A Model for Building and Implementing Customer Value Co-creation Agendas

Dr. Remy Nyukorong
Burgemeester Cortenstraat 26, 6226 GV, Maastricht, The Netherlands

Abstract
Engaging customers to co-create value is a key strategy for businesses that are competing to fulfil custom-made demands and to gain competitive edge. Nevertheless, research in the field of value co-creation is still in its infant stage. In the search for an innovative competitive strategy, the extant literature on customer value co-creation generally overlooked the implementation of the concept in the world of business. To fill the gap, the current paper proposes and discusses a framework of competencies and processes for developing and implementing co-creation programs in business organizations. By offering a modest, easy-to-understand framework, it takes the fear element out of embracing these new value-creation agendas, and advocates that companies should strive to get closer to customers and other stakeholders so as to lessen the distance by promoting participation and co-creation. The paper also discusses a critical precondition for adopting, effectively executing and harvesting the fruits of co-creation programs: a shift in leadership and management’s mind-set. New mind-sets and new cultures are necessary requirements for broadening one’s horizon and promoting creativity. Without that shift, the possibility of collaboration and co-creation is likely to be unconvincing, implausible and leaving customers apathetic and disengaged. This paper is among the first to suggest an implementation framework for the study of collaboration and value co-creation and has the potential to drive future research as well as guide companies interested in implementing the proposed framework.

Keywords: Co-creation, collaboration, customer freedom and choice, interaction, cultivating relationships

1. Introduction
In today’s networked business environment, power has irreversibly transferred to the consumer. This phenomenon has radically changed the nature of interactions between business organizations and consumers, particularly in the fields of innovation and marketing (Bhalla, 2011). Traditional approaches of stimulating growth through twenty-second adverts and products produced entirely by in-house research and development departments have run out of motivation. These are gradually being interchanged with a collaborative, co-created understanding of value that stresses the individual’s needs instead of the “one-size-fits-all” model of mass marketing (Bhalla, 2011; Elg, Engström, Witell, & Poksinska, 2012). Corporate organizations in the twenty-first century are dealing with a new kind of customer; one that is well-informed, more collaborative, and considerably more adroit than at any time in history (Prahalad & Ramaswamy, 2004a, 2004b). Comparisons on a number of key aspects between the old and new customer realities are given in Table 1 below. The consequences of information-equipped, interconnected customers are somewhat profound and insightful. Today’s customers are not satisfied with being mere observers. Consumers want to be heard and have a voice in how customer value is created as well as the products and services customers would like to consume (Bhalla, 2011; McColl-Kennedy, Vargo, Dagger, Sweeney, van Kasteren, 2012). Given the chance, customers are prepared and confident to use their resources and initiative to support themselves and their specific plans against the programs of large multinational corporations.

As value now shifts to experiences of people, the market is becoming a forum for close interactions and conversation between individual consumers, firms as well as consumer communities (Prahalad & Ramaswamy, 2004a, 2004b; McColl-Kennedy et al., 2012). Consequently, it is dialogue, engagement and transparency that is most important to the ensuing practice in value co-creation.

The key questions which the current paper intends to address are: How does a firm make collaboration and co-creation a core capability? How does a firm sequence the capability-building process? To answer the above questions, a detailed discussion of the four interrelated components for building a co-creation capability will be offered. The proposed framework for implementation would captivate both parts of the reader’s brain, as it is at once, rational and intuitive.

It is a clear reality that to move consumers to pay heed, the first step is to listen to them. Listening is particularly crucial when dealing with consumers at lower levels of the corporate hierarchy, where engagement cycles are likely to last for months, and at times years, before any positive business results are experienced (Bhalla, 2011). Moreover, engaging and responding to the consumer as a person and not simply the wallet is the most effective way to authenticate that a firm’s existing offerings and future developments will be crowd preferences.
Table 1. A Profile of the New Customer

<table>
<thead>
<tr>
<th></th>
<th>Old reality</th>
<th>New Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identity</td>
<td>Consumers, respondents’</td>
<td>Real people, creative partners</td>
</tr>
<tr>
<td>• Role</td>
<td>Passive; consumers of value</td>
<td>Active collaborators; Co-producers of value</td>
</tr>
<tr>
<td>• Source of insights</td>
<td>Surveys, observation</td>
<td>Conversations, stories, immersion</td>
</tr>
<tr>
<td>• Handshake with Company</td>
<td>Transactions-based</td>
<td>Interactions and experienced-based</td>
</tr>
<tr>
<td>• Location</td>
<td>Fixed and invisible; At one end of a long value chain</td>
<td>Adaptive and visible; anytime, anyplace</td>
</tr>
<tr>
<td>• Information and Influence</td>
<td>Company advertising and messages</td>
<td>Word-of-mouth; peer-to-peer social media</td>
</tr>
<tr>
<td>• Concept of value</td>
<td>Company offers; one-size fits all</td>
<td>Customer determines; Tailored and unique</td>
</tr>
<tr>
<td>• Primary source of value</td>
<td>What’s in the brand; attributes and features</td>
<td>What customers do with the brand; unique solutions and customized experiences</td>
</tr>
</tbody>
</table>

2. The customer participation on the values creation

According to the service-dominant logic perspective of marketing, “value can only be created with and determined by the user” (Lusch & Vargo, 2006, p. 284); as a result, the customer is at all times a co-creator of value. This understanding aligns well with the postmodernist notion that customers participate to customize their own world (Xie, Bagozzi, & Troye, 2008). Without doubt, the co-creation of value is an attractive goal, since it can assist companies understand customers’ views and recognize their desires and preferences (Lusch & Vargo, 2006; Payne, Storbacka, & Frow, 2008).

From the 1960s onwards, we witness a globalized inclination of movement from people regarding personal rights of being heard, well-informed, the right of choosing, and getting their views taken in consideration. For instance, in the area of healthcare, the same movement stems from the patient’s involvement and input over health support: patient’s education, issues of diagnoses and treatment, objectives, as well as, decision making. The passive patient model, traditionally encountered as a passive observer on the health decisions-making process, regulates itself to the vocabulary of getting drawn in on the decision-making process concerning health. The patient acts as a new archetype: a reflexive, active customer, emboldened of self-interest and willpower (Griffiths et al., 2012; McColl-Kennedy et al., 2012, Otani, 2010).

As any other customer, the patient begins insisting on high quality support services (Longtin, Sax, Leape, Sheridan, Donaldson, & Pittet 2010; Otani, 2010). Based on the traditional perspective, the customer is merely a passive receiver, separate and not within the company (Payne, Storbacka, & Frow, 2008). This view still prevails within business (Berry & Bendapudi, 2007). Notwithstanding that, an innovative concept emerges, on foundations where the customers have the opportunity to co-create values, together with the firm and other important stakeholders. (Prahalad & Ramaswamy, 2004 a; Vargo & Lusch, 2004; Schau, Muniz, & Arnould, 2009). The customer shifts from the passive epitome to the active epitome (Payne, Storbacka, & Frow, 2008). The customer now becomes endogenous for both the individual value creation and that of the company value creation. (Vargo & Lusch, 2008). The process introduces itself as a continuous nonspatial whole, where the customer adopts different active characters on the delivery of services as well as on benefits performances (Prahalad & Ramaswamy, 2000; Vargo & Lusch, 2004). Also, the service provider is perceived as a partial constituent that offers some inputs to the customer value-creation process, among the resources of others, which takes into account clients own activities (Vargo &Lusch 2004). The core presupposition of the new value creation framework is the experience. Both the company and customers create the experience. This is known as the co-creation experience (Prahalad & Ramaswamy, 2003). Thus, the experience of innovation entails networks, granularity, extensibility, as well as expandability (Prahalad & Ramaswamy, 2003). There is the need for network experiences; quality products and intelligent services; listen, engage and respond; commonwealth of customers; actions on real time, diversity and complexity intellectual capacity, coalitions, and fast resources redesign.

Technologies and products are not objectives in themselves, rather they act as instruments of experiences (Prahalad, 2004). The co-creation produces cost-effective solutions through several interactions among various sections of a global system. The product or artefact, the people as well as the social order, today, are closely interconnected, in a manner that value-creation becomes apparent through the interactions of the three elements. Hence, both the product creation and the services creation demands understanding itself under a
unique point of view of value creation. Regarding the experience of value co-creation, the product value or service supplier and also the value of the customer cannot be established by itself. This is because the product and customer interact with each other (Ueda, Takenaka, & Fujita. 2008; Ueda, Takenaka, Vancza, & Monostori, 2009; Elg et al., 2012). However, the value can be designated as a social construction. Consequently, social forces influence the co-creation of values. It is created through social structures and it organizes itself, occasionally, on a non-symmetrical shape in the midst of the various social players. Furthermore, the various players learn and vary their characters according to the services dynamic systems (Edvardsson, Tronvoll, & Gruber, 2010). Value creation comprises two interrelated concepts: co-creation and co-production. Co-creation refers to a construct of superior order that encapsulates the idea that value can be made and defined only by the consumer through consumption process. Co-production on the other hand, makes reference to the involvement of the customer in the designing and creating of a product or service. Thus, there is a possibility of co-creation to take place with or without co-production (Vargo & Lusch, 2004; 2008).

3. Framework for Building a Co-creation Capability

In this section, the paper looks at what has changed. How can a company build a system for co-creation of value? The first step is to commence with the building blocks of interactions between the company and consumers that facilitate co-creation experience (Prahalad & Ramaswamy, 2004a, 2004b). Listen, engage, respond externally and respond internally are evolving as the foundation for interaction between the customer and the company (Bhalla, 2011). The four interrelated factors must work together to enable a firm build a core co-creation capability, as depicted in Figure 1, below. First of all, firms and corporations need to listen to customers. Second, corporate organizations should engage customers meaningfully. Third, business organizations must respond externally and create instruments for co-creating value with customers. Finally, companies are required to respond internally, by investing in co-creation processes and structures. These four factors working with a common plan to create the customer capability of collaboration and co-creation in corporate organizations. Each of the elements will be discussed in more detail below.

3.1 Listen

Listening to peoples experiences is a critical element in the co-creation viewpoint. Today’s networked consumers are engaged in many interactions with one another, with firms, with media, with a variety of public discussions (Bhalla, 2011; Griffiths, Cave, Boardman, Ren, Pawlikowska, Ball, Clarke, & Cohen, 2012). Several of the above interactions take the form of widespread discussions, rich in content and emotion. According to Technorati’s survey entitled, “The State of the Blogosphere,” the most important reasons for designing and reading blogs are acquiring information; sharing consumption experiences; giving opinion on brands; and offering referrals services (Madasky & Arenberg, 2008). Listening assumes even more importance in cases where it may not be instantly well-defined or straightforward how buyers will decide with their consumption monies. A useful example is the recent conversations and buying behaviors regarding pioneering and innovative green products. As regards emotion, shoppers may send a signal indicating that they have a definite commitment to delighting in pro-green behaviours. Nonetheless, when it concerns future buying behavior, consumers are more likely to send the opposite signal. A survey carried out by McKinsey with more than 8,000 customers from different advanced countries indicated that 87 percent of buyers express concern and discomfort concerning the impact of consumption purchases on the environment; nevertheless, less than 33 percent of the shoppers are at this time buying, or anticipate to purchase, green products (Bonini & Oppenheim, 2008).
Managers of business organizations who take listening seriously mainly utilize more than one way to listen to the multiple dimensions of reality they are a part of, particularly aspects associated with the customer. Most basic ways in which corporate organizations listen are through (a) traditional marketing research by listening carefully to voice of the customer; (b) observation, recording the various ways of customer behaviors as well as to the contexts within which the behaviors happen; and (c) digital listening, so as to capture the sound of customers dialogue and conversations which take place in myriad sites, vis-à-vis, the social media, decision-support platforms, chat rooms and dedicated websites of organizations (Bhalla, 2011; Griffiths, et al., 2012). Markets are perceived as a set of conversations between the customer and the company (Levine, Locke, Sears, & Weinberger, 2003; Prahalad & Ramaswamy, 2004). Listening and dialogue entails interactivity, profound engagement as well as the skill and disposition to take action on both sides. However, conversation is too demanding if customers lack the same access and clarity to information. Companies have traditionally gained a lot from taking advantage of the information asymmetry that existed between firms and the individual customer. Due to the global connectivity, it is now possible for a customer to gain access to more and more information, as and when, needed from the company and also from other customers.

3.2 Engaging customers to develop conversations

Business organizations engage customers to create conversations, to provoke responses, and to stimulate fresh understanding and discernment by breaking off the existing equilibrium. In every case, engagement produces new forms of relationships and communication between a firm and its customers (Bhalla, 2011; Prahalad & Ramaswamy, 2004; Rusu & Avasilca, 2014). Working through conversations and dialogue, engagement tries to tap into the entire network of relationships, such as: self with self, self with others, self with causes, and self with brand and/or company (Bhalla, 2011; Rusu & Avasilca, 2014).

The proactive engagement of consumers in developing innovative products and services, which entails ideas sharing and innovative solutions through online platforms, has a positive effect on sustainable value creation, innovation, as well as on company development (Rusu & Avasilca, 2014).

Timberland for instance, established such an engagement network by utilizing Facebook members in a viral advertising campaign to aid translate members concerns and worries for the environment into solid concrete action. Following an approvingly successful launch of the company’s Earthkeeper boot brand, a boot designed for clients to get enjoyment from the outdoors created entirely from recycled rubber tires and plastic bottles, Timberland agreed to expand this concern in lieu of the environment by means of an Earthkeeper community. According to the Timberland’s Chief Executive Officer at that time, Jeff Swartz, the intention for the setting up of the Earthkeepers movement was to motivate one million consumers to take concrete and practical action to lessen the environmental imprint through a tree planting project (Bhalla, 2011). Through the Timberland's website as well as from videos posted on YouTube, the company was able to encourage and stimulate the Earthkeepers community to set up virtual forests and donate trees to friends, family members and loved ones.

Figure 1. Conceptual Model for Building Co-creation Capability

Respond Internally

Co-creation Capability

Respond Externally

Active Listening

Proactive Engagement
Accordingly, a total of one hundred thousand community members send out 1,750,000 seeds within a four-month interval for trees to be planted (Bhalla, 2011). At the close of 2008, Bhalla (2011) reported that the Earthkeepers community, through its cooperative action, succeeded in planting over 250 acres of trees in Mongolia, Horquin Desert.

Also, Cisco is playing a leading role in the development of customer collaboration solutions in four principal areas: social media customer care, focused videos solutions, network-based multimedia capture and recording, and new agent desktop paradigms (Cisco, 2013). The above areas built upon current Cisco customer care capabilities and innovations in multichannel customer care, presence-based enterprise experts, speech self-service as well as virtual contact centre routing and reporting.

3.3 Respond Externally

Co-creation scarcely occurs in a single large spontaneous action (Bhalla, 2011). This is because co-creation is motivated by consumer desires, needs and preferences, instead of through inflexible engineering requirements. Since customer desires and preferences are unpredictable and easily influenced, various iterations of searching, discovery and development are normally required before firms and customers attain a complete value proposition (Prahalad & Ramaswamy, 2004a, 2004b). To cut down the development cycle as well as the time to market the product or service, firms utilize a variety of techniques to empower consumers and make better the productivity effort of the co-creation (Bhalla, 2011). Some examples comprise selecting premium clienteles to work together with, for instance lead users, and conducting experiments using tool kits and archetypes to empower consumers and to engage them in the initial stages of the innovation process.

Yahoo’s Search Division is a strong supporter of experimenting to co-create. The Search Division, is a single huge co-creation laboratory, as several employees who work in the search department are among the densest operators of the service (Perez, 2008). The employees’ co-creation attempts rotate around involving the participation of the user community in successions of experimentation and prototyping activities, with the aim of lessening the production time as well as time to market. For instance, Yahoo’s search utilization development program, SearchMonkey, makes it possible for developers and website owners to apply a number of implanted tools to construct made-to-order applications. Additionally, it gives developers an opportunity to work together, share, and build on each other’s suggestions. Both the developers and the firm drive some benefits from the co-creation project. Yahoo gets some benefits because the company can now maximize its portfolio, providing only the tools and applications that are most appropriate and treasured to the Yahoo search customers. Developers also gain because nowadays they have access to more sophisticated and effective tools to design applications that produce the best possible user experience, such as producing search outcomes more visually attractive and sending more applicable stream of traffic to their sites (Bhalla, 2011; Perez, 2008; Website Yahoo, 2008).

3.4 Respond Internally

Successful execution of collaboration and co-creation agendas involves more than merely intentions, regardless of how honest they are. It necessitates an additional investment in organizational structure, processes and culture (Bhalla, 2011). Devoid of these enabling factors, co-creating value with end users is liable to get stuck in the initial stages. Whatever the problems faced by Dell with its computers as well as its former business model, these are things that happened in the past. The company has dispelled the competition by means of collaborating with its clients and co-creating service and product experiences through Dell’s innovation site, IdeaStorm (Bhalla, 2011). Dell was notified of serious Client service problems, somehow indirectly, in the form of media articles, such as Business Week’s “Hanging Up on Dell,” (Bhalla, 2011), but also directly, through the furious outburst of customer complaints. The waiting time, for instance, was dreadful as several customers would be delayed for up to 45 minutes, in their attempt to reach customer support. Worse still was, when after eventually connecting with a customer service agent, it was not rare to be reassigned to multiple customer service technician since previous technician was incapable of resolving the problem (Bhalla, 2011).

Instead of dealing positively with the market’s anger, Dell expended the negative energy directed against the company to co-create a commercial transformation agenda. Dell invented IdeaStorm, which is an online community invented to co-create an improved product and service experience. By actively responding and carrying out the program based on suggestions produced within IdeaStorm, Dell Company has been able to redefine customer relationship management (Bhalla, 2011), thus establishing a new reference point against which other things can be evaluated. Dell did not simply celebrate understanding, ideas, and recommendations; the company organized itself guided by these inputs and executed concrete new ventures. However, it is not easy to tell to what extent the founder's (Michael Dell) personal engagement has contributed. Michael Dell is reported to have frequently read comments and observations published on the website, however, the numbers speak for themselves. On the basis of data often posted on the site, around the early period of 2010, the community had offered more than 13,000 ideas, encouraging Dell to execute more than 400 unique venture initiatives (Weiss, 2007).
4.1 A Fundamental Shift in Mind-set

The framework explained above as well as the ensuing customer collaboration capability designed for co-creating value are in conflict with current value-creation ideas in companies. The evolving conceptual framework of customer and stakeholder collaboration as well as co-creation of value have an uncomfortable relationship with prevailing mental maps of business professionals that support traditional company-centric approaches of value-creation (Bhalla, 2011). Several scholars such as Charlene Li and Josh Bernoff in *Groundswell*, as well as C.K. Prahalad and V. Ramaswamy in *The Future of Competition* similarly examined in depth, how management teams and corporate organizations are susceptible to customers’ demands for co-creation (Li & Bernoff, 2008; Prahalad & Ramaswamy, 2004). Management teams see these demands as threats and risks that can diminish and challenge a company’s control of its business deals with consumers. Therefore, designing and implementing a customer collaboration capability is not just an issue of executing the conceptual framework proposed in Figure 2, and the explanation that follows offer three preconditions for a new way of thinking which can possibly accelerate migration from the traditional models of value-creation, where end users are just passive receivers or beneficiaries of valued created by the firm, to innovation and newer models, where customers become active participants throughout the entire value-creation process (Bhalla, 2011).

- **Authenticity**
- **Flexibility**
- **Conviction**

*Figure 2. Three Requirements for a New Mentality*

4.1 Authenticity

Companies have agendas; but customers have agendas, too. The difference is that customer agendas have, for the most part, been transparent and out in the open. For example, customers want safe toys, easy-to-use, plug-and-play products, and hassle-free customer service. Company agendas, on the other hand, are not always unambiguous or easy to understand. Several authors have stressed the importance of customer service in helping the company put its best face forward (Bhalla, 2011; Lucas, 2008; Rayport & Jaworski, 2008). Yet, behind-the-scenes agendas related to cost cutting, reduction in training budgets, and a freeze on hiring new talent are not in harmonization with the company’s stated intentions of providing hassle-free service. It is not always clear to customers where on a continuum of affordable service to uncompromising service, companies reside on a regular basis.

Authenticity, as we conceptualize it, is part ethics, part transparency, and part trust. It is an orientation, or intent, that a company brings to its efforts to collaborate and co-create value with its customers (Bhalla, 2011). Over time, if reinforced by the right actions, it gets transformed into being a recognizable company characteristic. It is recognizable not through formal analysis, but through the right-brain emotional response of consumers. An authentic Patek Phillipe sitting out of reach in Tiffany & Co. on Fifth Avenue in New York City evokes a very different right-brain response than a knock-off version selling right outside its doors on the pavement.

Few companies wear the badge of authenticity as well as Johnson & Johnson. Its recent efforts in establishing relationships with customers through its award-winning global community BabyCenter reinforce that perception. Tina Sharkey, the Chairman and Global President for BabyCenter, pointed out that “Moms come to BabyCenter seeking trusted and personalized information” (Quinton, 2008). They get that and more. The most prominent items on the site’s landing page are consumer-centric tools such as due date calculators, videos allowing a peek inside the womb, and health-related content checked and previewed by a Medical Advisory Board. Most important is the connection moms make with a community of other parents. Through this community, parents share ideas, seek guidance on deeply personal issues, and discuss the joys and challenges of raising children. Achieving authenticity is impossible if every interaction with the customer involves an element of commerce. Consequently, participation in this community is not conditional on purchase. Though the site links to a BabyCenter store, all moms visiting Babyceneter.com are secure in the knowledge that no attempt will be made by Johnson & Johnson to unilaterally further its own sales agenda by using inputs from the site (Bhalla, 2011). By focusing on long-term connections with consumers, Johnson & Johnson has elevated its relationship from being just a brand of baby products to being a trusted advisor and a source of valuable information on how to raise healthy and happy children.

4.2 Flexibility

Customers of the twenty-first century have an explicit and clearly defined point of view on several issues, varying from T-shirt designs, nutritional value of certain foods, and appropriateness of diets, to topics associated with living conditions of workers and child labour in Levi and Nick’s factories in Asia (Agatston, 2003; Bhalla, 2011; Williams, Spencer, & Rice-Evans, 2004). Today’s consumers also have several opportunities to articulate their views, making it straightforward and effortless for customers to pay attention to conflicting issues and to firms avoiding honest customer complaints.
Flexibility means a greater readiness on the part of the firm to have capacity for opposing perspectives. There is no regulation or commercial law that insists firms and customers must be in agreement without respite. What is unconditionally indispensable, though, is to establish that the firm is sensitive to opposing views. This implies listening and having listened that the firm is prepared to re-examine and review its own values, philosophies, and actions (Bhalla, 2011).

For instance, consumer activists first drew the attention of Nike Company to child labour in its Asian shoe-manufacturing plants. Nike acknowledged and accepted its blunder, admitting that it “blew it” by hiring and engaging children in its Asian industrial units. Nike never closed down its Asian plants, but introduced radically more rigorous age monitoring and employment controls, which Nike publicized extensively in its corporate responsibility reports (Bhalla, 2011). Until now, the campaigners have yet to provide the company a passing grade, but the market appears to have approved Nike’s adjustment and self-policing.

Starbucks also, felt the heat from business activists. Fair Trade International, for instance, rendered strong requirements for Starbucks to sell licensed fair trade coffee (Bhalla, 2011). In the beginning, Starbucks refused to give in, as the company thought the coffee was inferior to coffee roasters’ quality standards. In the wake of a several protests attacking and criticizing Starbucks of social imprudence, the company conceded. Starbucks worked in partnership with non-governmental organizations (NGOs) to co-create value for coffee growers and the company’s consumers by designing a line of fair trade products.

4.3 Conviction

There is nothing that sabotages customer collaboration and co-creation agendas more rapidly than lack of follow-through (Bhalla, 2011). Mere talk which is not backed by concrete action is likely to be castigated by today’s customers, who attach great importance to transparency and follow-through. Lack of sincerity and passion will show, regardless of how hard a firm attempts to conceal it, and will diminish the market’s preparedness to engage in any meaningful manner with the firm. For example, Wal-Mart’s collaboration and co-creation project, known as “The Hub”, which was an initiative aimed at involving young adults in their community, only lasted a few weeks (Crump, 2008). For any social network to thrive and be successful, they need to give customers some leverage of freedom and space. This Wal-Mart did not do. Instead of treating the community as a special way of doing business, the company used the community as another pathway for executing and realizing traditional retailing and promotion agendas. The young adults had to get the approval of their parents before they were allowed to register to become members. The community members were awashed with classified adverts and exposed to promotional packages featuring phoney models, in place of real people. All these factors, to a certain extent, led to the young adults disengaging with the company (Bhalla, 2011). Commentators carrying out post-mortems were in perfect agreement that Wal-Mart appeared to have been driven more by the need to stay shoulder to shoulder with the Joneses, copycatting what other large multinational corporations were doing, instead of acting based on a sense of conviction as regards the value of listening to and interacting with customers.

5. Implications for Interactive Marketing

The new conceptual framework of co-creation provides a gargantuan opportunity for business organizations that can discern how to exploit it to their best advantage. Individual customers are far ahead of many corporate entities in their excitement to participate in co-creating value, and business organizations must now respond. Business managers and entrepreneurs used to concentrating on process efficiency and the security of the competitive advantage in their value chain are confronted with the challenge of creating new first-order multiparty interactions for inter-process communication harmonization, as well as developing new engagement environments, producing new experiences for consumers and other stakeholders. Without doubt, the biggest demanding situation of getting executives on board are strictly embedded behaviours and attitudes. Human resources personnel may feel vulnerable when employees engage in the strategy of hiring or performance measurement processes. People in the purchasing department may find it incomprehensible to accept that the company should be concerned about its suppliers’ experiences. Also, plant managers may frown on having to work together with environmental campaigners who challenge their company’s sustainability practices. Admitting that individuals at the receiving side of traditional processes may hold useful ideas than professionals who have been drawing up those processes for several years need a new humility.

Hence, the best way forward is to begin small. It is important to start with an agenda that concentrates on the experiences of several strategic stakeholders and a precise purpose such as collecting customers’ prerequisites for a new product, increasing order fulfilment. It could also be working out of the best sales platform for a new product or service. Next, allow the boundary of co-creation naturally increase with the passage of time to embrace a broader scope of experiences for stakeholders (Ramaswamy & Gouillart, 2010). At every stage of the process, the company will accomplish new economic benefits, giving the process an impetus to continue to evolve and explore progressively strategic applications of collaboration and co-creation.
In the final analysis, co-creation entails situating the human experience at the nucleus of the firm’s architecture. Today, the time has come to adopt a democratic approach, whereby people are invited to influence the future of businesses in collaboration with management.

6. Future Research

Even though a solid framework exists, there is need for further research to know and comprehend how the social environment influences the customer experience precisely in the context of retailing. For example, investigating the ways customers act in groups is critical and something that is lacking in the extant literature in spite of the call for such a research (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, & Schtesinger, 2009). In investigating the social environment, there is strong need not only to focus on the more traditional ways of interactions, such as, between the company to employee, customer to employee and company to customer, but also study how customers interact and impact one another, and how the communication between employees may impact the customer experience. Finally, future studies could use field-based research to exemplify practical application of this process-based framework in business organizations. For instance, there is relatively scant research on the particular groups of activities that should be taken on so as to facilitate the value co-creation processes (Seppä & Tanev, 2011).

7. Conclusion

All business establishments today want to initiate conversations with customers on a continuous basis. This is a laudable development and there is nothing wrong about it. However, it is difficult to have a conversation with any person, much less customers, without first listening to them (Bhalla, 2011; Prahalad & Ramaswamy, 2004a, 2004b). Parents, children, wives, and husbands can all attest to this fact. In nearly all families all over the world, the objection: ‘you are just not listening to a word of what I am saying’, is cried out many times within a day. Despite anything to the contrary, listening is not sufficient. Conversations, so as to be sustained in real time basis, require fuel. Conversations need the fuel of attentiveness and engagement. Conversations also require a program as well as an investment in resources. Finally, for conversations to be translated into ongoing relationships, individuals need active response, a devotion to action. Corporate organizations that are not dedicated to acting accordingly, that are not willing to respond with concrete, visible actions that produce mutual value for both company and customer, are not likely to get customers who strongly desire to keep a relationship with them.

References


