

## Transcending and bridging co-creation and engagement: conceptual and empirical insights

Co-creation is a transcending perspective of marketing, an umbrella term recognising the contemporary evaluation of value creation (Vargo and Lusch, 2016b; Prahalad and Ramaswamy, 2004). It requires bridging concepts such as engagement to bring relevance to inform marketing/market practices (Brodie, Saren and Pels, 2011). Through the development and exploration of mid-range theory that underpins co-creation, it enables a more prescriptive understanding reflective of business practice and conducive to empirical evaluation, which ultimately enables the meta-theoretic perspective to move forward (Vargo and Lusch, 2016b).

Co-creation and engagement share common characteristics such as building on interactive experiences, iterative processes, and resultant mutual beneficial outcomes (Brodie, Hollebeek, Jurić and Ilić, 2011; Grönroos and Voima, 2013; Vargo and Lusch, 2016a). Hence, convergence of the two concepts is often seen in the previous literature (e.g. Jaakkola and Alexander, 2014). Continuing this trend, the scope of the special issue covers resource integration and interaction for value emergence (Chen *et al.*, 2012). This special issue includes nine papers providing conceptual and empirical insights to inform practice in various conventional and contemporary contexts, such as education, social media, corporate social responsibility (CSR), online brand communities, and within the sharing economy. Our special issue extends the dialogue on who co-creates value with whom; further exploring the concepts of engagement and co-creation among a network of actors (Storbacka *et al.*, 2016), their interaction (Grönroos, 2008; Heinonen *et al.*, 2010), resource integration (Kleinaltenkamp *et al.*, 2012), and the essence and mechanisms of engagement platforms (Breidbach *et al.*, 2014; Ramaswamy and Ozcan, 2016).

Spanning multiple levels from the individual, to multiple actors, and the service ecosystem, we present three conceptual papers that through their theorizing approaches demonstrate how multiple stakeholders affect and are affected by the (iterative) resource integration and interaction that occurs within the service ecosystem. The three conceptual papers complement the six empirical papers, which investigate various aspects of the nomological networks of co-creation and engagement within service ecosystems.

The first of the conceptual papers is by Michael Kleinaltenkamp, Carolin Plewa, Siegfried Gudergan, Ingo Oswald Karpen and Tom Chen and is entitled “Usage center – value cocreation in multi-actor usage processes”. This paper conceptualises and delineates the notion of a usage center, recognising how individual focal actors share and access resources in interdependent usage processes with other actors to create individual and collective value. Taking the perspective of a focal actor, the authors offer a proposed



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framework that encapsulates the elements of the usage centre, including the focal actor, other actors, focal resources, and other resources.

The second paper, authored by Loic Pengtao Li, Biljana Juric and Roderick J. Brodie and entitled “Dynamic multi-actor engagement in networks: the case of United Breaks Guitars”, takes an abductive theorizing approach using a longitudinal case study to explore the dynamic process of multi-actor engagement. This study challenges the dyadic perspective of engagement adopted in previous research and reveals the iterative nature of the multi-actor engagement process. Key components in this process include actors’ connections, value propositions, actors’ appraisals, engagement properties and engagement outcomes.

The third conceptual paper is authored by Christoph F. Breidbach and Roderick J. Brodie and entitled “Engagement platforms in the sharing economy: conceptual foundations and research directions”. This paper adopts a mid-range theorizing approach to explore how engagement platforms facilitate value co-creation and actor engagement in multi-actor service ecosystems, specifically in the context of the sharing economy. A meta-theoretical perspective of S-D logic is applied to develop a theoretical framework of service ecosystems, engagement platforms and engagement practices. The authors provide an extensive research agenda to guide future studies in this domain.

Gaurangi Laud and Ingo Oswald Karpen in their paper entitled “Value co-creation behaviour – role of embeddedness and outcome considerations” investigate the value co-creation behaviour of an individual actor and how it is influenced by an actors’ structural, relational and cultural embeddedness within a service ecosystem. Further, the role of value co-creation behaviour as a means to facilitate object-oriented, self-oriented and brand-oriented value-in-context outcomes is examined. Thus, this paper offers an empirical examination of the pre-conditions and subsequent outcomes of customers’ value co-creation behaviour within service systems.

Taking an organisational perspective of co-creation, Ralf Wilden and Siegfried Gudergan provide a paper entitled “Service-dominant orientation, dynamic capabilities and firm performance”. Drawing on data from 228 firms and applying partial least squares structural equation modelling, the service-dominant orientation of an organisation is found to effect its marketing and technological capabilities, which in turn affect firm performance. Further, the impact of service-dominant orientation is conditioned by the firm’s deployment of dynamic capabilities.

Wade Jarvis, Robyn Ouschan, Henry J. Burton, Geoffrey Soutar and Ingrid M. O’Brien extend the customer engagement construct to a corporate CSR context with their paper entitled “Customer engagement in CSR: a utility theory model with moderating variables” (2017). This paper takes a unique perspective on customer engagement, in that it uses choice theory in the form of best-worst scaling to examine how sports club members’ intention to engage with a range of CSR initiatives leads to subsequent loyalty to the club. The findings of this study highlight several managerial implications for sporting clubs and other not-for-profit membership-based organisations.

Max Sim and Carolin Plewa in their paper entitled “Customer engagement with a service provider and context: an empirical examination” (2017) empirically examines customer engagement with multiple focal objects within an educational setting; that is both the service provider and the context. Further, it examines the ability of engagement platforms to facilitate affective, cognitive, and behavioural engagement. While engagement with the service provider drives engagement with the context, the use of distinct engagement platforms was found to only facilitate engagement with the service provider, with limited effects on engagement with the context.

Further examining how consumer engagement manifests across different engagement objects within a service system, the eighth paper is authored by Jana Lay-Hwa Bowden, Jodie Conduit, Linda D. Hollebeek, Vilma Luoma-aho and Birgit Apenes Solem and is entitled “Engagement valence duality and spillover effects in online brand communities”. This qualitative study illustrates expressions of consumers’ positively and negatively

valenced engagement simultaneously with a focal brand and with other members of the online brand community (OBC). Further, it demonstrates the spillover effect that occurs between engagement with the OBC and engagement with the brand, through positively valenced accumulation effects and negatively valenced detraction effects.

The final paper in this special issue is authored by Anne Sorensen, Lynda Andrews and Judy Drennan and entitled "Using social media posts as resources for engaging in value co-creation: the case for social media-based cause brand communities". It presents a netnographic study to examine how organisational posts, constructed as focal objects of consumer engagement, can act as triggers that result in consumer engagement sub-processes, which potentially co-create value within the cause brands' social media communities. As such, this study links customer engagement and value co-creation through the particular characteristics and combination of operand and operant resources that are integrated in various behaviours within the online domain.

### **Considering a micro-foundation lexicon of co-creation and engagement**

Lexicon helps foster dialogue and the diffusion of ideas. We observed that several of the papers in this special issue explicitly use emerging concepts and lexicon consistent with the micro-foundations of co-creation. Kleinaltenkamp *et al.* (2017) conceptualise and define the term "usage centre", which provides insights into multi-actor value co-creation. The authors recognise the need for resources to be accessible and shareable by members of the usage centre to facilitate collective resource integration. Reflective of the actors' position in a service ecosystem, consideration is given to the actors' connections (Li *et al.*, 2017), as well as their structural, relational, and cultural embeddedness within a service system (Laud and Karpen, 2017). Further, actors can be represented as organisations, and the effects of a service-dominant orientation and capabilities on firm performance are considered (Wilden and Gudergan, 2017). Breidbach and Brodie (2017) provide a theoretical framework that highlights how a service ecosystem facilitates engagement practices through resource exchange. This reflects recent literature that has recognised the importance of institutional arrangements within the service ecosystem and the influence of shared practices on co-creation and engagement (Vargo and Lusch, 2016a; Storbacka *et al.*, 2016).

From a micro-foundational perspective, research pertaining to co-creation and engagement is focused on the service interaction that occurs (Heinonen *et al.*, 2010; Edvardsson *et al.*, 2011; Grönroos and Voima, 2013). The lexicon that is used when examining the service interaction at this level includes references to dialogue (Prahalad and Ramaswamy, 2004; Ballantyne and Varey, 2006), customer value co-creation behaviours (Yi and Gong, 2012), psychological state (Brodie, Hollebeek, Jurić and Ilić, 2011) and engagement behaviours (van Doorn *et al.*, 2010). Further, there is an emergent body of literature that examines psychological ownership (Jussila *et al.*, 2015; Price and Belk, 2016), value initiation and value co-creation effort (Chen *et al.*, 2012; Sweeney *et al.*, 2015; Sorensen *et al.*, 2017), volitional investment of resources (Hollebeek *et al.*, 2016), and contributions (Jaakkola and Alexander, 2014; Harmeling *et al.*, 2017).

### **Future research on micro-foundations of co-creation**

In proposing future research avenues, we suggest moving from transcending and bridging co-creation and engagement concepts to an examination of the micro-foundations underpinning the iterative and interactive nature of co-creation and engagement, and the experiences of focal actors and stakeholders across service systems (Chandler and Lusch, 2015; Ramaswamy and Ozcan, 2016). While applying the focus on micro-foundation is not new in marketing (e.g. Hinterhuber and Liozu, 2017), research on micro-foundations of co-creation is in its infancy (e.g. Storbacka *et al.*, 2016). It requires research to zoom in to cement constructs at various levels of abstraction (cf. Chandler and Vargo, 2011). We propose that emerging research in co-creation and engagement further pursues a micro-foundational perspective.

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Aligned with the CCIS-CE symposium's mission to foster dialogue in co-creation and engagement, we offer the following research directions pertaining to the micro-foundations of co-creation:

- (1) explore concepts and a lexicon pertaining to micro-foundations of co-creation;
- (2) customer centric research with a focus on their interactive experiences and experience of practices (Ellway and Dean, 2016; Frow *et al.*, 2016);
- (3) explore customer integration pertaining to customers' resources, wisdom and lived experience (Harmeling *et al.*, 2017; Helkkula *et al.*, 2012; Moeller, 2008);
- (4) service design thinking exploring capabilities and resource conditions (Karpen *et al.*, 2017);
- (5) usage centre, usage processes and experience quality (Kleinaltenkamp *et al.*, 2017; Macdonald *et al.*, 2016; Pfisterer and Roth, 2015);
- (6) psychological ownership and actors' sharing behaviours reflective of co-creative business practices such as micro-enterprises and start-ups arising from the sharing economy (Jussila *et al.*, 2015; Price and Belk, 2016);
- (7) co-creation and engagement practices exploring customers' roles and effort (Edvardsson *et al.*, 2011; McColl-Kennedy *et al.*, 2012; Sweeney *et al.*, 2015);
- (8) initiation of value considering customers' contributory role and customer value co-creation pertaining to service provision (Chen *et al.*, 2012; Etgar, 2008; Heinonen *et al.*, 2010); and
- (9) explore shared intentions (Taillard *et al.*, 2016) and norms (cf. institutional arrangements; Vargo and Lusch, 2016a), the iterative effects on actors' dispositions, interactive co-creation and engagement practices and their impact on co-created value outcomes and wellbeing (Gummesson and Mele, 2010; Breidbach and Brodie, 2017).

### **Where to from here: history, mission and future of the CCIS-CE symposium**

CCIS-CE stands for "Co-creation in service and customer engagement". The inaugural symposium was born in 2013 and became CCIS-CE in 2015. The mission of our symposium is to foster dialogue and diffuse ideas related to co-creation and engagement. The CCIS-CE symposium has been grateful for ongoing support from several universities including the University of Newcastle, the University of Adelaide, the Freie University Berlin, RMIT University and the University of Auckland. It is a research workshop based event where participants conduct collaborative research based on the theme of the symposium each year. The symposium facilitators in the past include Professor Christian Grönross (the facilitator of the inaugural CCIS symposium), Professor Rod Brodie and Professor Stephen Vargo who are esteemed researchers in the field. Each year we invite participants worldwide to engage in research activities that help generate new interests and to advance our understanding of co-creation and customer engagement. The CCIS-CE symposium will continue to fulfil its mission by fostering dialogue on co-creation and engagement for theorising and advancing our understanding of service-dominant marketing and market practices. Micro-foundations of co-creation will be the main theme of the forthcoming CCIS-CE 2017.

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