



International Journal of Quality and Service Sciences

Emerald Article: Customers' experiences of co-creation during service innovation

Carina Sjödin, Per Kristensson

Article information:

To cite this document: Carina Sjödin, Per Kristensson, (2012), "Customers' experiences of co-creation during service innovation", International Journal of Quality and Service Sciences, Vol. 4 Iss: 2 pp. 189 - 204

Permanent link to this document:

<http://dx.doi.org/10.1108/17566691211232918>

Downloaded on: 17-10-2012

References: This document contains references to 35 other documents

To copy this document: permissions@emeraldinsight.com

Users who downloaded this Article also downloaded: *

María Dionisia Elche Hortelano, Ángela González-Moreno, (2007), "Innovation in Service Firms: Exploratory Analysis of Innovation Patterns", Management Research: The Journal of the Iberoamerican Academy of Management, Vol. 5 Iss: 2 pp. 113 - 126

<http://dx.doi.org/10.2753/JMR1536-5433050204>

Rong Chen, Zang Li, Chao-Hsien Chu, (2011), "Toward service innovation: An investigation of the business potential of mobile video services in China", Journal of Technology Management in China, Vol. 6 Iss: 3 pp. 216 - 231

<http://dx.doi.org/10.1108/17468771111157436>

Nicola Morelli, (2009), "Service as value co-production: reframing the service design process", Journal of Manufacturing Technology Management, Vol. 20 Iss: 5 pp. 568 - 590

<http://dx.doi.org/10.1108/17410380910960993>

Access to this document was granted through an Emerald subscription provided by MALARDALENS HOGSKOLA

For Authors:

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service. Information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

With over forty years' experience, Emerald Group Publishing is a leading independent publisher of global research with impact in business, society, public policy and education. In total, Emerald publishes over 275 journals and more than 130 book series, as well as an extensive range of online products and services. Emerald is both COUNTER 3 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.



Customers' experiences of co-creation during service innovation

Customers'
experiences
of co-creation

189

Carina Sjödin

Mälardalen University, Eskilstuna, Sweden, and

Per Kristensson

Service Research Center, Karlstad University, Karlstad, Sweden

Abstract

Purpose – The purpose of this article is to present the outcome of a co-creation service innovation project, both to understand the possible outcome when using a process model and to achieve a better understanding of how customers experience participation in co-creation in an open service innovation project. The article also discusses the outcome of co-creation in terms of new knowledge concerning customers' needs, both expressed and latent needs compared to the knowledge gained through a regular guest survey.

Design/methodology/approach – The study is based on 29 in-depth interviews that were conducted subsequent to participation as visitors in a service innovation project which involved testing a model for user involved service innovation. In the process model users were asked to be attentive and produce real time documentations. The co-creation in this case thus occurred when obtaining input for service innovation ideation.

Findings – Participants (visitors to a Swedish zoo), had mixed opinions about their participation in the project. Favourable experiences, such as benevolence and deepened relationships, were balanced by unfavourable experiences such as incapability and intrusion. Also a user involved service innovation approach as the one studied provides valuable knowledge about customers suggested to be useful for service innovation. Users presented a wide range of real time documentations; from brief comments about certain aspects of their experience to more detailed suggestions for future services.

Originality/value – The study provides empirical evidence regarding the importance of adopting a user's perspective towards service innovation. This is unlike previous research, which has been limited to the study of how companies perceive and can manage co-creation in a manner that is beneficial for them. The study also connects to this perspective by suggesting that co-creation both enhances opportunities for successful service innovation and provides a deeper understanding of customers' needs.

Keywords Innovation, Customer services quality, Product innovation, Sweden

Paper type Case study

The involvement of customers as co-creators in new service innovation is increasingly being suggested as a successful strategy to improve the success rate of new services. In the context of business markets, Prahalad and Ramaswamy (2000, p. 80) stated that "customers are fundamentally changing the dynamics of the marketplace. The market has become a forum in which customers play an active role". In a similar vein, Vargo and Lusch (2004) claimed that customers are always co-creators of value. Among others, Kristensson *et al.* (2008) argued that customers are a source of creative ideas that can be



worthwhile for innovation. Service providers have engaged customers in their development work in order to enhance the innovativeness of their offerings and deepen their relationships with key customers. The importance of both of these results has been well documented (Henard and Szymanski, 2001; Kristensson *et al.*, 2004). A non-academic example of this is Lego, the success of which is largely due to the company's close connections and collaboration with key customers, using their own competencies to develop market offerings that the customers themselves desire (Capell, 2008).

However, customers' perspectives of being involved in service development have received much less attention than the company perspective. In response to this, a growing number of studies have explained how companies should go about collaborating with key customers (Alam and Perry, 2002; Kristensson *et al.*, 2008). Furthermore, little is known about how co-creation is perceived when customers partake in innovation, compared to extensive studies on how co-creation is experienced during consumption (Bendapudi and Leoni, 2003). The present article responds to this lack of studies by seeking to investigate how customers experience co-creation when they are invited to participate in a new service development project.

Theoretical background

A growing body of research has confirmed that users of a market offering constitute an important ingredient in the co-creation of value. Users of an offering, often customers, integrate their knowledge and skills with employees from one or more organisations and their offering in order to reach a certain goal (Gummesson *et al.*, 2010; Vargo and Lusch, 2004). The service-dominant logic implies that the customer is always a co-creator of value. Value-in-use is a central theme for the service-dominant logic and is in contrast to the traditional goods-dominant logic, which views value as something that can be created beforehand, during production.

Co-creation for customisation or innovation

Co-creation for the purposes of customisation refers to activities during the value-creation process in which the customer[1] consumes a service[2]. Research in this area has focused on how customers engage in various activities in order to customise their offering. For example, customers use self-service technologies in photography stores and use machines to crop, enlarge, correct or enhance their photographs; they check themselves in and out of hotels and even routinely scan and bag their own groceries at supermarkets. Studies on co-creation during consumption show that customer satisfaction with a firm differs depending on whether a customer is given the opportunity to participate in the production or not (Bendapudi and Leoni, 2003; Meuter *et al.*, 2000). Lusch *et al.* (2007) makes the conclusion that users, consumers, always co-create value suggesting that the co-creation process is taking place at the location of usage which is typically owned by the consumer. Value can therefore not be produced on beforehand in a factory or suchlike. Meuter *et al.* (2000) conceptualised three broad types of activities that depict co-creation during consumption: firm production, joint production and customer production. Firm production is a situation in which the core content of the service is produced entirely by the firm and the co-creating activity occurs at a later point, beyond the reach of the company and totally according to the conditions set by the customer. An example of this would be a drilling machine that is bought in a store and then brought home for use. Joint production is a situation in which the customer and the firm's contact employees

interact and participate in the creation of value. An example of this could be a haircut. In customer production, the service is produced entirely by the customer, with no participation from the firm or its employees. An example of this could be someone using their own cultivated vegetables when cooking. In short, customers as co-creators represent a well-known phenomenon in business contexts, which researchers have studied in various forms.

In contrast, customer co-creation during innovation involves activities in which the customer takes an active part during the development process of a new offering. According to Lusch *et al.* (2007, p. 10), "customer co-creation during innovation can occur through shared inventiveness, co-design or the shared production of related goods, with customers and any other partners in the value network". There are several reasons why this type of co-creation can be interesting when used for innovation. For example, Kristensson *et al.* (2004) and Matthing *et al.* (2005) reported that customers who are given the opportunity to come up with ideas for future services produce ideas that are considered significantly more creative than those generated by product developers. Furthermore, Alam and Perry (2002) claimed that user involvement can lead to superior product or service ideas.

The manner in which customers partake in an innovation project can range from being merely an influence to participating in the actual development. When a customer plays an influencing role, it implicitly follows that the development is based on technology push rather than on information from customers. The core competence for conducting R&D lies within the firm. When the customer plays the role of the developer, however, this reduces company influence to a minimum as the customer possesses all the necessary competence for R&D. An example of the latter regards von Hippel's (2005) account on lead user processes. When customers co-create for purposes of innovation, the status of this type of participation in innovation leans toward the latter form (i.e. development). However, the focus in this case seems to be more on mutual collaboration, whereas interaction and initiatives is a shared responsibility. Witell *et al.* (2011, p. 8) defined co-creation for the purposes of innovation as:

Customers that actively participate in the early phases of the development process by contributing information about their own needs and/or suggesting ideas for future services that they would value being able to use.

In sum, there seems to have been a shift in the perspective of companies towards viewing customers as active co-producers rather than as a passive audience. This movement can be captured in the change of the classic sales-phrase "What can we do for you?" to "What can you do with us?" (Bendapudi and Leoni, 2003).

A customer-centric view of co-creation

Studies on how organisations collaborate with customers have persistently provided an organisational view of how co-creation should be managed and experienced. For example, Kristensson *et al.* (2008) suggested several strategies that are necessary in order for a successful co-creation project to take place. Kristensson *et al.* (2008, p. 477) provided the following typical description of the motive for this type of research:

Although it is possible to find references reporting that users are in better contact with their unmet needs, it is not specified how a company should act in order to facilitate [co-creation].

The underlying perspective in these types of studies is firm-centric; in other words, the implicit starting point is that research provides companies with strategies that are needed to exploit customers in order to reach success. Thus, elegant terms such as “co-creation of value” and “win-win relationships” seem far removed from this viewpoint. Another conclusion related to the research on customer co-creation concerns the links to coveted results such as increased innovativeness and deepened relationships (Fang, 2008; Magnusson, 2009). These studies have also taken a firm-centric perspective. To sum up, while research up to date seem to have gathered knowledge on how companies should act and may benefit from co-creation there is at the same time only little information existing about how the customer experiences this process and how this subject may gain from participating in co-creation. Thus, the research about customer-centric processes needs to be more customer-centric in itself.

To conclude the argument to this point, the reviewed literature has shown a clear emphasis on studies that have focused on co-creation during consumption and on co-creation with a firm-centric perspective. There is justification for a study that focuses on how co-creation during the innovation phase is perceived from the customers' point-of-view.

Given the large amount of interest in the customer, especially from academic disciplines such as marketing, it is surprising that a literature search using the keywords “co-creation, user and customer involvement, participatory design and user experience” results in only one article (Brockhoff, 2003) with a direct focus on co-creation for the purposes of innovation with a customer-centric perspective[3]. Another article, with a somewhat similar focus is presented by Pareigis *et al.* (2011) who find six different types of service experiences. Although co-creation is a part of the method applied in that study the focus of the article is broader. Brockhoff showed that the *locus* of initiative for involving customers in product development influences how the co-creating act will be perceived. The more the initiative lies with the customer, the more beneficial the collaboration. Although Brockhoff's article did not highlight it specifically, it did hint that co-creation may imply both benefits and burdens, which can result in experiences of contradictions for the customers involved. For example, Brockhoff (2003) suggested that customers must develop an involvement strategy regarding their offered input. One likely interpretation is that the likelihood of a consumer being a co-creator in new service development involves experiencing both positive and negative feelings. For example, studies within open innovation (Hertel *et al.*, 2003) have shown that individuals have a strong desire to share thoughts, feelings and ideas. From such a standpoint, co-creation during innovation stands out as an activity in which customers would like to participate. However, customers may also experience discomfort and incompetence when asked to collaborate with organisations to whom they have previously only been buyers. Customers may feel restrained carrying out a task over which they have little control and they may feel that personal matters are becoming exploited at their own cost. In this context, co-creation during innovation stands out as an activity in which customers would not like to participate. With this point of departure, the present study will investigate the intricacies of co-creation in order to understand how customers experience such activities during new service innovation.

Method

Overview and design

As part of a joint effort with several researchers from a Swedish university, a nationally renowned zoo in Sweden conducted a large open innovation project in which 29 families

with small children were given the task of co-creating new ideas for future services. The objective of the project was to develop a method that, at an early stage, involved customers as active collaborators in a service development process. The particular zoo is a commercial amusement park with commercial goals. The zoo has previously used regular market surveys to explore visitor reactions.

29 visiting families were given the task to be attentive to anything that caught their interest during the visit, documenting this in real time and, in some cases, adding suggestions for improvement and new services. It was an open invitation to contribute with anything the participants felt like.

Interviews were conducted with the participants directly after they had submitted their ideas to the park and during that time empirical data on how co-creation was experienced was collected. Further follow-up interviews were performed with 11 of the families a longer period after the visit.

This study focuses on customers visiting the zoo. The participants can be described as ordinary users following the terminology used by Kristensson *et al.* (2008). The overall purpose of the study was to develop new services that enhance the total experience of visiting the zoo.

Participants

All potential participants received a written invitation from the president of the zoo asking them to help make the zoo a better experience. The offer specially addressed people who were particularly interested in speaking their mind and having an influence. Participants were also asked to assess their appreciation (on a scale from one to five) about participating in the project and submitting their own ideas. The mean score was 4.37. A similar scale was used to assess the extent to which participants felt they had an interest in influencing their own situation; the mean score on this scale was 4.47.

All of the participants were regular visitors to the zoo and were recruited by the zoo. The recruitment process occurred both from the local camping check-in and from the entrance where visitors stood in line to purchase tickets.

Background data was collected from all participants, specifically regarding the age and gender of everyone in the family, their profession and number of prior visits to the park. The mean ages were 42.2 years for participating adult men, 41.5 for adult women, eight years of age for boys and 7.2 for girls. The professions of the participants were mainly white collar and only some blue collar but academic professions were in the minority.

Instructions and equipment

The task in the project was an open invitation to contribute with anything the participants felt like. The written instructions were tested on a group of local visitors to the zoo. Some editing was required before the test group felt comfortable with the vocabulary used in the instructions.

The required input was real time notifications about how the participants felt in different situations.

Participants were equipped with pens, paper and digital video cameras. They were asked to focus on their emotions as well as problems and incidents of interest and to use these situations to come up with ideas for services that would improve the overall customer experience at the zoo. The participants were given instructions about their

participation prior to visiting the zoo and were asked to leave their notes, sketches and pictures and/or videotaped observations at the end of their visit. After the visit, participants were interviewed about their experiences in the park and also about their reactions to participating as co-creator.

Data collection and data analysis

A member of the research team met with all participating families at the end of their visit to the zoo in order to interview the families about their experiences and to discuss the input from the participants. A comfortable and relaxed environment was arranged close to the guest service counter where the participants were offered a soft drink during the conversation. The idea generation process was transferred to a service description in order to give equal value to all suggestions. The recollection of the experiences was transcribed during the session with the whole family, a process in which everyone was engaged, including children. The service descriptions followed a predefined format, which essentially contained a description of the situation, suggestions for improvement or innovation and reflections on the perceived value of the idea. The duration of the meetings was between 30 and 60 min, depending on the amount of material the families had documented. The follow-up telephone sessions lasted between 20 and 40 min. Each interview followed the same pattern, starting with a few reflections about the zoo and the participants' perceptions of their visit. No one from the zoo was present during any of the interviews or had any influence on the structure or content of the interview guide; they provided only the physical setting and the soft drinks. After the interviews, all children received a stuffed animal from the zoo shop as a gift, courtesy of the zoo.

Interviews

The purpose of using qualitative interviews in this study was to explore differences and similarities among the participants' experiences. Participants were asked, in their own words, to describe what they had experienced during their visit to the zoo. An interview guide was constructed in accordance with Kvale's (1997) seven stages for designing and implementing an interview study. The advantages of this method are the somewhat structured data it produces, while still being combined in a conversational and rather informal manner. The research presented in this article is built on a total of 29 qualitative interviews that focused on the outcome of co-creation and 11 interviews were conducted that focused explicitly on the experience of co-creation. The participants were asked to talk about their experience, with particular focus on the themes that were considered relevant for the study:

- Different reasons for participating in a co-creation process and a discussion about a possible scenario where they might have declined to participate.
- Their thoughts about the experience.
- Their self-image (as a value creator) and awareness of the role.
- Their opinions about the tools (camera, paper, pen, post-it notes) and the instructions given.
- Any thoughts about the task and what was requested.
- Their feelings toward the zoo.

All interviews were conducted by the same person and the setting was arranged in a similar way for all participants. Interviews were transcribed in a denaturalised way. The focus was on the informational content; that is, meanings and perceptions.

According to Patton (1987), quotations reveal the level of the respondent's emotion and also their basic perceptions of the situation, among other things. Key quotes from the transcribed interviews were coded and categories were identified.

Results

Below we present the outcome of co-creation in this case and also what emotions customers do experience when they co-create in a development project that is aimed at innovating new services. During the co-creation project investigated in this study, the participants generated a total of 328 ideas for future services that would enhance customers' experiences when visiting the zoo. Subsequent to their participation, families (i.e. the visitors) were interviewed about the emotions they had experienced during their participation as co-creators. Four overall emotional experiences emerged: benevolence, deepened relationship, incapability and intrusion. This range of emotions represents a framework for understanding how customers co-create, which is described in detail below.

Outcome

Participants were asked to be attentive and document different aspects of their visit. In total the participating families delivered 328 comments and suggestions as an input for a service innovation process. All comments and suggestions were translated into a common format. First they described the specific situation or episode, sometimes with photos, and if they had a suggestion for a solution they could present it and finally some thought on how this could provide additional value. The question of added value appeared difficult for the participants to respond to. In most of the cases that information or comment were emitted. All documentations were categorized according to which area or topic that was commented upon. The categories emerged as a pattern over concerns of the visitor. Some comments may fit in more than one category. The following categories emerged from the data: animals, entrance, overall experience, information and communication, children and play, area and environment, amusement park, service and offerings and safety/security.

Every year the organization collects opinions, ideas and an evaluation from their visitors through a traditional guest survey where customer satisfaction is measured. The traditional survey includes questions about the zoo, the amusement park, the shops, cleanliness and maintenance, eating, value for money, staff behavioral the overall experience of the visit. Topics are rated and commented. The comments, when present, tend to be more general than specific general. Around 1,000 surveys are handed out and response frequency is around 50 percent (figures from 2010).

During the study the visitors showed a strong interest for the wellbeing of the animals. Many suggestions and comments concerned this. Another clear indication was a need or desire to avoid conflicts in the family. Several visitors asked for guidance, a recommended route, maps and illustrations showing the best way around the park, etc. This was supposedly connected to a desire to optimize the visit, get good value for money, not to miss any interesting animals and to just float along and not having to plan everything themselves. This particular input from visitors in the project were used to develop a new service including; learning activity book based on the geography of the

park. In essence, families could use this book to navigate, to explore the park and to learn, play and compete with each other and compare efforts to the animals.

Experiences of benevolence

The interviews revealed a variety of experiences that emphasised value-creation. It seemed as if several participants were going native when they were co-creators of new services. They acted almost as if they were employed by the company. Participants made verbal statements such as:

It is fun to be involved in the project, I'm glad to help.

It was good to get a small task and see the park with new eyes.

Interesting; created a new kind of insight. This way of looking at the park stayed with us when we visited other parks.

As the third quote suggests, the experiences involved the overall feeling that the participating in a project that focused on value-creation gradually increased participants' awareness of their own value as visitors. The spontaneous reactions from the participants were affirmative and indicate that co-creation was perceived more as a pleasure and as something important rather than as a burden. Many of the statements were positive expressions about experiences they might not have had if they had not volunteered to participate as a co-creator. As one of the quotes indicated, the co-creation task gave the visit a new and more fulfilling dimension. When visitors were asked to pay attention to certain situations, they became more aware of the value-creating processes as they occurred. Another description of the experiences of being a co-creator referred to the opportunity to see the park in a new way. This new perspective also allowed visitors to view other parks differently.

Participants felt that the amount of time they spent was reasonable and they felt that they had received something in return. Participants were especially happy to contribute in terms of sharing their own generated ideas, as well as their experiences and emotions. Some of the quotations on this aspect included:

Now that I think about it, it is quite a big thing.

The co-creation task gave the visit a new dimension, a more fulfilling one. It was a good initiative.

We were glad to have the opportunity to influence and help out.

The initial phase of the co-creation process was to recruit the participants and the participants gave different reasons for joining. The fact that all participants were offered a free breakfast in order to enter the study was expected to be one of the reasons for accepting the invitation. Indeed, the breakfast was mentioned as appealing and seems to have created a good feeling; however, only one family claimed that this was their main motivation for participating.

Other reasons for participating included the fact that the family was attracted by the idea of being part of a research project. A research project was perceived as fun and something that involved aspects of learning, which might have been a goal of the overall visit to the zoo. Although the rewards were more modest in the second part of the project, this did not affect the willingness to participate. Benevolence as a motives seems to have

been the most common reason to participate, as the majority of participants responded to the request to help make the park a better place. They enjoyed their task and, in a manner of speaking, became service developers at the zoo.

Experiences of incapability

In contrast to the positive emotions illustrated above, participants also reported having doubts about their ability to carry out the requested task. Some of these feelings of incapability regarded if and how they had followed the instructions correctly. As shown in the following quote, one participant expressed a thought that it had been too demanding:

It was very good to do this in real time but it was difficult to register everything.

Other participants did not share that particular feeling but did express some insecurity about their efforts. For instance, some noted their unfamiliarity with reflecting on their emotions.

The instructions created some confusion and discontent. One participant described this feeling as follows:

I felt that I needed to focus on the task and concentrate because normally I don't think much about emotions, unless, of course, my emotional reactions are very strong.

It was easier to document problems than to document emotions.

Documenting for example emotions requires concentration and can be difficult. One participant felt that the entire experience did not involve any strong emotions or any pleasant or unpleasant surprises.

One aspect that falls into the category of negative experiences regards feelings of insecurity about the procedure. The participants felt that they questioned themselves and what was expected of them. Several participants failed to read the written instructions and were somewhat anxious about possibly having missed something. Other participants also experienced stress about the task. They felt that they had given their best and had been committed to the task but still worried whether they had delivered enough.

Experiences of a deepened relationship

Various experiences relating to a deepened relationship came up during the interviews. Several participants felt a new bond with the park, especially when they created ideas that were meant to improve the park. Others mentioned how they had worked together as a family and how this experience had made their visit more of a family event than had been the case on other visits. The experiences of relationship clearly added to the positive side of co-creation.

The relationship with the park involved different aspects. One aspect was related to the recruitment process and the personal contacts that participants made during the day, involving the rewards, meeting with the staff and receiving instructions. Another level involved a new understanding and connection to the park and how participants felt about the park after their participation. The latter appeared to be connected to the actual task they performed; they seemed to notice the work that was carried out behind the scenes and they frequently found explanations to their documented problems instead of presenting them as complaints. One of the aspects of participation was spread out among the visitors, who said that they felt closer to the park:

A great contact with the park.

The data-collection tools seem to have helped the participants perform the task that they were instructed to perform. They were given the opportunity to share “golden moments” as well as difficulties from their visit:

The photo or video is necessary for remembering the exact situation.

Participants found it difficult to remember all the little situations that happened but the video made this job easier. Most of the participants felt that the camera was a valuable tool both during the documentation and also as a support for the memory during the interview.

Involving the whole family was mentioned, as the following quotes show:

Very fun with the kids involved; they are such communicators.

This was really something we did together as a family.

Some participants described an enhancement of both this particular visit during the study but also recreational visits to other zoos and amusement parks that followed after. As one participant described it:

It was fun, not too demanding and it opened up new experiences. It made the visit more engaging.

Another comment regarding the tightened relationship to the park was:

We gained a good overall impression of the park, which will be good for the next visit.

Several participants mentioned that it was fun to work together as a family during the process. They described their families’ joint efforts to document things they thought of in the park. Instead of being spread out, with children running ahead, the family had collaborated as a team and actually spent the day together. Also, as evidence of this experience of relationships, nearly all of the participants declared that they were more than willing to return to the park in the future.

One final reflection concerned the increased awareness of the participants’ value as creators. It appeared as if the visitors had not initially reflected on the fact that they were doing something valuable for the zoo and considered themselves as normal visitors that did not have much to contribute. Gradually, an increased awareness about their important role as (co-)creators emerged through the interview process:

Now that I think about it, it is quite a big thing.

A small number of participants were already thinking in this way and were well aware of their value as co-creating customers. These participants connected the value-creation to their professional situation (i.e. their present job or skills that they possessed) and were quite convinced about how they would be able to contribute even more.

Initially, nearly all of the participants failed to identify themselves as value creators and they also had difficulty identifying other situations where they had been co-creators. The participants could not recall having participated in any open innovation projects before. Instead, they mentioned activities such as telephone marketing, complaints and market research for magazines. One participant made reference to a summer holiday

stay at a newly opened hostel where the owner took an interest in his guest and sat down to discuss proposals for change.

Experiences of intrusion

Finally, some participants had concerns about the process of intrusion, which adds to the negative side of co-creation experiences. Intrusion involved the recruitment process, the methods and instructions and even the task itself:

It was quite a strain; I should have focused more on having my vacation.

Certain critical questions had to be answered when the participants were recruited. It was important to obtain information about the degree of involvement and what was expected from the participants, which affected the decision to participate. Another negative emotion was related to the instructions. Looking for problems or obstacles was found to be a relatively easy task. However, the visitor's expressed regrets about having to be negative in their attitude and look for problems when their personal ambition was to have a good time with their family and enjoy their holiday in the park. They felt that this was an intrusion of their private feelings and their holiday spirit.

We asked the participants to consider what would have made them say "no" to the request to participate in a co-creation process. The answers, which were similar for all respondents, included aversion towards a process that required too much of them and a lack of freedom. The study's instruction was open and was not detailed or controlling in any way. As the task was presented, it was perceived as open-minded and not overly time-consuming (i.e. visitors were asked to do things they would do anyway). Co-creation, according to this group, could not involve demands or requirements to spend a certain amount of time or deliver a certain number of ideas or the like. The pace and level of engagement should be up to the individual.

Discussion

Companies have long used their customers to obtain knowledge about their future needs and wants (Beall, 2010). Although traditional market research techniques remain popular, some companies have started to empower their customers to become co-creators of new innovations. Customers, users and consumers are stimulated to share their experiences and knowledge through open innovation projects (Chesbrough, 2003). Several research reports have highlighted various advantages of this new type of user involvement, which, in the long run, is expected to lead to knowledge about customers' needs and wants. However, although involving customers as co-creators has become popular, research has only focused on how the company should act in order to increase its favourable consequences. More specifically, only a limited amount of knowledge has been gained about how customers view the situation of becoming a co-creator of new innovations. Instead, research that has focused on co-creation during the consumption act has focused on findings related to the subjective wellbeing that arise when consumers experience value-in-use (Sheldon *et al.*, 2001; Vargo and Lusch, 2008). The present study is motivated by this lack of research and the growing popularity of open innovation in society and within business organisations.

During this study input from the traditional customer survey was compared to the outcome in the project. The main difference is that the method for co-creation with photos as well as written comments provides a more complete understanding of both

situation and context. The traditional survey provides a limited amount of customer knowledge suited as triggers for service innovation. Some expressed needs can be found in both examples, overlapping, but in this case only the user involved method provides data to analyze for an understanding of latent needs. The emerged category safety and security in the case outcome was not expected by the zoo staff. This was not part of the regular survey topics and had not been an issue related to innovation. Also this can be traced to general trends in society. But an analysis of latent needs based on the expressed needs created an understanding of parents needing to relax and not to worry, a need for a safe place where bad things do not happen. Safety provides a sense of control; much in demand by the visiting families. Another interesting discovery was the value expressed concerning the actual interaction within the participating families; how the co-creation activity led to something new and unexpected for those involved.

The documentation from the visitors provided an input affecting the organization as a whole. The visitor suggested things and commented on issues which involved more than one department in the organization. We suggest co-creation in this manner thus calls for a more collaborative innovation process within the organization.

The results of this study show that customers have mixed emotions when they are invited to participate in a new service development project. One possible reason for these emotions is that the willingness to help an organisation to develop their service is greater than the fear that it will involve too much work. Even though many people will gladly participate in such a project, they still seem to have, or develop, reservations about their participation. The experiences that came from this are mixed responses to co-creation. Of the four experiences, Benevolence and deepened relationship constitute the more positive perceptions, while experiences of incapability and intrusion are the more negative perceptions.

The benevolent perspective reveals the relaxed atmosphere of the situation and the joy people receive when they can be creative and contribute to something that may have been unexpected but is still important for them. The participants recognised in themselves an attitude towards creative problem solving and they contributed voluntarily without asking for something in return. The small rewards they received afterwards were appreciated but not necessary. Helping out made the participants feel good about themselves and eager to perform well. Hertel *et al.* (2008) reported that users who innovate often are driven by internal needs, which may imply that the visitors to the park participated because they saw that their work could have benefits for themselves or for others. The participants enjoyed the responsibility of sharing their ideas and some of them also presented ideas to improve the situation for under-privileged users, such as disabled children. In most cases, the participants' ideas and suggestions were beneficial for others and were not necessarily connected only to their own needs.

Since the participants approached their task with interest, they also wanted to perform well and deliver. This may have accounted for the experiences of incapability. Furthermore, as several of the participants admitted not having read the instructions carefully, they felt like they might have done something wrong, which could lead to them feeling uncomfortable. Being a co-creator during a development project represents a new role for customers and it is not strange for them to also experience feelings of incapability when it came to tasks such as documenting their emotions. This form of self-reflection was relatively new to many of the participants and created some anxiety. Other explanations for feelings of incapability related to the lack of time participants had to share their feelings

and thoughts. Because they spent only a couple of hours in the park, they did not want to miss out on anything. Such aspirations, combined with contributing with co-creation, are likely to have led to experiences of incapability.

The experience of a deepened relationship stood out as being important for the participants as they increased their self-awareness of their role in the project. When they participated in the project they learned a lot about how the zoo functioned and also seemed to understand that the zoo really wanted to create a memorable experience. Consequently, participants almost seemed to become partners to the zoo's development team.

Regarding the experience of intrusion, the study found that participants were glad to help out and contributed, using their free time without any certain demands for something in return. However, this goodwill was only valid as long as the inviting organisation did not ask for too much. The participants guarded their freedom to do what they felt was reasonable within the task.

Compared to previous studies on the same theme, participation in co-creation during an innovation project may involve experiences that are favourable and others that are non-favourable. The present study is, to the best of our knowledge, the second to examine and test the issue of how co-creating participants experience the process of sharing their input, ideas and experiences to a firm whose clear intention is to use the input to improve its future offering. Because this study, as well as that of Brockhoff (2003), are exploratory in nature, a comparison might be of interest. While this study found that rewards were not overly important to participants, Brockhoff found the opposite and suggested several types of rewards. It should be emphasised that the participants were never engaged in a discussion over the ownership of ideas or discussed rewards in comparison to their own effort. The *locus* of initiative and how the creative dialogue is designed will affect the output.

Limitations

This study is one of very few to have focused on users during co-creation in an open innovation project. It also represents an early attempt to study the logic of open innovation in a consumer sector where customers are usually very active (value-creation in an amusement park is a result of individuals' own initiatives and activities). The study is only exploratory and contains a limited number of interviews. Further research is required in order to establish these findings. The fact that all the participants identified themselves as active and engaged visitors and were glad to help out may have affected the results. Due to the lack of earlier research regarding customers' perceptions of value co-creation, there are many references to the Brockhoff (2003) study. However, the studies are not really comparable on a large-scale because Brockhoff (2003) focused on product development, which is different from service innovation that is studied in the present article.

Implications for business

Users are willing to share their thoughts and ideas with the providers of an offering. However, it should be noted that the participants also experienced non-pleasurable feelings of incapability and intrusion. From a business perspective, this study suggests that companies that attempt to create an open innovation space and invite customers to partake in their development activities should provide them with an open and free

task and rely on participants' intrinsic motivation to freely share their thoughts. Because of the fact that mixed experiences were observed during the co-creation process, special attention should be paid to balancing the non-favourable feelings. The way in which businesses communicate with users about the co-creation process requires consideration, and the level of participants' engagement may result in different set-ups of experiences between participants.

Notes

1. In line with the empirical data of this research, the present article uses the terms "customer" and "user" interchangeably.
2. Following Vargo and Lusch (2004), the term "service" is used throughout the article to imply both goods and traditional services.
3. The mentioned search words were used in *Business Source Premier*, June 2011.

References

- Alam, I. and Perry, C. (2002), "A customer-oriented new service development process", *Journal of Services Marketing*, Vol. 16 No. 6, pp. 515-34.
- Beall, J. (2010), *Strategic Market Research: A Guide to Research that Drives Business*, iUniverse Star, Bloomington, IN.
- Bendapudi, N. and Leoni, R.P. (2003), "Psychological implication of customer participation in co-production", *Journal of Marketing*, Vol. 67 No. 1, pp. 14-28.
- Brockhoff, K. (2003), "Customers' perspectives of involvement in new product development", *International Journal of Technology Management*, Vol. 26 Nos 5/6, pp. 464-81.
- Capell, K. (2008), "Building expertise through collective knowledge", *Business Week*, March 5, pp. 1-2.
- Chesbrough, H. (2003), *Open Innovation: The New Imperative for Creating and Profiting from Technology*, Harvard Business School Press, Boston, MA.
- Fang, E. (2008), "Customer participation and the trade-off between new product innovativeness and speed to market", *Journal of Marketing*, Vol. 72 No. 2, pp. 90-104.
- Gummesson, E., Vargo, S.L. and Lusch, R.F. (2010), "Transitioning from service management to service-dominant logic: observations and recommendations", *International Journal of Quality and Service Sciences*, Vol. 2 No. 1, pp. 8-22.
- Henard, D.H. and Szymanski, D.M. (2001), "Why some new products are more successful than others", *Journal of Marketing Research*, Vol. 38 No. 3, pp. 362-75.
- Hertel, G., Niedner, S. and Herrmann, S. (2003), "Motivation of software developers in Open Source projects: an internet-based survey of contributors to the Linux kernel", *Research Policy*, Vol. 32 No. 7, pp. 1159-77.
- Kristensson, P., Gustafsson, A. and Archer, T. (2004), "Harnessing the creativity among users", *Journal of Product Innovation Management*, Vol. 21 No. 1, pp. 4-15.
- Kristensson, P., Matthing, J. and Johansson, N. (2008), "Key strategies for the successful involvement of customers in the co-creation of new technology-based services", *International Journal of Service Industry Management*, Vol. 21 No. 4, pp. 474-91.
- Kvale, S. (1997), *Den kvalitativa forskningsintervjun*, Studentlitteratur, Lund.
- Lusch, R.F., Vargo, S.L. and Obrien, M. (2007), "Competing through service: insights from service-dominant logic", *Journal of Retailing*, Vol. 83 No. 1, pp. 5-18.

- Magnusson, P.R. (2009), "Exploring the contributions of involving ordinary users in ideation of technology-based services", *Journal of Product Innovation Management*, Vol. 26 No. 5, pp. 578-93.
- Meuter, M.L., Ostrom, A.L., Roundtree, R.I. and Bitner, M.J. (2000), "Self-service technologies: understanding customer satisfaction with technology-based service encounters", *Journal of Marketing*, Vol. 50 No. 2, pp. 50-64.
- Pareigis, J., Edvardsson, B. and Enquist, B. (2011), "Exploring the role of the service environment in forming customer's service experience", *International Journal of Quality and Service Sciences*, Vol. 3 No. 1, pp. 110-24.
- Patton, M.Q. (1987), *How to Use Qualitative Methods in Evaluation*, Sage, Newbury Park, CA.
- Prahalad, C.K. and Ramaswamy, V. (2000), "Co-opting customer competence", *Harvard Business Review*, Vol. 78 No. 1, pp. 79-87.
- Sheldon, K.M., Elliot, J.A., Youngmee, K. and Kasser, T. (2001), "What is satisfying about satisfying events? Testing 10 candidate psychological needs", *Journal of Personality and Social Psychology*, Vol. 80 No. 2, pp. 325-39.
- Vargo, S.L. and Lusch, R.F. (2004), "Evolving to a new dominant logic for marketing", *Journal of Marketing*, Vol. 68 No. 1, pp. 1-17.
- Vargo, S.L. and Lusch, R.F. (2008), "Service-dominant logic: further evolution", *Journal of the Academy of Marketing Science*, Vol. 36 No. 1, pp. 1-10.
- von Hippel, E. (2005), *Democratizing Innovation*, The MIT Press, Cambridge, MA.
- Witell, L., Kristensson, P., Gustafsson, A. and Lofgren, M. (2011), "Idea generation: customer co-creation versus traditional market research techniques", *Journal of Service Management*, Vol. 22 No. 2, pp. 140-59.

Further reading

- Bateson, J. (2002), "Are your customers good enough for your service business", *Academy of Management Executive*, Vol. 16, November, pp. 110-20.
- Burroughs, J.E. and Mick, D.G. (2005), "Exploring antecedents and consequences of consumer creativity in a problem-solving context", *Journal of Consumer Research*, Vol. 31 No. 2, pp. 402-11.
- Gruner, K.E. and Homburg, C. (2000), "Does customer interaction enhance new product success?", *Journal of Business Research*, Vol. 49 No. 1, pp. 1-14.
- Harris, K. and Baron, S. (2004), "Consumer-to-consumer conversations in service settings", *Journal of Service Research*, Vol. 6 No. 3, pp. 287-303.
- Jeppesen, L.B. and Molin, A. (2003), "Consumers as co-developers: learning and innovation outside the firm", *Technology Analysis & Strategic Management*, Vol. 15 No. 3, pp. 363-83.
- Magnusson, P.R., Matthing, J. and Kristensson, P. (2003), "Managing user involvement for service innovation: experiments with innovating end-users", *Journal of Service Research*, Vol. 6 No. 11, pp. 111-24.
- Moreau, C.P. and Dahl, D.W. (2005), "Designing the solution: the impact of constraints on consumers' creativity", *Journal of Consumer Research*, Vol. 32 No. 1, pp. 13-22.
- Nambisan, S. and Baron, B. (2007), "Interactions in virtual customer environments: implications for product support and customer relationship management", *Journal of Interactive Marketing*, Vol. 21 No. 2, pp. 42-62.
- Payne, A.F., Storbacka, K. and Frow, P. (2008), "Managing the co-creation of value", *Journal of the Academy of Marketing*, Vol. 36 No. 1, pp. 83-96.

IJQSS
4,2

Wood, S.L. and Moreau, P.C. (2006), "From fear to loathing? How emotion influences the evaluation and early use of innovations", *Journal of Marketing*, Vol. 70 No. 1, pp. 44-57.

Xie, C., Bagozzi, R.P. and Troye, S.V. (2008), "Trying to prosume: toward a theory of consumers as co-creators of value", *Journal of the Academy of Marketing Science*, Vol. 36 No. 1, pp. 109-22.

204

Corresponding author

Per Kristensson can be contacted at: per.kristensson@kau.se