Chapter 2

Customer–Centered Antecedents of a Value Co–Creation Ecosystem: Integrating Psychological, Social, and Cultural Processes

Sumit Saxena  
*Indian Institute of Technology, Ropar, India*

Amritesh  
*Indian Institute of Technology, Ropar, India*

**ABSTRACT**

Considering the call for understanding the broader social and cultural context of value co-creation within emerging multilevel co-creative service systems, this research aims to explore the social and cultural processes along with psychological processes in terms of their influence on resource integration. It primarily adopts the customer perspective of resource integration. First, an integrative structure is developed and then the identified antecedents are positioned under relevant category proposing the multi-perspective VCC antecedent' framework. Further, the extant knowledge about VCC antecedents is used to set the agenda for future research. The study is based on an in-depth review of 85 key articles carefully extracted from a broad set of 1100 papers on VCC within the Scopus database. This review work provides a clear state of the art of VCC antecedents and has a direct implication for managers involved in designing the co-creation strategies for their customers.
INTRODUCTION

The concept of “Value co-creation” (VCC) rooted in service-dominant logic has gained wider acceptance by the research community across multiple academic disciplines during the last decade (Ramaswamy, & Ozcan, 2018). C.K Prahalad & Venkat Ramaswamy proposed the idea of value co-creation as joint creation of value by the company and the customer (Prahalad, & Ramaswamy, 2004). The idea had shown an initial inclination towards business economics which had a latent assumption of involving customers to take part in co-producing firm’s offerings that subsequently tend to reduce the cost of production. Later, Vargo & Lusch (2004) advanced the idea of value co-creation to resource based view and claimed that actors involved in co-creation integrate their operand (primarily tangible) and operant resources (like knowledge & skills) to create value for each other. Resource integration has emerged as a key to co-creation which soon attracted attention of researchers to the extent that led to a more precise and comprehensive definition of value co-creation as McColl-Kennedy et al. (2012) proposed “VCC could be understood as the benefit realized from integration of resources through activities and interactions with collaborators in the customer’s service network”. Vargo and Lusch (2017) also aligned their views on value co-creation as an ongoing interplay of reciprocal exchange driven by creation and application of resources. Resource integration has largely been seen as the central activity as well as drivers of co-creation. Payne et al. (2008) closely examined the process of co-creation and explained three interconnected processes, namely, customer processes, supplier processes, and, encounter processes. Part of those processes are executed in the provider’s space, and the rest happens in the customer’s space and their extended service network that is primarily customer dependent (Grönroos, & Gummerus, 2014). The resources and practices generated during customer and supplier processes interact in the encounter process, and thereby generate value.

Context of co-creation have been given more importance gradually and the researchers started looking at co-creation at a much broader levels, and their unit of analysis has shifted from dyadic interactions of customer and provider, to numerous multilevel interactions happening across multiple stakeholders (including suppliers, employees, customers, extended customer network, policy makers, citizen, etc.) of the ecosystem (Fyrberg Yngfalk, 2013; Alves, et al., 2016; Vargo & Lusch, 2017). There has been a growing concern of researchers to adopt an ecosystem view of value co-creation to identify the contextual factors that have substantial bearings on co-creation experiences. Prior studies are yet to identify such factors which have multi-level influences across different stakeholders focusing a co-creation ecosystem. The ecosystem trends in value co-creation in businesses are studied from three different perspectives, first, strategy perspective, where value is instrumental; second, service
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