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Co-creation in the Heritage sector

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Abstract

This conceptual paper aims to contribute to current services marketing, service-dominant logic and co-creation literature by investigating the co-creation of experiences and conceptualizing it in terms of three dimensions. A conceptual model is developed in the context of the heritage sector, with each of the three proposed dimensions discussed in-depth.

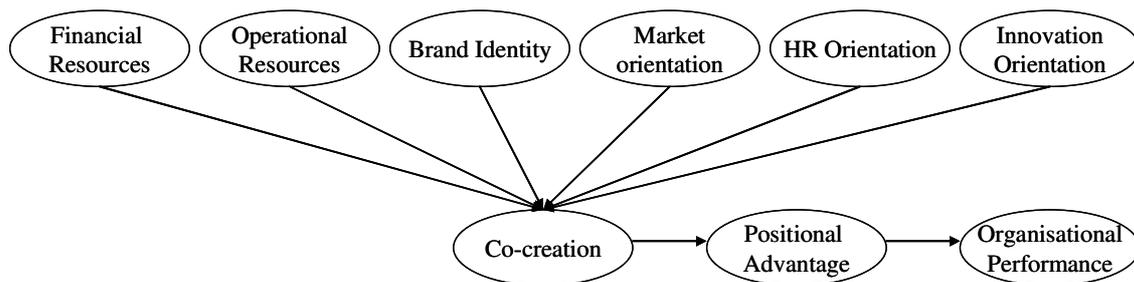
Keywords: services marketing, service-dominant logic, experience economy, co-creation, co-production, heritage sector

Co-Creation in the Heritage Sector

Introduction

The heritage sector is facing significant challenges in the 21st century. According to the Australian Culture and Leisure classifications (Australian Bureau of Statistics, 2001) the heritage sector comprises museums (including art and other museums) and environmental heritage organisations (nature parks and reserves, zoological parks, aquaria and botanic gardens). In the face of a wide-spread decline in cultural consumption over a 10 year period (Australian Bureau Statistics, 2008), an influx of competitors and a time-poor population (Burton, Louviere and Young, 2009), organisations in the heritage sector need to develop a positional advantage in the marketplace to secure a share of consumers' leisure time. We argue that one way to do this is through co-creation of the experience. This paper is part of a larger study investigating co-creation and its ability to create a positional advantage for organisations in the heritage sector. Figure I presents the full model. In this paper, we focus on conceptualizing co-creation. To this end, we aim to clarify our perspective on co-creation and provide a comprehensive definition of the construct. Moreover, we suggest a number of dimensions which reflect a co-creation capability.

Figure I: Full Model



Co-creation – perspective and its definition

The research paradigms of relationship marketing and service-dominant logic (SDL) have formed the foundation for the present discussion of co-creation. Co-creation has been defined in terms of co-creation of value by both Prahalad and Ramaswamy (2004a) and Vargo and Lusch (2004a). In challenging the traditional notion of value and its creation, namely that firms create and exchange value with consumers, Prahalad and Ramaswamy (2004a) argue that the firm and the consumer are increasingly creating value through personalised experiences that are unique to each individual consumer. They assert that the co-created experience becomes the very basis of value. In line with this, they define co-creation as “*engaging customers as active participants in the consumption experience, with the various points of interaction being the locus of co-creation of value*” (2004a, p. 16). Experiential consumption research (Holbrook, 2006, 2007b, 2007c, 2007a; Holbrook and Hirschman, 1982) and consumer culture theory (Arnould and Thompson, 2005) consider value not in the object of consumption but in the consumption experience itself. For most services, where it is long recognised that production and consumption occur simultaneously (Baker, Cronin and Hopkins, 2009), the “value” that the visitor obtains is inherent in the experience itself, similar to what Lusch and Vargo (2008b) refer to as “value-in-use” (p.30). Bourgeon-Renault et al.(2006) in the context of museums and monuments, support such a

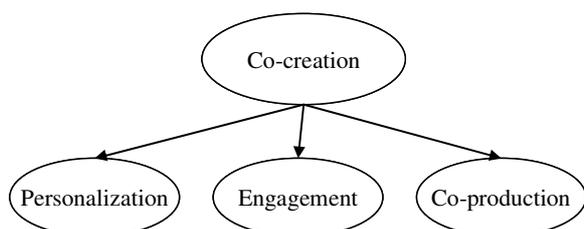
relational approach to value, asserting that value in the consumption of arts/leisure services is inherent in the consumption experience itself.

Organisations in the heritage sector can be regarded as experience-centric places that offer emotional and cognitive stimuli and facilitate service experience consumption (Chan, 2009). Consequently, we see it more appropriate to define co-creation in terms of co-creation of the experience rather than co-creation of value. As Chen (2009) succinctly explains, the experience is the object of value. Co-creation in this study, therefore, refers to the service experience and is the mutual creation of the experience by the consumer and the service provider. As McIntosh (2009) asserts, valued dimensions of the experience are produced in part by the visitor themselves through their personal thoughts, feelings, imaginations and the unique backgrounds that visitors bring with them to the leisure setting. By encouraging visitors to co-create their service experience, the aspects that they individually value are likely to be incorporated into the experience, making it unique and personal to each individual visitor. Moreover, we take an organisational perspective for our study. As exemplified in Figure I, we conceptualise co-creation as an organisational capability which potentially drives a positional advantage for heritage organisations.

The dimensions of co-creation

Although heavily discussed in recent literature surrounding SDL and the experience economy, little empirical research exists in the area of co-creation. The research that has been conducted considers it from the perspective of the consumer (Auh, Bell, McLeod and Shih, 2007; Lengnick-Hall, Claycomb and Inks, 2000; Reinders et al., 2008). Pine and Gilmore (1999) emphasise the importance of creating memorable experiences and arguably, experiences that are co-created are likely to be more memorable. Consequently, co-creation must also be considered from an organisation's perspective. Prahalad and Ramaswamy (2004) are the first to have considered co-creation from an organisational viewpoint. In discussing co-creation as an organisational process, they focus on five building blocks: dialogue, access, risk assessment, and transparency (DART). MacLeod, Hayes and Slater (2009) liken these to principles of experiential design theory, asserting that these elements should be incorporated into the design of a service space. However, by focusing on DART, the spotlight is placed primarily on the design of the service experience from the perspective of the service provider. The limitation of this perspective is that it is task-oriented. This prevents co-creation from being considered in a holistic, organisation wide fashion, as was Prahalad and Ramaswamy's original intent. By exploring the literature more broadly including services marketing, relationship marketing, SDL, experiential consumption and the experience economy we propose a number of broader dimensions which better reflect a co-creation capability including: Personalization, Engagement and Co-production (See Figure II). Each of these will now be discussed in turn.

Figure II: Dimensions of Co-creation



Personalization

Surprenant and Solomon (1987) refer to personalized service as “*..any behaviors occurring in the interaction intended to contribute to the individuation of the customer*” (p. 87), with Ball, Coelho and Vilares (2006) most recently define service personalization as “*any creation or adjustment of a service to fit the individual requirements of a customer*” (p. 391). In contrast, Pine, Peppers and Rogers (1995) refer to customization as manufacturing a product or delivering a service in response to a particular customer’s needs, with mass customization referring to the ability to do this in a cost-effective manner. In their discussion of SDL, Vargo and Lusch (2004a) advocate customization as one of the hallmarks of a service-centred view. Service customization refers to a firms “*..ability to target individuals, engage in dialogue with them and personalize an offering that meets their requirements*” (Day and Montgomery, 1999). It is evident that the personalization and customization are inherently the same concept, yet suffer from a lack of common language in academic literature (Vesanen, 2007). There is recent literature that continues to differentiate between service customization and personalization (Ball et al., 2006; Bettencourt and Gwinner, 1996; O’Shaughnessy and O’Shaughnessy, 2009). However, Shen and Ball (2009) unify the two analogous concepts, defining personalization as “*customizing services to an individual customer through the adaptive behaviour of service representatives*” (p. 81). We adopt this definition for the purposes of this study.

In line with Gwinner et al (2005) and Surprenant and Solomon (1987), Shen and Ball (2009) further explicate service personalization to consist of two dimensions: interpersonal adaptive behavior and service-offering adaptive behavior. In the case of interpersonal adaptive behavior, employees may adjust their verbal and non-verbal behavior to the interpersonal context of the service interaction such as addressing visitors by first name, engaging in small talk, displaying personal attention and warmth and displaying a genuine desire to assist them (Shen and Ball, 2009). Service-offering adaptive behavior refers to employees tailoring the service offering to an individual visitor by offering options or exercising discretion to accommodate the needs of the visitor. Shen and Ball (2009) also suggest a third way of personalizing interactions with visitors through information technology. Referred to by Shen and Ball (2009) as Technology Mediated Personalization (TMP), examples may include individualized interactions on websites and/or through the telephone, personalized emails and customization of website messages. Considering the importance of employee interaction for visitors to heritage organisations, and the significant impact that technology has made on service offerings within this sector, the three dimensions of personalization are felt to be particularly relevant.

In co-creating an experience with each visitor, the service provider must allow for experience personalization and develop this as a core capability within the organization. For some customers, their experience may not necessarily begin upon commencing the service experience or end at its completion. For some, a key part of the experience is the virtual experience while planning their visit or reliving the experience and sharing their memories with others. A well-developed on-line and multi-media presence is one simple way to allow each visitor to co-create their experience through not only tailoring the experience to their needs but to also relive the experience time and time again. Viewing co-creation as a capability, it is logical that the extent to which the service organisation is able to customize the offer and ensure personalized execution will be strongly linked to its ability to secure a positional advantage in the marketplace.

Engagement

Engagement has been explored in-depth in organisational behavior literature as a means to explain organizational commitment and organizational citizenship behavior (Kahn, 1990; Saks, 2006). It has also been discussed in advertising literature, where it is suggested that it may be used to measure the strength of a company's relationships based on the extent to which customers have formed both emotional and rational bonds with a brand (McEwen, 2004). For the purposes of the current study, engagement is conceptualised from an organisational perspective as involving visitors in the service experience with the aim of encouraging a sense of connection between the visitor and the service organisation.

Involvement has most often been studied from a consumer perspective within a product context, with most researchers likening involvement to perceived personal relevance (Celsi and Olson, 1988; Petty and Cacioppo, 1981; Richins and Bloch, 1986). More recently Bowden (2009) defines involvement as a goal-directed motivation that is indicative of the extent to which a decision is viewed as personally relevant to the consumer. Engagement of the visitor is much more than "staging" an experience. Staging experiences implies service operators intentional use of services as the stage and goods as props to engage individual customers in a way that creates a memorable event (Pine and Gilmore, 1999). However, in line with our definition of engagement, visitor engagement is a function of how well an organisation can facilitate visitor involvement by making the experience personally relevant to visitors, by creating a personal connection and encouraging visitor immersion into the experience. One illustration of this is the British Museum's (Sweet, 2007) substantial remodeling of its architecture to feature modern, innovative design and flexible internal spaces with the objective of increasing relevance to today's consumer, thereby encouraging connectedness and engagement. The Melbourne Aquarium can also be said to have built opportunities for engagement through the creation of open interactive spaces, such as the River to Reef experience, which includes a floor to ceiling Coral Atoll where visitors can closely interact with the sea life and become immersed in the underwater experience. Another prime illustration designed to enhance visitor connectedness and augment the relevance of its exhibitions, is the National Gallery Victoria International which launched "art after dark" during the winter months, providing the opportunity for visitors to view the exhibition on selected evenings (National Gallery of Victoria, 2009).

Sawhney, Verona and Prandelli (2005) investigate the internet as a platform for customer engagement. Although their study examines customer engagement in product innovation, they argue that the Internet can serve as a powerful platform for enabling collaboration. Interactive in nature, the Internet medium allows heritage organisations to overcome the trade-off between richness of information and reach (Sawhney et al., 2005). The Internet allows richness of interaction and engagement of visitors without the need for physical proximity or personal interaction. For example, the National Gallery of London, which has been a leader in the application of on-line technology, had not only digitized its entire collection by 2000 but offers its on-line visitors the ability to view each painting in incredible detail using its Zoomable Pictures facility and enables printing of pictures from its permanent collection on demand (Bartak, 2007). The visitors ability to experience the service in any place at any time may be said to increase their level of engagement in the co-creation of their own experience.

Co-production

Co-production has often been discussed concurrently with co-creation and the two constructs frequently used interchangeably (Payne, Storbacka and Frow, 2008; Payne,

Storbacka, Frow and Knox, 2009; Vargo and Lusch, 2004a). As later clarified by Vargo and Lusch (Vargo and Lusch, 2004b), our perspective is that they are different, with co-production a dimension of the co-creation process. Co-production is seen as occurring when the customer actively participates in the creation of the core offer itself (Lusch and Vargo, 2006; Ordnani and Pasini, 2008). Although Ordnani and Pasini (2008) suggest that co-production will always be an aspect of co-creation due to the inherent inseparability of services, co-production does not simply constitute participation in the experience. As Etgar (2008) and White, Hede and Rentschler (2009) point out, co-production implies that consumers actively participate in the performance of one or more activities performed throughout the service experience. Consequently, from an organisational perspective, we see co-production as the facilitation of active consumer participation in one or more activities performed throughout the service experience. Sovereign Hill in Ballarat can be seen to encourage visitors to become “actors” in the Gold Rush experience by providing opportunities to dress in clothing from the Gold Rush days, taking visitors for rides in old style horse and carts and enticing them to step into the shoes of the “miners” by trying their luck at gold panning in the river (Sovereign Hill, 2005).

However, co-creation of an experience can take place without co-production, particularly if the customer does not want to actively participate and produce any part of the service, but would rather take a more passive role. If we consider Pine and Gilmore’s (1998) realms of an experience, such visitors would be situated at the “absorption” end of the participation continuum. In the context of the heritage sector, an example might be a visitor to a zoological garden that visits the exhibits to view the animals on display without actively taking part in any of the guided tours or animal talks. Therefore, in facilitating co-creation, it is important for an organisation to provide opportunities for voluntary co-production, as opposed to forcing visitors to co-produce part of the experience. Consequently, if visitors choose to co-produce they are automatically tailoring an aspect of the service in line with their requirements or benefits that they seek out of the experience such as experiential outcomes (Hilton, 2008). In doing this, they are actively co-creating their experience in conjunction with the service provider.

Conclusion:

Much research has considered the experience as intrinsic to the visitor (Binkhorst and Dekker, 2009; Burton et al., 2009; Chan, 2009; Chen, 2009), with the co-creation of value and experiences investigated from a consumer perspective. However, Scott, Laws and Boksberger (2009) identify that future research needs to focus on experiences from a managerial perspective, where experiences are designed and co-created by the visitor and the service provider. This research addresses precisely this need in considering co-creation as an organisational capability. Taking the holistic nature of co-creation into account, this paper moves beyond co-creation being seen as predominantly co-production to suggest a number of dimensions that reflect an organisation’s co-creation capability. Specifically, our model suggests that the capability to co-create experiences with customers will involve aspects of experience personalization, engagement and co-production.

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