



What is co-creation? An interactional creation framework and its implications for value creation[☆]

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ABSTRACT

The “co-creation” label has proliferated over the past decade. With little consensus on what “co-creation” is, we offer a novel, unifying perspective by anchoring its theorization in creation through interactions. We develop a definition of co-creation as enactment of interactional creation across interactive system-environments (afforded by interactive platforms) entailing agencing engagements and structuring organizations. Interactional creation is enacted by means of interactions of “agencial assemblages”, while agencing engagements and structuring organizations enable and constrain interactions. Interactive platforms, i.e., instantiations of agencial assemblages, are composed of heterogeneous relations of artifacts, processes, interfaces, and persons. Aided by digitalized technologies, interactive platforms afford a multiplicity of interactive system-environments that connect creational interactions with how experienced outcomes emerge from their underlying resourced capabilities. We apply our definitional framework to the practice of value creation as a co-creation, cutting across conventional “production”, “exchange”, and “use” activities. In doing so, we introduce the concept of value-in-interactional creation. We conclude by providing a summary of our conceptualization, explanation of terms in definition, and illustration in practice, while emphasizing the main contributions of our framework and its research implications.

1. Introduction

The “co-creation” label has proliferated, being associated and invoked with many diverse topics and application areas, including design and development of new goods and services (e.g., Füller & Matzler, 2007; Hoyer et al., 2010; Mahr, Lievens, & Blazevic, 2014; Matthing, Sanden, & Edvardsson, 2004; Nambisan, 2009; Sanders & Stappers, 2008; Sawhney, Verona, & Prandelli, 2005), collaboration with users as innovators (e.g., Bogers, Afuah, & Bastian, 2010; von Hippel, 2005), efforts of users in customizing products to their needs (e.g. Franke & Piller, 2004; Syam & Pazgal, 2013), prosumption (e.g., Xie, Bagozzi, & Troye, 2008), co-production (e.g., Bendapudi & Leone, 2003; Etgar, 2008; Ramirez, 1999), participatory roles of consumers, communities, and crowds (e.g., Cova & Dallı, 2009; Ind, Fuller, & Trevail, 2012; Kozinets, Hemetsberger, & Schau, 2008), retailing (Andreu, Sánchez, & Mele, 2010), knowledge, learning and solutioning within business networks (e.g., Hakanen, 2014; Komulainen, 2014), multi-firm partnerships (e.g., Ceccagnoli, Forman, Huang, & Wu, 2012; Grover & Kohli, 2012), open business models (e.g., Chesbrough, 2013), and service exchange and service systems (Ballantyne & Varey, 2008;

Grönroos, 2012; Grönroos & Voima, 2013; Lusch & Vargo, 2006, 2014; Payne, Storbacka, & Frow, 2008; Spohrer & Maglio, 2008; Vargo & Lusch, 2004).

Despite this diversity, however, there is surprisingly little consensus on what “co-creation” is. Its definition, as evinced from recent multiple reviews (Alves, Fernandes, & Raposo, 2016; Galvagno & Dallı, 2014; Mustak, Jaakkola, & Halinen, 2013; Ranjan & Read, 2014; Saarjärvi, Kannan, & Kuusela, 2013; Zwass, 2010), remains elusive despite exponential growth in use of the term in the literature. Moreover, as MacInnis (2011), p. 152) notes, “Turning to the literature is useful, but it can stymie identification by inclining us to understand something in terms of established ideas.”

The purpose of this paper is to develop a fresh novel conceptualization of “co-creation”. We seek to ground our inquiry in the *enactment of creation through interactions*. This goes beyond two or more human actors coming together in activities. Rather, as we discuss, it entails a multiplicity of interactive system-environments among persons and material entities (e.g., devices), afforded by technological platforms enhanced by digital technologies. Following the MacInnis (2011) typology of conceptual contributions, our approach can be seen

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as one of envisioning, i.e., providing a new perspective. Envisioning “makes us aware of what we have been missing and why it is important” and can “reveal what new questions can be addressed” (MacInnis, 2011, p.138). In discussing the complex nature of value co-creation in theory and practice, Saarijärvi, Kannan, and Kuusela (Saarijärvi et al., 2013, p. 8) call for more clarification in theorizing the connection of “value” with “co” and “creation”, instead of only merely “stating” that value is co-created. A large body of papers have gone on to use the term “value co-creation” without purposefully defining “co-creation”, while simultaneously introducing another term “value” that diverts attention away from the very act of “creation” among actors, to instead debating value-in-use (vs. value-in-exchange) and whether “value” is created or always “co” created (Grönroos & Gummerus, 2014; Vargo & Lusch, 2016). This has led to percolation of distinctions in the literature between “co-production” and “value-in-use” in classificatory approaches of explication. For instance, in their review of the value co-creation literature, Ranjan and Read (2014) classify 149 papers thus: 71 consider “co-production” only, 46 consider “value-in-use” only, and 32 consider both, leading them to posit “value co-creation” as a third-order construct with two dimensions each, viz., co-production and value-in-use.

In contrast, our envisioning approach to conceptualizing co-creation brings a novel, unifying perspective to what co-creation is, by anchoring its theorization in interactive system-environments whose heterogeneous relations can be configured anywhere in the “value creational system”, i.e., regardless of whether it concerns activities of “producing”, “exchanging”, or “using” goods and services. In doing so, we explicitly distinguish the *concept* of co-creation from the *site* of its application in the activity system, i.e., production, exchange, or use of goods and services.

The rest of the paper is organized as follows. In the next section, we seek to first conceptualize the enactment of creation through interactions by grounding it in recent theoretical perspectives on the interplay of agency and structure (Cochoy, 2014). We draw on the masterworks of Deleuze (Deleuze, 1990, 1994; Deleuze & Guattari, 1987) that discuss processes of creation, to the body of work of Callon (Callon, 1986, 1987, 2008, 2016; Callon & Law, 1995) that builds on the Deleuzian notion of “*agencement*”, i.e., assemblage system-environments with capacities of interaction (DeLanda, 2006, 2016). This theorization then leads to a conceptualization of interactive platforms as affording a multiplicity of interactive system-environments through which interactional creation occurs. We then draw on theoretical roots in the interplay of agency and structure to discuss the sociomaterial practice of interactional creation enacted across agencing engagements and structuring organizations. Sociomaterial perspectives have been gaining traction with the practice turn in business research (Feldman & Orlikowski, 2011; Orlikowski & Scott, 2015; Orlikowski & Scott, 2008). Our discussion helps situate the managerial relevance of our conceptualization in connecting interactive platforms with enterprise practices of value creation.

Subsequently, in section three, we apply our conceptualization to enterprise value creation practices. Drawing on the work of Prahalad and Ramaswamy (2000, 2003, 2004a, 2004b), we distinguish different roles of actors in interactive platforms. In doing so, we reveal our conceptualization as transcending the conventional value chain based roles of actors on the one hand (e.g., firms and customers), and its immanent application to any site of value creational interactions on the other hand (e.g., whether in assembling production, exchange, or use of goods and services). We shed new light on “value co-creation” by introducing the concept of “value-in-interactional creation” that follows from our conceptualization of co-creation as enactment of interactional creation. This is in contrast to “value-in-exchange” and “value-in-use” in the “value co-creation” literature, which stem from production, exchange, and consumption activities associated with goods and services, rather than interactional creation. Section four concludes the paper with some key research and managerial implications.

2. Conceptualization

Our envisioning approach to conceptualization plays an important role along the discovery-justification continuum (Yadav, 2010), which characterizes the knowledge development process (Hanson, 1958). Following MacInnis (2011), envisioning encompasses contributions that add to the process of discovery by identifying something new, and requires a beginner’s mind that is conducive to identification. A “critical avenue for cultivating a beginner’s mind stems from immersion in the phenomenon of interest”, which “encourages those with strong conceptual thinking skills to identify what others have not yet discovered”, and “to the extent that we deeply understand the phenomena we study, we may have more credibility with external constituents” (MacInnis, 2011, p. 152). Our conceptualization is based on immersions by the first author, over the past decade, in the phenomena of co-creation manifested in a wide range of over forty case situations of organizations in over twenty sectors ranging from automotive to consumer durables to capital intensive equipment and industrial goods and services, to fast moving consumer goods, retail, entertainment, media, and travel services, to business technology and professional services.¹ These situational examples provided the impetus for spurring a rich, intensive theorizing dialogue with the second author to problematize the underpinnings of interactional creation that was being practiced by the various actors in these situations.

It became evident to us that merely looking at the phenomena of co-creation through the lens of activities that tended to dominate the literature, missed the weaker signals of interactional creation, which was being enhanced by a new age of interconnections catalyzed by technology and digitalization. First, in all the examples we studied, technology and digitalization had changed how persons and things affected each other. Things were getting connected and smarter, and at the same time, persons were being equipped with new interfaces through which they could be engaged with other persons and things. Second, beyond this discovery process, our envisioning also encompassed the process of justification by using new observations to revise an existing idea (MacInnis, 2011). Extant ideas of co-creation in the literature seemed to be so strongly anchored around the lens of activities in studying processes of creation, that the prefix “co” occupied much of the debate in terms of actors, e.g., “who” creates value, as in “service logic” (SL) (Grönroos, 2008; Grönroos & Gummerus, 2014; Grönroos & Voima, 2013), or all actors create value as in “service-dominant” logic (SDL) (Lusch & Vargo, 2014; Vargo & Lusch, 2008, 2016). Our discovery process revealed co-creation to be more nuanced, as the very act of creation was being modified through forces of interactions, leading us to take up the task of explicitly problematizing the process of interactional creation in this manner. Third, as interactional creation came to be practiced in digitalized environments, it brought together artifacts, processes, interfaces, and persons (Ramaswamy, 2009), in purpose-built system-environments of platformed interactions, increasingly enabled by digitalized technological platforms. The concept of an interactive platform, thus, became critical to our theorization of connecting creational interactions with how outcomes emerged from resourced capabilities. Fourth, interactive platforms were “alive” in that they entailed a dynamism, which was as much temporal as it was spatial, in an inherently ongoing configuration of heterogeneous relations in the interactive system-environments they afforded. Interactive platforms were not mere intermediaries between different types of customers, as in demand-side economic markets for instance (Rochet & Tirole, 2006), or modularization of products, as in supply-side product development, for instance (Gawer, 2014), but rather mediated sociomaterial practices of interactions (Callon, 2016) entailing agencing engagements and structuring organizations in actualization of outcomes of value to actors.

¹ These case examples have been documented elsewhere (see Ramaswamy & Gouillart, 2010).

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