



Customer-to-customer co-creation practices in tourism: Lessons from Customer-Dominant logic

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H I G H L I G H T S

- Customer-Dominant logic provides insights into tourists' co-creation practices.
- Practices performed on a continuum autotelic – instrumental and private - public.
- Tourists' C2C co-creation results in affective, social, functional and network value.
- Pragmatist paradigm and qualitative methods needed for C2C co-creation research.

A R T I C L E I N F O

Article history:

Received 30 October 2017

Received in revised form

8 February 2018

Accepted 10 February 2018

Keywords:

Co-creation

Value

Customer-Dominant logic

Customer-to-customer

Social practices

Pragmatism

Festivals

A B S T R A C T

This study aims to explore specific customer-to-customer (C2C) co-creation practices and related value outcomes in tourism. The importance of C2C co-creation is first discussed in the context of the Service-Dominant logic, then a new approach to the study of tourists' social practices and related value-outcomes is proposed, drawing on the recently emerged Customer-Dominant logic in marketing. A pragmatic philosophy is adopted to best address the research questions in a purposively selected sample of five UK-based festivals. Qualitative interview- and observation-based methods are adopted to identify 18 C2C co-creation practices, placing these on a continuum of autotelic/instrumental and private-public practices. Four value-outcome categories are discussed: affective, social, functional and network value. The conclusions highlight the importance of value formed when tourists cocreate with each other in tourism settings and the authors identify specific opportunities for facilitating this process. Possible applications for future research are discussed, highlighting the merits of pragmatism.

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1. Introduction

Tourists' customer-to-customer (C2C) interactions are often viewed by managers as an uncontrollable aspect of the service encounter (Nicholls, 2010), yet they represent a crucial source of social value for tourists. Tourism consumption in contexts such as

cruise ship travel, group tours, holiday resort stays, and festival and event visitation often involves spending time with peers and significant others, interacting and connecting with strangers, or simply being co-present as part of a larger collective. The social value of such encounters may not be directly linked to the immediate service exchange but rather, it is formed in the process of tourists' C2C co-creation. The purpose of this paper is therefore to empirically explore tourists' C2C co-creation by focusing specifically on social practices in the context of festival visitation, and to discuss the social value implications of C2C co-creation for tourism management.

Extant research undertaken within tourism, leisure, events and hospitality servicescapes highlights the positive effect of

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collaborative C2C encounters on hospitality patrons' well-being (Rosenbaum, 2006), on vacationing families' relationships (Lehto, Choi, Lin, & MacDermid, 2009), and conference attendees' personal business relationships (Gruen, Osmonbekov, & Czaplewski, 2007). Furthermore, successful C2C interactions are shown to influence managerially-relevant outcomes, such as tourists' evaluation of service experience and quality (Huang & Hsu, 2010; Kim & Lee, 2012; Levy, Getz, & Hudson, 2011; Martin, 1996; Milman, Zehrer & Tasci, 2017; Papathanassis, 2012; Wei, Lu, Miao, Cai, & Wang, 2017; Wu, 2007).

In addition to positive individual value outcomes, C2C-oriented encounters may represent a source of collective social value and well-being, thus contributing to a blooming collaborative or sharing economy (Belk, 2010; Cheng, 2016; Sigala, 2017) and socially responsible service economies (Altinay, Sigala, & Waligo, 2016; Grönroos, 2011; Lamers, van der Duimb, & Spaargarena, 2017). There is some recognition of the effect of collaborative practices on strengthening stakeholder ties within tourism communities, both physical (Hamilton & Alexander, 2013) and virtual (Rowley, Kupiec-Teahan, & Leeming, 2007). Similarly, collective value in terms of trust and intimacy among backpackers (Germann Molz, 2013), and the forming of both a spontaneous and long lasting sense of community among tourists sharing their experiences (Arnould & Price, 1993; Goulding & Shankar, 2011; Kim & Jamal, 2007; Mackellar, 2009) have been identified.

The importance of the C2C co-creation perspective in services is highlighted by the Customer-Dominant (C-D) logic, introduced by Heinonen, Strandvik, and Voima (2013) as a new ontological position distinct from the now well-established Service-Dominant (S-D) logic in marketing (Vargo & Lusch, 2008). The C-D logic considers the importance of value formed within experiences and practices situated in and influenced by customers' own social contexts, rather than emphasising business-to-customer co-creation of service-related value from the firm's perspective (Heinonen & Strandvik, 2015; Holttinen, 2014). Interestingly, the C-D perspective has yet to be adopted in empirical tourism studies to explore the co-creation concept. Additionally, only a few papers to date have attempted to understand the C2C co-creation process and the social forms of value that emerge (Finsterwalder & Kuppelwieser, 2011; Loane & Webster, 2014; Reichenberger, 2017; Rihova, Buhalis, Moital, & Gouthro, 2013; Uhrich, 2014). These are important research gaps that this paper aims to address.

2. Theoretical background

2.1. Recent developments in value co-creation research: S-D and C-D logic in marketing

For decades marketing research has explored the notion of 'perceived' or 'consumer value' (see e.g., Gallarza, Saura, & Holbrook, 2011 for review). Assuming that value is highly subjective to each customer, researchers strive to identify specific types of value in order to find out what customers' needs are and to determine how a specific product or service offering fulfils these needs (e.g. Sheth, Newman, & Gross, 1991; Williams & Soutar, 2009). Sheth et al.'s (1991) multi-dimensional value model (social, emotional, functional, epistemic and conditional) and Holbrook's (1999) consumer value typology (efficiency, excellence, status, esteem, play, aesthetics, ethics, spirituality) have been adopted in tourism research that explores how each value dimension may influence tourists' purchase decision-making in different situations and phases of the consumption process (Duman & Mattila, 2005; Gallarza & Saura, 2006; Sanchez, Callarisa, Rodriguez, & Moliner, 2006; Williams & Soutar, 2009).

While perceived value continues to attract the attention of

tourism scholars, recent perspectives grounded in service marketing literature increasingly acknowledge the role of the consumer not only in perceiving but actively co-creating value (Grönroos, 2011; Lusch & Vargo, 2014; Löbner & Hahn, 2013; McColl-Kennedy, Cheung, & Ferrier, 2015; Vargo & Lusch, 2008). The now well-established S-D logic in marketing figures prominently in many tourism papers (Buonincontri, Morvillo, Okumus, & Van Niekerk, 2017; Cabiddu, Lui, & Piccoli, 2013; Grisseman & Stokburger-Sauer, 2012; Prebensen, Vittersø, & Dahl, 2013; Shaw, Bailey, & Williams, 2011). The S-D logic views co-creation in terms of participatory, interactive activities that involve different actors, while value (sense of being better-off) is defined as 'value-in-use'; that is, "the value for customers, created by them during their usage of resources" (Grönroos & Gummerus, 2014, p. 209).

Co-creating customers are conceptualised as resource integrators who possess certain skills, knowledge and capabilities (termed 'operant resources') and use these to 'act upon' generally tangible, static things ('operand resources') to create an effect (Vargo & Lusch, 2008). More recent value literature has therefore turned its attention to the nature and aspects of customers' resource integration (co-creation) (e.g., Baron & Harris, 2008; McColl-Kennedy et al., 2015; Payne, Storbacka, & Frow, 2008; Peñaloza & Mish, 2011). For instance, Cabiddu et al. (2013) study the importance of Information Technology as a resource used by stakeholders in co-creating value in tourism networks. Other authors identify the specific nature of resources that tourists and tourism organisations draw on to create positive outcomes, such as service satisfaction or loyalty (Grisseman & Stokburger-Sauer, 2012; Mathis, Kim, Uysal, Sirgy, & Prebensen, 2016; Prebensen et al., 2013; Prebensen & Xie, 2017).

Customers' operant and operand resources are typically explored using a goal-oriented approach; i.e. focusing on understanding the nature of resources as means to identify opportunities for enhancing customers' value (Prebensen et al., 2013). While the above studies acknowledge the importance of factors, such as tourists' participation, skills, motivation, the environment, and opportunities for social interactions, as resources needed to co-create customers' value more effectively, they tend to view resource integration as ultimately rendering value for the organisation. The assumption that firms or brands co-create value through facilitating customers' resource integration means that even consumer value (value-in-use) is viewed as the final step of a process that begins with and is always facilitated by the provider (Anker, Sparks, Moutinho, & Grönroos, 2015; Grönroos & Gummerus, 2014).

A new service marketing perspective that challenges this assumption is the Customer- (or Consumer-) Dominant (C-D) Logic (Heinonen et al., 2013). The C-D logic relocates value-creating agency into customers' own life contexts and beyond specific visible service interactions that are normally in service providers' sphere of influence, rendering customers' value-forming processes 'invisible' to service organisations (Medberg & Heinonen, 2014). Similar to S-D logic, value in C-D logic is defined as 'value in use', although its formation relates to a "dynamic process which is not uniquely related to the service offerings of service providers" (Tynan, McKechnie, & Hartley, 2014, p. 1060). Nevertheless, it is still possible for companies to get involved in customers' value creation. As Anker et al. (2015) suggest, active participation in customer co-creation can help to facilitate customers' own value outcomes, and thereby lead to positive associations with the brand. The authors further argue that innovation and social entrepreneurship outcomes can be achieved through respectful observation of consumer practices in a relevant on- and off-line market domain using a range of observational methods. This perspective is in line with Payne, Storbacka & Frow's (2008) earlier assertion that by mapping out

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