



How valuable are your customers in the brand value co-creation process? The development of a Customer Co-Creation Value (CCCV) scale[☆]



Michael A. Merz^a, Lia Zarantonello^{b,*}, Silvia Grappi^c

^a Department of Marketing and Decision Sciences, Lucas College of Business, San José State University, One Washington Square, San José, CA 95192-0069, USA

^b Business School, University of Roehampton, London SW15 5PU, United Kingdom

^c Department of Economics "Marco Biagi", University of Modena and Reggio Emilia, Viale Berengario 51, 41121 Modena, Italy

ARTICLE INFO

Keywords:

Brand value

Co-creation

Scale development

CCCV

Partial least squares structural equation modeling (PLS-SEM)

ABSTRACT

Despite an increasing amount of research on co-creation of value, in general, research on brand value co-creation remains limited. Particularly, how much value customers contribute to the brand value co-creation process remains unclear. This research develops in a series of eight studies the Customer Co-Creation Value (CCCV) measurement scale that helps firms assess the value of customers in the brand value co-creation process. The findings reveal that CCCV is a multidimensional construct consisting of two higher-order factors and seven dimensions: customer-owned resources (including brand knowledge, brand skills, brand creativity, and brand connectedness) and customer motivation (comprising brand passion, brand trust, and brand commitment). Further, the CCCV scale reliably and validly gauges the value customers contribute to a firm's brand. The CCCV framework helps marketing managers understand how customers can contribute to a firm's brand value co-creation efforts and how much value customers contribute to a brand in the co-creation process.

1. Introduction

Co-creation of value has become a widely researched construct, particularly since Vargo and Lusch's (2004) observation that marketing is moving toward a more service-centered logic. Central to this service-dominant (S-D) logic perspective are the foundational propositions (FPs) that value can only be created between a firm and its stakeholders in every aspect of the value chain (FP6) and that it is the beneficiary who always uniquely and phenomenologically determines this value through value-in-use perceptions (FP10). However, despite an increasing amount of research on co-creation of value, in general, there has been very little focus on brand value co-creation (e.g., Payne, Storbacka, Frow, & Knox, 2009; Ramaswamy & Ozcan, 2016). This is despite a widespread acknowledgment that customers and firms always co-create brand value together (Merz, He, & Vargo, 2009; Vargo & Lusch, 2016). Illustrative of such brand value co-creation efforts are Dove's "Speak Beautiful" initiative that encouraged customers to contribute to the brand's marketing communication by tweeting positive body image thoughts, Nike and the Livestrong Foundation's "Chalkbot" initiative that contributed toward the brand's marketing communication, and Whirlpool's "Every Day, care™ Project" initiative that connected customers to one another to induce their contributions

toward the brand's customer acquisition, expansion, and retention efforts (Harmeling, Moffett, Arnold, & Carlson, 2017).

A possible explanation for this lack of research on brand value co-creation is a lack of understanding of the concept of brand value when examined from the perspective of the S-D logic (Merz et al., 2009; Ramaswamy & Ozcan, 2016). Based on the tenets of the S-D logic, this research views brand value as the perceived use value co-created and determined collectively by all the actors in the ecosystem (Merz et al., 2009). Accordingly, it views brand value co-creation as the process of creating perceived use value for a brand through network relationships and social interactions among the ecosystem of all actors (Vargo & Lusch, 2016). Against this new perspective, it is unclear how customers can help co-create brand value and how their value can be assessed. While a few studies provide insights into how brand value can be co-created between a firm and its customers (e.g., Fournier, 1998; Harmeling et al., 2017), no research systematically explores the exact nature of brand value co-creation. Moreover, while existing research has proposed different measures related to co-creation (e.g., Ranjan & Read, 2016; Yi & Gong, 2013), no research has developed a measure that assesses customers' value in the brand value co-creation process.

To fill this gap and provide marketers with a more systematic way of

[☆] The Authors are grateful to the Editor, Associate Editor, and anonymous Reviewers for their comments. They are also thankful to Dr. Kosaku Morioka for his contribution to data analysis reported in footnote 3.

* Corresponding author.

E-mail addresses: michael.merz@sjsu.edu (M.A. Merz), lia.zarantonello@roehampton.ac.uk (L. Zarantonello), silvia.grappi@unimore.it (S. Grappi).

understanding value contributions of customers to a firm's brand value creation efforts, this research (1) develops an integrative framework of the new construct of Customer Co-creation Value (CCCV) and (2) reports the development of a reliable and valid CCCV scale. The CCCV scale gauges the value customers contribute to a brand. It helps firms understand how customers can contribute to a firm's brand value co-creation efforts and how to assess their contribution value.

2. Co-creation and determination of value

The S-D logic with its FPs provides a suitable framework for how value is created. It rests on the premise that service is the fundamental basis of exchange (FP1) and that goods are solely distribution mechanisms for service provision (FP3; Vargo & Lusch, 2016). The S-D logic suggests that value is always co-created between multiple actors, always including the beneficiary (FP6; Vargo & Lusch, 2016). The interaction orientation of the S-D logic is also implied by the relational orientation specified in FP8: a service-centered view is inherently beneficiary oriented and relational (Vargo & Lusch, 2008). This interaction manifests itself through dialog, participation, and engagement. It enables intricate exchange by raising the possibility of generating solutions (Ranjan & Read, 2016).

The S-D logic further suggests that the beneficiary always uniquely and phenomenologically determines value through perceived value-in-use (FP10; Vargo & Lusch, 2008). Therefore, while value can be derived through interaction with the firm, its brands, and its value propositions, it can also arise through the process of consumption (Ranjan & Read, 2016; Vargo & Lusch, 2008). Value-in-use is customers' experiential evaluation of a product or service proposition beyond its functional attributes and in accordance with their individual motivation, specialized competencies, actions, processes, and performances (Ranjan & Read, 2016). Customers assess and determine the value of a value proposition based on the specificity of their usage (Vargo & Lusch, 2008). In value-in-use, beneficiaries' mental models attach value to the usage processes. These mental models have a specificity and uniqueness that offer personalization: a unique consumption value through the enjoyment of doing or an idiosyncratic use process (Ranjan & Read, 2016).

Taken together, the S-D logic highlights that value is always co-created between multiple actors and determined by the beneficiary through perceived use value. For example, value is co-created between a burger joint and its customers in that the burger joint provides the dining facility, whereas the customers assemble their burgers, fries, and sodas during consumption. For customers, this consumption experience, in general, can be valuable, and hence they might keep patronizing different burger joints. The aforementioned highlights that value co-creation can be viewed as an individual consumption-based construct as opposed to a cumulative organizational construct.

3. Co-creation and determination of brand value

Brand value has been conceptualized as the value that is solely attributable to a brand. Just as value, in general, is determined by the beneficiary through perceived use value, so too can brand value be viewed as being determined by the beneficiary. Therefore, in line with previous research, brand value can be viewed as the perceived use value (i.e., customers' experiential evaluation of the product or service proposition) that is solely attributable to the brand (Merz et al., 2009; Ramaswamy & Ozcan, 2016). Further, as value, in general, is co-created between multiple actors, brand value can also be viewed as being co-created by a multitude of actors (Ramaswamy & Ozcan, 2016). As Ramaswamy and Ozcan (2016, p. 97) highlight, "brands are now increasingly seen in light of collaborative, value creation activities of a firm and all of its stakeholders, and brand value as a collective measure of all stakeholders' perceived values." In line with this view and the evolving brand logic (Merz et al., 2009), this study defines brand value

as the perceived use value of a brand co-created and determined collectively by all actors. This view acknowledges Merz et al.'s (2009, p. 329) observation that the evolving brand logic "brings with it a new understanding of brand value." Moreover, it is consistent with FP1, FP3, FP6, and FP10 of the S-D logic.

The concept of brand value, as defined in this study, is similar to the concept of brand equity in that they both deal with customer perceptions. However, while a brand's value is about customer perceptions of the brand's use-value (i.e., experience), brand equity is about customer perceptions of how well known a brand is (i.e., brand awareness) and what it represents (i.e., brand image) (Keller, 1993). Brand value also differs from established evaluative and motivational constructs, such as brand attitude and brand involvement. Brand attitude indicates an enduring, unidimensional summary evaluation of the brand that drives behavior (Keller, 1993). Brand involvement refers to a consumer's perceived relevance of the brand based on inherent needs, values, and interests (Zaichkowsky, 1985). Contrarily, brand value is about customers' perceptions of a brand's value-in-use. Finally, brand value is distinct from relationship constructs, such as brand commitment and brand love. Brand commitment is the desire of a customer to maintain a relationship with the brand and make it successful (e.g., Thomson, MacInnis, & Park, 2005). Brand love refers to the degree of emotional attachment a consumer has for a given brand (e.g., Carroll & Ahuvia, 2006). Contrarily, brand value takes into account a multiplicity of network relationships instead of only consumer-brand relationships.

Given the previous definition of brand value, *brand value co-creation* takes place when a firm and its customers interact to co-create the actual experience (i.e., value-in-use) that is solely attributable to the brand. This does not necessarily mean that brand value co-creation takes place at the time of consumption. Brand value can be co-created before, during, or after the consumption of the brand. On the contrary, it means that customers' co-creation activities help enhance the brand's perceived value-in-use (i.e., brand experience) by making it unique and different from other brands (Ramaswamy & Ozcan, 2016). Therefore, we define brand value co-creation as the process of creating perceived use value for a brand through network relationships and social interactions among all the actors in the ecosystem (Merz et al., 2009; Vargo & Lusch, 2016).

For example, brand value is co-created between Wendy's and its customers in that Wendy's provides the dining facility, whereas the customers assemble their burgers, fries, and sodas during consumption. Customers might value this experience at Wendy's in particular and hence patronize Wendy's, instead of McDonald's, when dining at a fast-service restaurant, share their positive brand experience on social media, and respond quickly to a survey on ideas for further improvements in the brand experience. An online advertisement that claims that the items on Wendy's menu are varied and made of real and fresh ingredients might elicit customers' response, such that they share this value proposition on social media adding a personal note that it is also tasty based on their own consumption experience. Thus, customers help co-create the Wendy's brand value (i.e., perceived value-in-use). This enables Wendy's to offer value propositions and experiences that are solely attributable to its brand including its perceived appeal, perceived freshness of its ingredients, patronizing customers (e.g., hip millennials), the street appeal of its restaurants, and the décor.

Taken together, firms and customers contribute to a brand's value proposition, thereby co-creating brand value. The focus of this study is to develop a measurement scale that helps assess the *value of customers in the process of brand value co-creation*. For simplicity, this scale is referred to as the CCCV scale. The development of an appropriate CCCV scale requires a better understanding of how customers can help firms co-create a brand's perceived value-in-use.

4. Customers' co-creation value (CCCV) and its dimensions

Previous research suggests that there are two ways in which

Download English Version:

<https://daneshyari.com/en/article/5109311>

Download Persian Version:

<https://daneshyari.com/article/5109311>

[Daneshyari.com](https://daneshyari.com)