Chapter 5
Social Value Co-Creation:
Insights from Consumers, Employees, and Managers

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ABSTRACT

Societal demands and consumer patterns have changed: there is a need of elaborating on new concepts and mindsets in understanding stakeholder engagement in relation to Corporate Social Responsibility (CSR) in a way that can challenge the traditional ways of thinking and provide a basis for benefits to all stakeholders. Theoretically, this chapter provides a unique and fresh perspective to the concept of CSR, as it aims at applying, within the Service-Dominant (S-D) logic mindset, the value co-creation happening within a social setting. It adds backing through an empirical study taken mixed qualitative approach in effort to establish a concrete foundation for the interpretation of insights through three different stakeholders (customers, employees, and managers) in a practical, real world environment. Insights allow the formulation and provision of Social Value Co-Creation (SVcC) as a revisited understanding of corporate citizenship that can contribute to a contemporary approach to CSR.

INTRODUCTION

As environmental factors continue to influence the practice of marketing and business in society, the key to success is the ability to examine broad trends to being able to understand and anticipate how marketing will continue to evolve (Brunswick, 2014; Grönroos, 2012; Ramaswamy, 2011). In this sense, what is clear nowadays is that societal behavior has changed (Matten & Crane, 2005). In general society is more educated, aware, demanding, and enlightened than before. The societal change has also lead to an increase in desire for heightened Corporate Social Responsibility (hereafter CSR). While this is not a new trend, arguably, consumer support for socially responsible practices undertaken by organizations

is still growing (Papaoikonomou, Valverde & Ryan, 2012). However, there is much to be said about the effectiveness, or failure, of the current CSR practices leading to new ideas and approaches. One new approach is CSR 2.0 which claims for a need to clarify and reorientation the purpose of business to aid CSR (Visser, 2010). Also, the global environment of today has contributed another level of complexity that has not previously existed, demanding a different approach to firms' different stakeholders (Hillebrand, Driessen & Koll, 2015). With changing dynamics and ever increasing competition, the old ways of marketing are no longer effective. This leads to question the current train of thought, allowing room for new approaches to marketing such as Service-Dominant logic (hereafter S-D logic) (Vargo & Lusch, 2004, 2006, 2008, 2014). In this chapter, the authors discuss the changing of societal behavior and the ongoing demand and growth for social responsibility, and how it can be fostered through the mindset of S-D logic to co-create value to increase of well-being of all stakeholders in association, overall, leading to a Social Value co-Creation (hereafter SVcC).

While the requirement for social marketing and CSR from a business is apparent (Jonikas, 2013), and the development for S-D logic framework is continuous (Grönroos, 2012), the idea of co-creating value in a social area is a relatively new thought. The emergence of SVcC could lead to enhanced value creation, competitive advantages, and sustainability of CSR, as well as, improving well-being individually and collectively through firms, customers, and society in total.

To comprehend this new core concept on stakeholder engagement (i.e. SVcC) the chapter objectives are first, theoretically, to build knowledge and understanding of the context of SVcC (conceptual aim). Second, empirically, exploring the practices when trying to combine profitable marketing with social marketing for co-creating value (strategic managerial aim), and understanding the role of each stakeholder in the network setting of managers, employees, and consumers as a particular approach to corporate citizenship (operative managerial aim).

The chapter first presents a recall of literature on the topics of social marketing and CSR alongside a presentation of the S-D logic mindset, and its fundamental premises. Following, to illustrate the application of value co-creation in social settings, qualitative information is then gathered from three different companies (Pernod Ricard, Timberland and Amer Sports) pertaining to three distinct industries (spirits and beverages, textiles and footwear, and sporting goods) in order to gain relevant truths to the concept of SVcC through the objectives set above. Mixed qualitative methods were used:

- Focus groups held with consumers, and
- Individual interviews carried out in two formats between two different publics (in-depth interviews with managers and open-ended questionnaires with employees from the three aforementioned multinational companies).

Results are discussed in ways of proposing an adaptation of S-D logic fundamental premises to social value co-creation, and in a final conclusion section, some managerial implications and recommendations are proposed for firms and researchers interested in social value co-creation.

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