

Value Co-Creation from the Consumer Perspective

Steve Baron

Professor of Marketing

University of Liverpool Management School, UK

j.s.baron@liv.ac.uk

ABSTRACT / SUMMARY

This short paper puts forward the case that the development of SSME must involve a greater understanding of how consumers use and integrate their resources in an era of ever-increasing opportunities for ICT-mediated communications. A focus on experiential consumption involves the consideration of networks that move beyond the organization-consumer interface, and, in particular, recognize the increasing importance of consumer-to-consumer (C2C) interactions. A trans-disciplinary approach is required to understand consumer perspectives of experiences in service systems such as universities, hospitals, families and cities. Issues that are central to the newly created Centre for Experiential Consumption Studies at the University of Liverpool are presented as areas for potential SSME research.

INTRODUCTION

Chesbrough and Spohrer [1] have posed the question “How do people and organizations negotiate the creation of intangible assets that produce value for both?” Researchers at the University of Liverpool Management School and Lincoln Business School are investigating the co-creation of value and the notion of ‘value in use’ that are central to the service-dominant logic of marketing by focusing on understanding value co-creation from the *consumer* perspective, especially in terms of how consumers integrate their resources in engaging in experiences.

CONSUMER RESOURCE INTEGRATION

Arnould, Price and Malshe [2] provide a very helpful categorization of consumers’ operant resources. They are:

- Physical resources (physical and mental endowment: energy, emotion, strength)
- Social resources (family relationships, consumer communities, commercial relationships)
- Cultural resources (specialized knowledge/skills, history, imagination).

Supported by ICT-mediated communication, consumers find ways to integrate their own operant resources and, through C2C interactions, integrate their operant resources with others, often to great effect. A recent event relating to the British Library provides a good example.

When British Library (BL) users became aware, through a Sunday newspaper report, that UK Government spending cuts may result in the library opening hours being slashed by a third, and charges being made for researchers to use the reading rooms, over 600 detailed consumer emails, supporting the BL, appeared on the BL website *within one week*. Members of Parliament were bombarded with protests, and, as a result questions were tabled in parliament. Typical of the supporting emails is the one below:

My name is Kelly Hall and I am a graduate student in English Literature at Florida State University. I have been a British Library patron for several years now as I do my research in late-medieval travel accounts. I am writing in support of the funding issue brought to my attention by my colleague Dr. Elaine Treharne.

I strongly urge the Treasury to continue your funding. There are resources available at the British Library that are available nowhere else. I myself have used the library's manuscript collection on numerous occasions, and the resources I use are one-of-a-kind materials that cannot be accessed in any other form. In addition to my research, I have also used the BL as a learning tool for my students.

I have twice taught for Florida State's London Study Centre, covering courses such as Shakespeare and British Literature. While teaching these classes I brought my students to the Ritblatt Treasures Room to see the Magna

Carta, Shakespeare folios, the Luttrell Psalter, and other important manuscripts and first editions. This was a valuable resource to use, and I would hope those resources remain free and open to the public.

Although the word ‘resource’ is used many times about the BL itself, the excerpt demonstrates explicitly, and indicates implicitly, the operant resources (physical, social, cultural) at the disposal of this BL consumer.

Research is needed to better understand the dynamics of consumer movements, such as this, that develop speedily and effectively through consumer resource integration. It will offer opportunities to address the consumer quality of life issues that underpin value co-creation.

CONSUMER EXPERIENCES

Caru and Cova [3] argue that there are two distinct ways for consumers to become immersed in an experience: passively, or actively. The passive way refers to consumer immersion in a firm-manipulated experience, such as in a leisure-related elaborate servicescape (for example Disney parks). The active way is where consumers are able to immerse themselves in an experience, so that immersion can be “...thought of as a whole set of operations that consumers carry out to produce the experience by manipulating to their own advantage whatever is being done to manipulate them” [3, p37]. Our goal is to carry out research which results in a greater understanding of active consumer immersion in experiences, to complement the existing research by academics and practitioners on organizational consumer experience management. It ensures that the consumer’s perspective is maintained throughout [4].

CONSUMER-TO-CONSUMER INTERACTIONS

Any attempt to understand co-creation of value and consumer experiences inevitably involves a consideration of C2C interactions. They are the manifestations of the application of consumer social resources; family relationships and consumer communities. It is only by taking a consumer perspective on co-creation of value that due consideration is given to C2C interactions.

While C2C interactions have always taken place at on-site service settings, it is probably the on-line C2C interactions, as exemplified by the British Library example earlier, which have re-emphasized their importance today’s service environment. The communication to Kelly Hall from Elaine Treharne is but one of many on-line C2C communications that result in exponential increases in consumer campaigning, with organizations such as BL having to re-orientate their thinking just to handle the volume of

consumer support. Of course, the problems are far greater when the consumer campaign is *against* an organization.

Consumers also actively seek advice from other consumers, using the latest technology, on what hotel to stay in, which books to buy, what music to download, what pub to frequent prior to a sporting event, etc. How many of us have decided against booking in a hotel on the basis of previous guest comments in ‘Trip Advisor’? How many hotel managers really know how to manage their service offer in the light of increased consumer information via C2C interactions?

TRANS-DISCIPLINARY APPROACH

It is hard to disagree with others [for example 5, 6] that a trans-disciplinary approach is required to understand service and move towards a service science. However, creating an environment for such an approach can be elusive, given existing disciplinary silos in universities. Our experience is that the will is there, and that academics from different disciplines are keen to get together, and work with private and public sector organizations on issues that they regard as important. This often means a focus on societal problems and opportunities that transcend the single disciplinary approach.

For example, academic psychologists may identify youth obesity as an important issue; sociologists and geographers may identify the night economy in cities as an important issue; marketers and ICT specialists may identify the effect of new technologies (e.g. radio frequency identification) on retail consumer and employee roles as an important issue; medics may identify treatment of cancer patients *and their families* as an important issue. What connects these issues is the consumer experience: an integral component of service science. Research on consumer experiences lends itself to a trans-disciplinary approach.

At the University of Liverpool, a Centre for Experiential Consumption Studies has been formed, consisting of academics from English, Music, Community and Behavioral Sciences, Psychology, Geography, Sociology, Marketing, Management and E-Business, to offer a trans-disciplinary approach to issues such as those above. The focus is the consumer experience in the co-creation of value, with value *for* consumers (relating to quality of life), rather than value *of* consumers (for example lifetime value to some organization) being the predominant connecting element.

CONCLUSION

The moves to develop service science and Symposia such as the Cambridge SSME Symposium are very welcome, especially as they provide the means for discipline-free thought on service research.

This paper argues for trans-disciplinary research that moves towards a greater understanding of the *consumer* role in the co-creation of value. A way forward is to research the consumer experience through gaining insights into consumer operant resource integration.

As Chesbrough and Spohrer [1, p40] observe, “A deep understanding of customer needs (including the customer’s own business model and allied processes)...will be required. Service science could be the emerging discipline that unites the many stakeholders”. Let’s start with the consumer.

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