this relationship, we tested whether corporate trust moderates these two
relationships using a moderated regression analysis.

As a result, in Model 1, perceived corporate authenticity significantly influenced value co-creation ($R^2=26.3\%, F=61.962, p<0.05$). Model 2, which contains perceived corporate authenticity and the moderator as independent variables, demonstrated improved predictability ($R^2=26.5\%, F=41.516, p<0.05$). In Model 3, which contains social identity, the moderator variable yields improved predictability ($R^2=26.7\% F=52.095, p<0.05$). However, the results of Model 3 show no significance for either of the interaction variables (symbolic corporate authenticity x corporate trust, moral, moral corporate authenticity x corporate trust). Therefore, we conclude that corporate trust does not moderate the relationship between perceived corporate authenticity and value co-creation, thus not supporting H7.

Table 7: Test of Hierarchical Moderated Regression for Corporate Trust

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>$p$</td>
</tr>
<tr>
<td>Symbolic (A)</td>
<td>0.421</td>
<td>8.897</td>
<td>0.000***</td>
</tr>
<tr>
<td>Moral (B)</td>
<td>0.214</td>
<td>4.523</td>
<td>0.000***</td>
</tr>
<tr>
<td>Corporate trust (M)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)x(M)</td>
<td>-0.135</td>
<td>-0.896</td>
<td>0.371</td>
</tr>
<tr>
<td>F-value</td>
<td>61.962</td>
<td>41.516</td>
<td>25.095</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.263</td>
<td>0.265</td>
<td>0.267</td>
</tr>
<tr>
<td>Change of $R^2$</td>
<td>+0.002</td>
<td>+0.002</td>
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</tr>
<tr>
<td>Change of $\beta$</td>
<td>0.000</td>
<td>0.396</td>
<td>0.546</td>
</tr>
</tbody>
</table>

* p<0.05, ** p<0.01, *** p<0.001

4.4.3 Mediating Effects of Social Identity and Perceived Corporate Authenticity

In addition, we ran an SEM using the bootstrap option to calculate total and direct/indirect effects to verify the mediating effects of social identity and corporate authenticity on social networks and value co-creation. We determined that in the path from social capital to value co-creation, the total effect is 0.874 ($p<0.001$) with an indirect effect of 0.581 ($p<0.001$).

To corroborate the effect of the two mediators, we calculated the indirect effect of each, finding that perceived corporate authenticity has a greater indirect effect (.3599) than social identity (.2208). However, these indirect effects are less influential than direct effects (.375 for social identity and .426 for perceived corporate authenticity), which were found to be significant (see Tables 8 and 9).
Table 8: Verification of Mediating Effects

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Ind Var</th>
<th>Dep Var</th>
<th>Direct-Effect</th>
<th>Indirect-Effect</th>
<th>Total-Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Social capital</td>
<td>Social identity</td>
<td>0.589</td>
<td>-</td>
<td>0.589</td>
</tr>
<tr>
<td>H2</td>
<td>Social capital</td>
<td>Corporate authenticity</td>
<td>0.845</td>
<td>-</td>
<td>0.845</td>
</tr>
<tr>
<td>H3</td>
<td>Social capital</td>
<td>Value co-creation</td>
<td>0.293</td>
<td>-</td>
<td>0.293</td>
</tr>
<tr>
<td>H4</td>
<td>Social identity</td>
<td>Value co-creation</td>
<td>0.375</td>
<td>-</td>
<td>0.375</td>
</tr>
<tr>
<td>H5</td>
<td>Corporate authenticity</td>
<td>Value co-creation</td>
<td>0.426</td>
<td>-</td>
<td>0.426</td>
</tr>
<tr>
<td>H6,7</td>
<td>Social capital</td>
<td>Value co-creation</td>
<td>0.293*</td>
<td>0.581***</td>
<td>0.874***</td>
</tr>
</tbody>
</table>

*p<0.05  ***p<0.001

Table 9: Test of Mediating Effects

<table>
<thead>
<tr>
<th>Path</th>
<th>Indirect effect (standard)</th>
<th>95% CI (Bias-corrected)</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social capital → Social identity, Corporate authenticity → Value co-creation</td>
<td>0.581 (0.286)</td>
<td>0.399 ~ 0.797</td>
<td>0.009</td>
</tr>
</tbody>
</table>

5. Conclusions and Implications

Based on the findings, this study discovered the following results. First, the results of the correlations between the major constructs of the study reveal the highest correlation between social identity and self-monitoring, which partially corroborates the moderating effect of self-monitoring between social identity and value co-creation. This result implies that those who clearly understand their status and role within a group actively engage in value co-creation behavior when they observe their own actions through the eyes of others in their environment. This finding is particularly pertinent, as modern consumers live in an era of self-denial and surreal escapism, which weakens the sense of group identity, thus making it increasingly difficult to demonstrate behavior in pursuit of group-oriented values. In light of this, firms may find it beneficial to implement marketing initiatives designed to invoke consumers’ socialization behavior such as cause-related marketing.

Second, it was found that value co-creation behavior was influenced by social capital, which was categorized as bonding and bridging network traits. This suggests that people who enjoy diverse relationships tend to extend this propensity to the firm level when it comes to
social values to be shared by the firm and its customers. These results also denote that those with bonding capital who display high levels of tie strength and mutual trust among members and are willing to give mental and material support to in-group members, positively engage in value co-creation behavior. Overall, this result suggests that to promote customer engagement and cooperation, firms must create online brand communities among loyal customers with a strong sense of affinity for the firm, and try to communicate with various consumers with similar interests and shared beliefs.

Third, the finding that social identity plays a significant mediator role between social capital and value co-creation behavior reveals the important practical implication that firms should encourage their current customers to develop a sense of pride in belonging to their brand communities by raising awareness of the emotional and cognitive sense of community associated with supporting the firm by engaging in its affairs. In addition, that perceived corporate authenticity mediates social capital and value co-creation behavior highlights the importance of creating a corporate image that represents the symbolic and moral values of the firm. Based on this result, firms should aim to raise customers’ awareness of their pursuit of the public good, for example by implementing cause-related marketing to promote a customer’s image of the firm as having an authentic commitment to societal good.

Finally, the result that self-monitoring has a moderating effect on value co-creation suggests further research addressing the need to control the firm or brand-specific effects that impact consumers’ self-rated tendency to conform to social pressures or norms. For instance, we must determine whether firm type or product categories play a role in influencing an individual’s self-concept, which may cause value co-creating behavior. Therefore, future research may examine different firm types including specific types such as service versus manufacturing firms or firms widely reputed to pursue social values such as ethical firms or social enterprises.

5.1 Limitations and Recommendations

This study has several limitations. First, since it focuses on particular regional areas based on convenience sampling, it may not be possible to generalize the results. Therefore, to address this issue, it is recommended that future studies employ a national sampling frame or compare different consumer segments based on their adherence to social values, for example, more ethical consumers versus less ethical consumers. Second, this study did not investigate the role of demographic variables such as gender, age, income, or education to determine their effects on major constructs such as social capital and value co-creation behavior. Even though demographics are widely regarded as important control variables in research on ethical consumption and CSR-related studies, there seems to be little previous research investigating demographic effects in connection with value co-creation behavior.
Finally, this study confirmed the effect of social capital on value co-creation behavior, focusing on the network aspect of social capital (i.e., bonding versus bridging). Future research may need to embrace other components of social capital such as reciprocal norms and generalized trust towards society.

References


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