

Customer Co-Production Behaviour and Outcomes Value Creation in Events Management

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ABSTRACT

The concept of value co-creation and value co-production are receiving more and more attention. Consumer's interaction with the service provider is becoming a popular phenomena to value creation especially in health and hospitality industries. In this kind of relationship, the consumer must actively participate for value to be created. Co-creation concept also seem to be currently applied in event planning . In event planning the consumer take a very active role to ensure that the expected value on the outcome is achieved. The supplier becomes the facilitator towards the value sought by the consumer. This paper seek to determine the application of co-production in events planning . The elements that describes the consumer in the interaction is the level of self-efficacy, customer susceptibility to control an outcome and customer value anticipation on the outcome of an event.

KEY WORDS: Co-production; customer control; Event planning self-efficacy; value anticipation; Value creation

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I. INTRODUCTION

Traditionally, marketing adopted a goods-dominant (G-D) logic from economics, which focused on operand resources, the physical good, the transaction and value that was embedded in the physical good and transferred to the customer during the exchange. Vargo & Lusch (2004) argued that marketing thought was converging in such a way that new-dominant logic, a service-dominant (S-D) logic, has emerged. S-D logic is essentially customer centric and market driven. Value is offered to customers in the form of a value proposition. The customer must participate in the exchange for value to be created. A distinction was made between value-in-exchange, which was the focus of G-D logic, and value-in-use, the focus of S-D logic. S-D logic states that value is jointly created by the customer and the supplier, and not transferred during the transaction (Vargo, Maglio & Akaka 2008). The supplier presents the value proposition to the customer, and when the customer accepts the value proposition and participates in creating value it becomes value-in-use (Ballantyne & Varey 2006). However, this can also happen in reverse whereby the customer solicits a value proposition to the supplier and they jointly work together in creating the values especially in events planning.

The concepts of value co-creation and value co-production are receiving more and more attention. To date, these concepts have been viewed from many different perspectives and research has investigated co-creation within different marketing domains. Co-creation is an experience-oriented concept which focuses on the interaction between the firm and the customer (Ramaswamy & Gouillart 2010). Therefore, co-creation has three important aspects to it, namely the customer, the firm and the interaction between the customer and the firm. This process-based framework provides a structure for customer involvement that takes account of key foundational propositions of S-D logic and places the customer explicitly at the same level of importance as the company (Payne, Storbacka & Frow, 2008). This framework has been empirically tested and supported in the furniture industry (Andreu et al. 2010).

A conceptual model of co-creation has been developed in the tourism industry where firm support for the customer significantly influences the degree to which the customer co-creates with the firm (Grisseman & Stokburger-Sauer 2012). Co-production has been evidenced in health industry. According to Batalden (2017), co-production in healthcare is the interdependent work of patients (and relatives) and health care professionals to

design, create, develop, deliver, assess, and improve relationships and actions that contribute to the health of individuals and populations. Thus, the core of healthcare service provision lies in the individual relationship between patient and care provider—a relationship in which the co producers both contribute resources and benefit from the value created by the service provided.

The value created for patients comprises, for instance, their satisfaction with the service, the impact of the service on their well-being and the extent to which it meets their social, health or economic needs. Having seen co-production being applied in several areas, it would be interesting to examine how co-production can occur in the vast area of events planning especially in the wake of emergence of consultancy services in organizing social and political events such as wedding and political rallies events.

II. LITERATURE REVIEW

A. Self determination theory

Self-determination theory is a motivational theory that relates to humans who develop volitional behaviour to develop their fullest potential, which is autonomous and self-related (Franke & Schreier, 2010). Autonomy in an individual has been described as a condition of being motivated by self-initiated behaviour, as well as, feeling a sense of volition to make one's own choices to engage in any activity or process (Deci, 1992). It could also be called intrinsically-motivated activity; the experience is one of spontaneous willingness and interest.

According to the self-determination theory (S-D Theory) contexts that enhance autonomous motivation activities are those that afford autonomy and promote competence to achieve optimal abilities to carry out any type of behavior. When these circumstances arise in conjunction with a customer's perceived competence to deal with the activity, the conditions will be optimal for promoting autonomous motivation. Thus, customer motivation comprises of both behavioural and psychological activities that do not require external reinforcement.

B. S-D logic view

For decades, the dominant paradigm espoused by marketing academics was that of marketing management, popularized in texts by McCarthy (1960) and Kotler (1967), with a strong focus on the satisfaction of customer needs through decision making centred around the 4 Ps. Evolving from the proliferation of concepts such as services marketing (Shostack, 1977) and relationship marketing (Grönroos, 1994), calls were made for a shift in marketing paradigm to one which more accurately represented the continuous nature of relationships among marketing actors (Sheth and Parvatiyar, 2000:140). Vargo and Lusch's (2004) paper presents such a change in perspective, with the proposition of S-D logic as not only a functional marketing concept but an overarching organizational philosophy. This new logic espoused the customer as a co-producer of value, later modified to a co-creator of value (Lusch and Vargo, 2006a), with value not residing in products but being defined by and cocreated with the consumer (Vargo and Lusch, 2004), and other value creation partners.

A prominent notion is the primacy of the supplier assisting consumers in their own value creation process, with a particular emphasis on the concept of consumer learning through their experiences with the brand (Payne et al, 2008). Such learning, and its influence on the operant resources of all parties, becomes pivotal to the optimization of the core construct of value in use. Markedly, this learning is reciprocal with all participants being resources and therefore experiencing value creation or destruction through the interactive exchanges. Prahalad and Ramaswamy (2000) chart an evolution towards proactive customer involvement, within the context of consumer-supplier relationships, opening up further possibilities for the augmentation of operant resources, as suppliers and consumers learn more about each other (Payne et al., 2008). As such, we see the emphasis on interactivity in supplier-consumer, and more widely network participant, relationships espoused in a service-dominant perspective (Vargo and Lusch, 2004).

The relational emphasis is neatly captured by Gummesson (2008), who talks of a network view of marketing, with value created through a network of activities among many stakeholders, in what he terms many-to-many marketing.

Building on Vargo and Lusch (2008b) foundational premise that the customer is always a co-creator of value, Payne et al (2008) propose a conceptual framework for value co-creation. The key role of operant resources in Vargo and Lusch (2004) S-D logic implies that consumers ability to create value is contingent on the amount of knowledge, information, skills and other operant resources that they can use (Normann, 2001), with the role of the supplier becoming one of providing experiential interactions and encounters which customers perceive as helping them utilize their resources" (Payne et al., 2008:87). The focus for marketers therefore shifts from one on products to one on value-in-use and the facilitation of relationships and experiences to enhance customer value-in-use (Payne et al., 2008). The achievement of this aspiration impinges upon the ability of the supplier to effectively leverage their operant resources through the resource integration approach elucidated in Lusch and Vargo (2006).

The language of S-D logic talks of interactivity (Vargo and Lusch, 2004), with value being seen as, idiosyncratic, experiential, contextual and meaning laden (Vargo and Lusch, 2008) and embedded in notions of relationships and networks (Gummesson, 2008). As such, the descriptions of value co-creation echo to a large extent the language used to conceptualize marketing events. In this context, it is to the conceptualization of marketing events that this discussion will now turn. Value creation space Events present themselves in various guises, which represents a difficulty in forging a coherent school of thought, as is evidenced by the fragmented approach in the extant literature.

The ensuing discussion addresses this by proposing a new theoretical construct through which to interpret events in a modern marketing context. As suggested in the introduction, customary definitions of events as a communicator of messages and cultivator of relationships (Kotler, 2003) are accurate and relevant but fail to capture the multifaceted role of events in modern day marketing. Not surprisingly, the language used in recent years has been more expansive with progressive characterisations such as brand hyper reality (Whelan and Wohlfeil, 2006), live communications (Getz, 2007), live the brand (Russell, 2007), and even fanciful phrases such as artificial paradises (Wünsch, 2008). These characterizations, while disputable, are healthy as they advance the debate and more fully reveal the character of experiential marketing events (Wood and Masterman, 2007). Such language lucidly articulates how a live event creates an interaction between the audience and a brand or product, as expressed by Jack Morton Worldwide (Wood, 2009).

Wood (2009) offers a detailed and useful typology of what Wood and Masterman (2007) term experiential marketing events. This includes conventional categories such as product launches, conferences, and exhibitions, but also less renowned forms such as created events and product visitor attractions. Each event type, or marketing event platform (Crowther, 2010), has a distinct charm and challenge, therefore lending itself to the achievement of specific outcomes, and combinations of outcomes. This point is illustrated through two contrasting examples. Marketing objectives associated with intelligence and co-design through mobilising network actors in the value chain would be best accomplished through a smaller more intimate event space, a workshop or seminar environment. In contrast, the achievement of brand communication objectives, to reach, and develop dialogue with, new customers may be better executed through a roadshow, or outdoor event-based strategy.

Event platforms are wide-ranging, but also the marketing space within any given platform is inherently pliable. The application of experience design principles (Berridge, 2007; Pine and Gilmore, 1998; Zomerdijk and Voss, 2010) enables the event space to be customised, or choreographed, to best achieve desired outcomes, but also to favourably connect with the underlying operant resources embodied by the event attendees. The prevailing literature, such as the typology discussed above, takes an exclusive approach to defining the scope of marketing events, which is problematic. In limiting the focus to only those events with prescribed marketing intent, the discussion overtly disregards the many and varied organisational events with secondary marketing purpose (Wood, 2009).

The approach is therefore inadequate, and incongruent, given that the interactive and experiential dimensions of all organisational events inescapably represent a co-creation or co-destruction of value among network actors. Indeed all organisational events represent a 4D communiqué of the brand regardless of whether the event has foremost marketing intent.

Given the primacy of ongoing relationships (Grönroos, 1990), and the thinking around value creation and value exchange (Vargo and Lusch, 2004), a much wider range of organizational events, with secondary, indirect, or event latent, marketing significance need to be accounted for in theoretical development around events and marketing. This discussion validates an outcome-oriented viewpoint signifying that all organisational events are advantageously considered marketing events, or more accurately events with marketing resonance. While experiential marketing events is an opposite term to represent those esteemed events with calculated marketing purpose, perhaps latent marketing events is a purposeful phrase to recognise the marketing potential and risk of all other organizational events.

Value creation space is thus characterized by the following core determinants: pre planned time and physical space; congregation and/or coalescence of internal and/or external network actors and a programme, distinct from day to day operations and processes, that would include core elements that may embrace learning, social, and entertainment. The terminology is a fusion of value creation (Vargo and Lusch, 2004), and the notion of marketing space, which is a term adopted to reflect the transient temporal and physical reality that events provide, as detailed in Crowther (2010a). Such terminology is inclusive and therefore reflective of the modern day democratization of marketing, and also the reality that event planning, delivery, and participation proliferate throughout an organization. Value creation space can be expressed as a designed intersection within an infinitely more fluid process of exchange between network actors. The use of the term intersection is deliberate and designed to suggest that these occasions should be purposeful and strategically informed and integrated.

C. *Virtues of events*

Noteworthy attributes of events include: experiential, interactive, targeted, and relational. The sentiment that consumers buy experiences (Schmitt, 1999) and, even, crave experiences, is palpable. Parsons and MacLaren (2009) chart the trend of hyper reality, which is an appreciable portrayal of some event spaces. Therefore a constructive point of departure is to view the customer as an active participant, or a co-creator of value (Vargo and Lusch, 2004); a perspective easily reconcilable with the value creation space of an event. These features prevail in the modern marketing landscape, yet of course these attributes are shared with other communication vehicles, especially those within the realms of experiential marketing.

It is expedient to reflect upon the distinct characteristics of events that define their contribution as a modern marketing approach. Perhaps the distinction of events is underpinned by a fusion of the following five qualities that are not so readily replicated by other methods. Firstly, the attendees are typically voluntary and active in their physical attendance at the event. This is a point of difference with a whole range of other communication forms, where the attendee is characteristically involuntary and passive (Duncan and Moriarty, 1998). This willingness on the part of the attendee, and face to face characteristic, is noteworthy, facilitating a more intimate dialogue as opposed to a remote didactic communication. Prahalad and Ramaswamy (2000) noted that the market has become a venue for proactive customer involvement, therefore events can be conceived as an opportune vehicle through which to mobilise the customer as an operant resource (co-creator) rather than an operand resource (target).

Secondly, the congregation of people at an event is significant, affording the potential to create a sense of community, or communists (Getz, 2007), which can heighten the experience. A secondary facet of this congregation is the opportunity it provides to maintain a frequency and intensity in relationships (Gummesson, 1999). Many organizations and their clients experience ad hoc transaction patterns, therefore particularly in business to business marketing, there is an issue around maintaining the relationship. Events present a conduit to achieve more frequent and consistent conversations with customers. Equally, from a network perspective, planned events offer those many to many marketing opportunities advocated by Gummesson (2008), acting as a platform through which organisations can consult, engage, and build fruitful relationships with a wide range of important stakeholders, including, among others, future employees, suppliers, and influencers (Christopher et al, 1991). Aligned to the previous point are the participative and interactive qualities of events which are highly relevant given the growing sentiment of doing things with and for customers (Gummesson, 2002; Vargo and Lusch, 2004). Dissimilar to many other communication forms, events provide opportunity for dialogue and intimacy between the respective actors.

A fourth stark reflection is that events provide a space within which to leverage manifold communication outcomes from awareness right through to action (Strong, 1925). The interactivity of marketing events presents the opportunity for consumers to gain direct experience of the products value in use. This is reinforced by Nancy Niepp, Senior Director at Cisco (Fahmy, 2009) who, referring to technical products, emphasizes the value of events in satisfying many of their customers who want to dig in, ask questions and put their hands on the products". As such, event-based marketing is the antithesis of a structured monologue between marketers and consumers, presenting a much more reciprocal environment for value co-creation. A final distinguishing feature is the pre planned nature of events which provides notable distinction from other experiential communication platforms. The fluid and reciprocal vehicle of an event as a value creation space presents considerable challenges to planning and management. However, the certainties of time, location, audience, and so forth provide a greater locus of control to the organisation in choreographing an event (performance) that is premeditated and practiced. Event management, as expressed by Bowdin et al (2006) is an art as well as a science, which permits the design of the time and space to be deliberate. Aligned with S-D logic, this design should seek to harness and communicate the operant resources appropriate to the desired outcomes and audience.

All communication forms have their own makeup; likewise events have a distinct DNA, which underpins their relevance to modern marketing. The marketing space framework (Crowther, 2010a) is a constructive lens through which to conceptualise the resonance of marketing events as expressed in this above discussion. The conception, and associated marketing space framework, is inspired by the thinking of Belk et al (1989), with the proposition that event space can be characterised by a blurring of the boundaries between the sacred and profane, which can be expressed (for business to business) as the commercial and the social, or (for business to consumer) the everyday lived experience and the stimulation and escapism of the event. Implicit within this thinking is that such a reality can conceivably create a heightened experience with attendees more relaxed, uninhibited, and open to new ideas (Getz, 2007). The discussion now turns to the realisation, or activation, of the virtues discussed.

D. Harnessing the event space

It is striking that while events comprise inherent qualities that are aligned and favourable with S-D logic thinking, the degree to which these qualities are roused is situational and impinges upon the design and execution of the event. The manifestation of an event is the core space, physical time and location, which can be strategically infused through experience design. The requirement for experience design to be optimal is conspicuous in the context that all interactions, certainly planned interactions, such as events, involve notable input, or sacrifice (time, effort, money, opportunity cost) on behalf of the attendee (Monroe, 1991).

This reality places a heightened emphasis on the facilitation of positive experience, with events positioned as noteworthy touch points in the value creation (or dilution) journey. Furthermore, fully realising the diverse marketing possibilities demands a management approach that incorporates an integration and leveraging of the augmented space, pre and post event (Crowther, 2010a). The connection between events and the wider integrated communications is integral to their success in realizing defined outcomes. At the heart of the design is a coherence with the specific, or combination of, marketing outcomes. This purposeful process is in contrast to findings in some of the existing research which suggests a fracturing of the strategic and tactical with events being more of an informal adjunct to marketing strategy, lacking required integration and strategic intent (Crowther, 2010b; Pugh and Wood, 2004). Consequently an underlying narrative is the importance of an integrated and strategic approach to the leveraging of event based marketing, in contrast to an overly myopic and operational reality.

The ambition is that the value creation spaces facilitated through staging events foster co-creation. However as soberly promoted by Plé and Cáceres (2010), the inescapable extension of this logic is that co-destruction is equally prominent, with the interaction proving suboptimal for one or both parties. Therefore inapt integration and/or application of resources or lack of alignment with expectations could result in co-destruction.

Given that events are complex and demanding vehicles to successfully employ, such co-destruction through accidental misuse (Plé and Cáceres, 2010) is conceivable. Misuse is a term used to reflect a failure to integrate or apply resources in a manner that is appropriate or expected by the other service system. Prevalent service characteristics, including inseparability, heterogeneity, inventor ability, and perishability (Lovelock and Gummesson, 2004), create palpable tensions and difficulties in seeking to optimize the event space. The challenge is augmented when adding in composite factors such as: experiential communication of the brand, attendee incongruity, and the management of diverse tangible and intangible cues. Such a reality takes the marketer outside of their core competence and into the realms of event designer, event manager, and even service recovery manager.

It also, as Gummesson (2002) postulates, propels a wide range of part time marketers to the fore. Realizing the value co-creation possibilities of events is therefore palpably high in risk and opportunity. This challenge is compounded when one considers that organizations will likely engage with a range of event platforms and event episodes each year.

III. CONCLUSION

Attributes of events include: experiential, interactive, targeted, and relational. Previous empirical research has revealed that there exists a host of events that receive no, or negligible, marketing focus but nevertheless are occasions where an organisation's stakeholders come together as an audience and interact with the product or brand (Crowther, 2010b). More so, previous researches have also focused on events that have not received direct marketing focus, including such platforms as workshops, learning events and charity fun days. The organizations aspiration would be that actors participation in event spaces positively impacts upon their experience, so sustaining value in use. The planned cultivation of such space is consistent with Vargo and Lusch (2004) pivotal notion of co-creation, but also co-production, emphasising the participative and reciprocal behaviour on behalf of all actors. Given the physical act of event attendance and participation, it could be argued that events by their very nature are synonymous with co-production, as co-production is defined as a task undertaken prior to, or during, experience (Hilton and Hughes, 2008).

All actors can be seen as operant resources and therefore event space is an opposite tool to realize this coproduction potential of engaging customers, suppliers, and other stakeholders in joint collaboration. However, the design of the event determines to what degree, beyond their physical attendance, attendees are active (or passive) in their role within the event space.

The degree of co production to embed in the event design is a key decision in choreographing the event. The theoretical framework of value creation put forward by Payne et al (2008) argues that an outcome of relationship experiences between suppliers and consumers is consumer learning. If such learning is positive (via positive experiences), consumers may develop a preference for that brand over competitors (Payne et al., 2008), representing a valuable outcome for suppliers. Given the characteristics of events, such as seminars, trade shows

and conferences, well designed events of this nature can act as a service delivery process through which to facilitate the leveraging of such operant resources as knowledge, skills and expertise.

From the above, earlier discussion it can be seen that co-production and co-creation has been practiced in various industries such as tourism, health, finance and hospitality to produce the expected values in the outcome. Events have become a method through which the company can communicate to its stakeholders. Social events and political events have become more personalized and hence events planners must co-produce an event such as social and political events up to the customer's tastes and level of preferences. However further research is needed in the area of social events and co-production concept.

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