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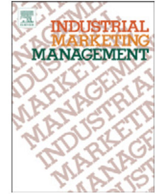

Co-creation practices: Their role in shaping a health care ecosystem

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ABSTRACT

Co-creation is described as a resource integration process involving actors that are linked within a service ecosystem. This process occurs when value propositions attract actors to share their resources during collaborative activities and interactions, termed *co-creation practices*. The purpose of this paper is three-fold: (1) to develop a typology of co-creation practices that shape a dynamic health care service ecosystem, identifying those practices that have positive effects, those that have negative effects, and those that can have either positive or negative effects on the service ecosystem; (2) to provide indicative measures of co-creation practices; and (3) to offer a compelling research agenda. Actors assess their resources and seek to address resource gaps, engaging in co-creation practices that offer access to valued resources. As such, we argue that co-creation practices play a central role in shaping the service ecosystem, influencing which resources are available, when they are employed, and how they are integrated. We develop a typology consisting of eight co-creation practices, illustrating these in the context of a health care ecosystem. We provide a set of indicative measures, identifying how co-creation practices can impact the well-being of the ecosystem, and develop a research agenda calling for further studies in this important area.

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1. Introduction

Co-creation describes the resource integration process that occurs during practices between actors linked together within a service ecosystem. This view of co-creation emphasizes resource integration (Vargo & Lusch, 2004, 2008); the important role of practices (McColl-Kennedy, Cheung, & Ferrier, 2015); and the linking of actors within an ecosystem (Maglio & Spohrer, 2008). The purpose of these practices is to access resources, correcting resource deficiencies and improving resource density (Normann, 2001) with the ideal outcome of realizing valuable benefits for the actors and the well-being of the service ecosystem. These practices represent co-creation activities and interactions in a specific context and are therefore *co-creation practices* (McColl-Kennedy, Vargo, Dagger, Sweeney, & van Kasteren, 2012).

The purpose of this paper is three-fold: (1) to develop a typology of co-creation practices that shape a dynamic service ecosystem, highlighting practices that have positive effects, those that have negative effects, and those that can have either positive or negative effects on the service ecosystem; (2) to provide an indicative set of co-creation practice measures; and (3) to offer a compelling research agenda. Identifying the different types of co-creation practices that *shape* a dynamic ecosystem is an important first step in developing a typology. The process of 'shaping' includes changes to the availability of resources for actors within a service ecosystem. The availability of resources impacts an actor's decision regarding their participation in the ecosystem. Ecosystems respond and adapt as actors access solutions to their own resource deficiencies.

A service ecosystem is composed of actors and their respective resources, linked together through value propositions in a network of relationships (Frow et al., 2014). We distinguish a dynamic and evolving "service ecosystem" (Vargo & Lusch, 2011a), from the more static "network" approach that emphasizes the "companies and the relationships between them" (Ford & Gadde, 2003).[1] A service ecosystem represents a form of ecosystem in the market place. Our emphasis on *service* reflects the focus on the "*systemic interplay* of actors in an interrelated system of reciprocal service provision" (Vargo & Lusch, 2011a, p. 183) and is distinguished from the more general term ecosystem. Actors within a service ecosystem are attracted to share their resources, responding to value propositions that offer potentially beneficial outcomes. The ecosystem is dynamic as resources are employed and shared between the actors, thus changing the availability of resources and the attractiveness of respective offerings. However, the nature of this process and especially the forms and roles of co-creation practices in shaping the ecosystem of connected actors are previously unexplored.

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[1] Ford and Gadde (2003) note that the term network is not restricted to those companies that a single company interacts with or the companies those companies deal with. We explain in more detail in Section 3, why the term 'ecosystem' is preferred.

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Health care represents an important service setting in which to investigate how co-creation practices shape an ecosystem, as in this setting there is widespread acknowledgment that collaborative activities between diverse actors are important for beneficial health outcomes (e.g., Holman & Lorig, 2000). The health care sector represents a very substantial share of national economies, yet it is typified by unsatisfactory performance in terms of quality and costs (e.g., Porter & Tiesberg, 2004). Health care represents a service ecosystem of multiple actors that is more complex than a simplistic consideration of the doctor/patient model implies (Gummesson, 2009). IMM has been influential in viewing markets "as a system of actors, each serving one or more actors" with the systems perspective raising "the prospect of theorizing about marketing at a more general/unifying level" (Kohli, 2011, p. 193). This perspective reflects that "It's all B2B …" and "actor to actor" (Vargo & Lusch, 2011a, pp. 181-182); as with the dismissal of the goods-dominant exchange model and the adoption of a service-dominant logic, B2B becomes more part of mainstream marketing (Sheth, 2011). We adopt this view, which reflects "that all parties (e.g. businesses, individual customers, households, etc.) engaged in economic exchange are similarly, resource-integrating, service-providing enterprises" with a common purpose of co-creation (Vargo & Lusch, 2011a, p. 181).

Traditionally, health care provision has been regarded as a process through which patients *passively* receive care from service providers, including for example, clinicians, nurses, and allied health professionals. However, increasingly patients are viewed as *active* contributors to their health care outcomes, and there is growing evidence that supports the benefit of a patient-centered approach to health solutions (Porter & Lee, 2013).

This patient-centered approach involves health care being designed around the specific needs of a patient. Benefits of such an approach include improved health outcomes and cost efficiencies. An important aspect is the incorporation of a broad range of contributors, or 'actors', and a wide range of collaborative activities into the design of health care (Michie, Miles, & Weinman, 2003). For example, a team-based approach of shared decision making between medical specialists, nursing staff, the patient and their family encourages a holistic approach to patient care (Barry & Edgman-Levitan, 2012). Family and friends are also important sources of advice and support, and hence their involvement in a health care program can improve health outcomes (McColl-Kennedy et al., 2012). In addition, a patient-centered approach extends the range of collaborative activities to include those offering emotional as well as physical well-being. Despite these new perspectives, little research has been undertaken on the dynamics of the health care ecosystem from the viewpoint of multiple participants and their collaborative practices.

Scholars identify co-creation as a key research priority (Ostrom et al., 2010), including: specific studies that investigate resource integration practices and how they relate to value co-creation (Vargo & Akaka, 2012); the nature of relationships in a service ecosystem (Vargo & Lusch, 2010); and clarification of how providers achieve service innovation through combining resources (Michel, Brown, & Gallan, 2008). These priorities motivate the current research and provide the theoretical underpinnings. This current study offers two main contributions to co-creation research.

First, we contribute to the growing literature on co-creation, offering a set of indicative measures of co-creation practices to help assess their impact on shaping a service ecosystem. We integrate disparate literatures to conceptualize this process, linking value propositions, resources and co-creation practices to explain the evolving shape of a dynamic service ecosystem. This work is important as understanding the nature and dynamics of the service ecosystem, and in particular how co-creation practices impact the ecosystem, offers opportunities for designing more attractive collaborations.

Second, we contribute to the literature on co-creation in the context of health care, providing a typology of co-creation practices that shape a dynamic service ecosystem, identifying how practices can have either positive or negative (or both positive and negative) effects on the ecosystem. Reynolds (1976) proposes that among the goals of theory building is the provision of a typology that is useful in understanding phenomena. The typology we develop comprises eight types of co-creation practices.

A typology is a conceptually derived interrelated set of types representing forms that may exist, without necessarily having rules for their classification, including types that may be partly overlapping (Doty & Glick, 1994). Here, the typology of co-creation practices distinguishes between those practices that in different ways can have beneficial, destructive or have a varied impact on shaping the service ecosystem. This latter contribution is especially important, as the 'business of health' needs new models designed to provide increased efficiencies and better health outcomes than the current models that are unsustainable long term. Our typology identifies the potentially beneficial and destructive impact of co-creation practices, which we suggest can assist in determining how to increase efficiencies and achieve better health outcomes. In particular, our work is relevant to patient-centered models of health care, where the patient has influence on the composition and structure of the health service ecosystem, rather than on the provider alone. We detail a number of illustrations of patient-centered practices and identify how these practices impact and shape the health care service ecosystem.

The paper is structured as follows. First, following this introduction, we review relevant literature on value propositions, co-creation, ecosystems and practices. Second, we examine the nature of ecosystems, their evolution and the relevance of practice theory. We consider how the context of co-creation practices impacts the dynamic nature of a service ecosystem. Third, we identify how value propositions, resources and co-creation practices relate to the evolution of an ecosystem. We develop indicative measures that can be used to assess the well-being of an ecosystem. Fourth, we illustrate the practical implications of our typology of co-creation practices that shape a dynamic service ecosystem, identifying those practices that have positive effects, those that have negative effects, and those that have differing effects using the context of a health care service ecosystem. Finally, we discuss the implications of our work for theory and managerial practice and provide a compelling research agenda.

2. Value propositions, co-creation practices and service ecosystem levels

2.1. Value propositions

Value propositions have recently attracted significant interest from marketing scholars (Frow et al., 2014; Vargo & Lusch, 2011a). Traditional perspectives have identified value propositions as a communication statement, important in terms of describing how a firm competes within a specific market place. Early descriptions (e.g., Lanning & Michaels, 1988) discuss value propositions in terms of an enterprise setting out an offer of value for a customer. Later, this firm-focused perspective was broadened to include the customer experience (Bolton, Gustafsson, McColl-Kennedy, Sirianni, & Tse, 2014; Smith & Wheeler, 2002) and multiple stakeholders (Bhattacharya & Korschun, 2008; Frow & Payne, 2011).

Work by Vargo and Lusch (2004) and other scholars (e.g., Edvardsson, Tronvoll, & Gruber, 2011) using the frame of service-dominant (S-D) logic, identify two important aspects of value propositions. First, a firm (or any actor) cannot deliver value, but only offer value propositions that shape the expectations of value-in-use in a specific social context (Edvardsson et al., 2011). Second, value propositions link actors and their networks, establishing dynamic relationships within a system of connected actors (Maglio & Spohrer, 2008). Value propositions are themselves co-created through dialogue (Ballantyne & Varey, 2006) and other interactions, such as knowledge sharing and negotiation (Ballantyne, Frow, Varey, & Payne, 2011). Actors

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