

# Ranking the Factors that Impact Customers Online Participation in Value Co-creation in Service Sector Using Analytic Hierarchy Process

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## ABSTRACT

Ranking the factors that impact customer participation and engagement in value co-creation in service sector enables practitioners, especially service providers, to identify vital factors from those that are unimportant and that are essential for their service quality success and development. The objective of this study is to prioritize the factors that impact customer participation in value co-creation in the service sector. Analytic Hierarchy Process (AHP) is adopted by using Multi-Criteria Decision Making technique (MCDM) to determine the relative importance of the factors in influencing customer participation in the value co-creation through online platform. In order to rank the factors, this study is planned and performed in two stages. In the first stage some critical success factors that impact customer participation in value co-creation were identified through the literature review and preliminary case study. In the second stage, a pairwise comparison is designed based on AHP method to collect the opinions of experts and questionnaires were distributed among 10 organizational experts and academics as respondents. The pairwise comparisons obtained from this stage are analyzed by AHP using super decision software and excel spreadsheet. The research findings indicate that the success factors to engage customers in value co-creation activities have different priorities and weights. The weights obtained from AHP indicate that the organizational factors and individual factors got higher scores and ranked higher than the technological factors respectively. The most important results indicated that organizational aspects such as rewards and remunerations, open innovation culture and the organization leadership style are higher priority than any other factors, and in technology aspect it is verified that platform reliability and easy access got the fourth higher priority as well. Therefore, such results and weights obtained from this study will be used for prioritizing the factors that impact customer participation in value co-creation in the service sector and will be taken into consideration when value co-creation online platforms or systems are designed.

## KEYWORDS

Analytic Hierarchy Process, Customer Engagement, Higher Education Institutions, Online Platforms, Service Development, Value Co-creation

## 1. INTRODUCTION

It is undeniable that the intense competition among service sectors has forced service providers to find methods for better positioning and to enhance ways to differentiate themselves from others. Higher Education Institutions (HEIs) in general and Universities in particular are considered one of the major service sectors that has potential for sustainable development, in particular through their traditional mission of education, research and public service (Barth, Michelsen, & Sanusi, 2011 and Fadeeva & Mochizuki, 2010). Some HEIs or other service sectors have successfully established or used an appropriate online platform like online forums, web applications to engage their customers in ideation or crowdsourcing as a part of value co-creation process. However, some of these HEIs have failed to attract customer attention to be engaged in value co-creation online platforms. Even if these service sectors managed to engage some customers in value co-creation once, they failed to sustain customers' engagement in value co-creation using online platforms (Hasan, Rahman & Saeed, 2015).

This essentially drives service provider's attempt to offer and find ways to involve the customers in value co-creation to maintain service quality, customer satisfaction and to create service experiences in the Higher Education Institutions (HEIs) market. One of the existing points of view proposed that the customers inside university should be engaged as an active co-producer of the university experience (Jana, 2011).

Some previous studies that have been conducted about value co-creation systems and online platforms indicated that some co-creation systems fail to attract customer participation and sustain co-creation engagement among users, although these co-creation platforms were perfect and visible (Kohler, Fueller, Matzler, & Stieger, 2011). Some other relevant studies exposed that customers' actual experiences and their beliefs about the expected benefits significantly influence their actual continued participation in such co-creation online platforms (Nambisan, 2008 and Nambisan, & Baron, 2009). On the other hand, some other studies indicated that the role of service provider support, organizational culture and good management significantly influence continuous customer participation in such platforms to co-create value (Sigala, 2008). Therefore, there is a need to study the process of co-creation from a strategic perspective and to evaluate the influence of different organizational variables, including resource development, leadership, learning and the strategic orientations of firms or service sector on the process of co-creation (Fadeeva & Mochizuki, 2010). In addition, researches on value co-creation in service systems and the scope of what are the factors that lead customers to be highly engaged in the process of co-creating value in service sector, and how this engagement can be sustained through an effective technology platform is still in the immature stage (Golooba & Ahlan, 2013).

This research study aims to evaluate the influence of different organizational, individual and technological factors that have been found in literature review and case studies. After obtaining the expert opinion of 10 academicians on the factors that influence customer participation in value co-creation through the use of online platforms, the impact of these factors on customer participation in value co-creation can be identified by ranking and prioritizing a list of factors that have been explored and reviewed in previous studies.

Analytic Hierarchy Process (AHP) is adopted to determine the relative importance of the factors in influencing customer participation in online platform to engage them in value co-creation. Results obtained from this study will be used for prioritizing the factors that impact customer participation in value co-creation in the service sector and take them into consideration when value co-creation online platforms or systems are designed to prevent poor customer engagement and low participation.

The structure of this study is organized as follows: Section 2 presents the literature review on the topic including a list of the factors extracted from previous study and verified by preliminary case study, followed by research methodology as given in section 3. Section 4 is concerned with how and where data was collected. Analytic Hierarchy Process methodology is briefly dealt with in section 5. Results and discussion are presented in Section 6. Study conclusion, limitations and recommendations for future study are included in Section 7.

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