

# Enacting Organisational and Consumer Value Capture: A Social Co-Creation Perspective

A thesis submitted for the degree of Doctoral of Philosophy

Ву

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#### **ABSTRACT**

The capability of the organisation in capturing customer value of experience (VoE) has led to continuous social interaction and spawned innovative ways to collaborate and co-create with the customers. This notion of reciprocal engagement is referred to as social co-creation. The co-creation paradigm represents value and is referred to as a function of experience other than the product itself. However, there is a critically needs for the organisation to formulate a 'value capture strategy' through the lens of social co-creation. It is evident that the fundamental question of the causal relationship between social media and co-creation has not been fully explained.

The research developed a value capture framework in order to have a clear need to understand the various perceptions of four important conditions, social co-creation, customer engagement, engagement platform and organisation capability on value capture. The theoretical aspect of 'Absorptive Capacity Theory (ACT)' is used to demonstrate the organisational capability in order to recognise, identify, assimilate and implement the VoE in the organisation as part of competitive advantage along with existing of social technologies.

In this respect, an original conceptual framework was formulated based on evidence within the current literature where a series of constructs are reported to guide the empirical fieldwork in identifying a 'value capture strategy'. The research adopted a qualitative methodology for the data collection approach which consequently enabled an exploratory and interpretive investigation. This included three pilot studies, twenty-eight semi-structured interviews and one validation phase with experienced senior managers involved in co-creation within the technology and services industry who were regarded as valid respondents.

The findings addressed external and internal conditions of value capture framework for VoE as a result of the analysis. The external condition focuses on organisation capability in recognising a customer active participation with the engagement platform. The internal condition enables an organisational strategy to assimilate and implement the VoE through co-creation initiatives in capturing the VoE. The research considers the organisation role as an actioner purposes on using a social co-creation for direct communication as part of the organisations practice.

The study not only contributes to the knowledge of social co-creation generally, but also extending the needs for the organisation on considering the internal condition for the organisation to identifies the VoE from customer participation. With that regards, the social co-creation engagement works as the interface before extending on co-creation stages which more direct, in-depth conversations with customers internally. The evidence is presented which confirms that a value capture strategy in co-creation is important for organisations stability and enhanced service delivery. By formulating a value capture framework, it creates a much deeper understanding of how each element were related and correlated to reach potential end result for the organisation.

The implications of the study are that organisations should carefully consider the role of social media on engaging with the customers and propose to develop an online engagement network with their customers in order to have more direct and effective communication tools. This would allow them to have the right strategy on selecting the right customer to engage, for the right purposes at the right time is far more important from creating a massive communication.

# **DEDICATION**

I dedicate this thesis to my husband Syafiq Dhamiri Ayop and my son, Muhammad Harith Isacc for all the love, care and moral support that I need the most. Thank you for the doa's and pray for my success. This is for you.

To Mak, Abah, Papa and Mama in Malaysia.

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# **ABBREVIATION**

ACT Absorptive Capacity Theory

CRM Customer Relationship Management

DART Dialogue, Access, Risk, Transparency

SDL Service Dominant Logic

VoE Value of Experience

F1/F2/F3 Framework1/ Framework2 / Framework3

# CHAPTER 1: INTRODUCTION

#### **CHAPTER 1: INTRODUCTION**

# 1.1 Research Background

The academic literature on value capture revealed the emergence of several contrasting themes. It is intended to provide an insightful view of value capture development to enable further justification for the research effort. It is apparent that current research evidence on value capture and the understanding of what constitutes the nature of the concept is significantly weak. More importantly, the current knowledge on value capture is primarily based on value-based studies that investigate how the organisation captures value to increase profit (or sales) and innovation. Example work from Obloj and Zemsky (2015) introduce the value-based approach among organisations (or as an agent) to capture value. This is similar and supported by research from Kohtamäki and Rajala (2016), Lepak et al. (2007), Luo et al. (2013) and Obloj and Zemsky (2015). Agafonow (2015) further describe value capture as an "engage value devolution, is to serve a wider vulnerable clientele". In addition, Bowman et al (2000) argued, based on resources-based theory, that capture value is determined by the "perceived power relationships between economic actors". Another study by Bowman and Veronique (2010) addressed value capture as an outcome from "bargaining process and issues related on value destruction- as central exploration of value creation within firms". Lepak et al (2007) however, present the value capture work based on an analysis of different levels using the concept of competition in the organisation and isolation mechanisms.

Varies concept has been applied on value capture. However, the relationship builds between the organisation and customer not only as provider or buyer but extend towards a collaborative and engager has impact on the definition of value. Qualitatively, value capture is linked with the customer as the engager with the organisation thus create value of experience. Conceptually, customer shared their experience based on their perceived of value and this has been introduced as cocreation. The evidence of this relationship has created interest scholars among marketing and service management literature. This includes recent work from Ketonen-Oksi Jari Jussila Hannu Kärkkäinen et al. 2016, Gouillart 2012, Brünink 2014, Rathore, A., Ilavarasan, P. and Dwivedi 2016 on organisation and customer collaborative relationship. Interestingly, their discussion noting the link between social media 'engagement platforms' and 'co-creation' which relates to the customer

experience of organisations accepting and reacting a dual cycle basis. It encourages value to be created in various form. Influence from social media technology towards the organisation, impact on the current competitive landscape which required to adopt these social systems to engage and interact with customers (C.K. Prahalad 2010).

Due to this, the ability of value to be created (possible in large amount) also increase. With social media, it is expected to support a wide-range of additional capabilities for the organisations to capture the value. Social media known for its capacity in providing a much richer form of new knowledge and information generated by customer insights from their own experience has extending an organisation's capability in reaching a higher level of collaboration with customers which provides an additional value from the extended network (Bughin et al. 2012). Payne et al. (2008) reported that the organisations (act as an actor) integrate with multiple resources from customer interactions.

The interactions began with the organisational extended network is commonly referred to as an online engagement platform which operates globally, without boundaries, that allows the organisations to increase their capabilities within competitive environments. It was noted that these organisational systems act as a mechanism for value capture (Chui et al. 2013). It initiates such strategies due to changing customer behaviour from their previous role as an agents in the process to actual active participants (Terblanche 2006, Tony Harcup 2014, Hennig-Thurau et al. 2010). Consequently, it impacts organisations to changed their strategies towards a customer-centric focus (see examples: Woodcock et al. 2011, Albinsson et al. 2016, Habibi et al. 2014).

However, with the current understanding of value created through engagement platform (social media) and the co-creation mechanism, there is limited evidence associated with **value capture** within organisations to enable improving their competitive position. The debate about value capture has gained prominence relating to how organisations are able to capture value from social media and co-creation generally. For example, a series of calls for papers showing the 'demand' for the theme of value capture theme has been issued in several journals (Journal Product Innovation and Management (2017), Journal of Cleaner Production (2015), and International Journal of Product Management (2017). This would suggest a need to

understand critical aspects of value capture and how it may be determined within contemporary organisations.

Value capture in social media is well addressed in the literature and some organisation has successfully engage with their customer. Known as 'web-based co-creation platforms' several well-known brands such as, Starbucks designed "My Starbuck Idea", Airbus with "FlyMyldeas" and E.ON develop "Your Say". These examples indicate existing that customers are sharing their thoughts in an interactive communication platform that produce numerous innovative ideas. These examples indicate the organisation realise the importance to have a unique engagement platform separate from common social media platform. It allows the content is structured and the organisation able to manage value created within the platform. However, there is little evidence shown how the organisation able to extend customer experience and knowledge. For that, an internal perspective of the organisation able to capture the value internally is required. Prioritising research on managerial insights and actionable steps for evaluating and optimising the value of service (Ostrom et al. 2010) is therefore crucial and is a prime motivation for the research in this thesis.

The capability of the organisation to evaluate and optimising the value of experience from active customer participation in the platform is therefore focus on the identifying, assimilating, transforming and implementing the value into useful form. Thus, the theoretical aspect of the study is through the lens of absorptive capacity theory in which is believe on evaluating the value from external to internal organisation.

#### 1.1 Problem Statement

Conceptually, the understanding of the social media role and the use of co-creation concept through a further investigation internally is worth to address. Therefore, the research purpose post-positivism methodology to go in-depth and formulate a **value capture framework**. Considering a social co-creation perspective, is therefore clearly defined as an online activity involving organisational and customer engagement towards a mutually beneficial outcome.

The research addressing this problem based on social co-creation is because of online engaging activities obviously challenges conventional organisations to react to a co-creation experience (Ramaswamy and Ozcan 2016). However, there are

managerial consequences on the capability of connecting individual customers through the operability of engagement platforms which enrich and expand the value of co-operative experience. Within a co-creation paradigm, value comes with various definitions and categories, for example value exchange and value-in-use. However, the research posits value as a function of experience other than the product itself which is different than the typical description as an endpoint of activity chain (Ramaswamy 2004). There are clearly important questions about the constituents of a valuable experience when taking an active customer role based on constant interaction (Kohtamäki and Rajala 2016). Critically, there is a pressing need for an organisation to formulate a value capture strategy within a social media environment (Gans and Ryall 2017) with customer experience.

While some research has been carried out around social orientation, customer social experience (Ballantine and Stephenson (2011), Heinonen et al., (2013)), co-creation experience (Prahalad and Ramaswamy 2004), the fundamental question of the causal relationship between social media and co-creation is only partly explained. Most of scholarly work on value capture lacks clarity regarding how an organisation is able to manage such value within a social media environment (Schryen 2013; Culnan et al 2010)). The co-creation literature also reports that co-creation is difficult to understand especially when value is transferred from an organisational to a consumer perspective (Gustafsson et al. 2012). This indicates a need to understand the various perceptions on social media, value co-creation and engagement platforms within the social co-creation context.

Apparently, there is only a relatively small body of literature that is concerned with value capture on co-experience in social co-creation (Schryen (2013), Culnan et al. (2010)). Most critically, Wamba and Carter (2014) suggest further research is needed to design a value capture strategy in social media. The research in this thesis therefore narrows the context by exploring the social media relationship between scustomers and organisations. It also considers two aspects in designing a value capture strategy, community building and absorptive capacity (Culnan et al., 2010). On the community building, the research considers customers as the user generated content and part of online communities that join together on the engagement platform. Also, the theoretical stance provides a focus on the organisational capability of capturing the value of co-experience. Gans and Ryall (2017) are concerned with 'how do managers formulate strategies to capture value given their competitive environments'. Therefore, managerial effort and action is bounded with

the rationality and notion of value capture. To formulate such a strategy, the need to understand how to capture value, how value is transferred in the online engagement platform and what are the factors determined such a strategy is worth to address.

Collectively, these gaps outline a critical role for manager to make decisions in signifying the contribution of customer in social co-creation. The strategic management literature notes that decision making relies on a manager ability to apply information (Jespersen 2010) from customer participation through the engagement platform facility. This is significantly justified by previous studies that customer as value creator, (Terblanche 2006, Kumar et al. 2010, Kristensson et al. 2011, Rihova et al. 2014, Grönroos 2012) and the organisation provides a value foundation as a value facilitator (Gronroos 2011, 2008).

Therefore, to critically recognise the organisational capability on capturing value of experience, the study posits to implement the theoretical work of absorptive capacity theory. Conceptually, the Absorptive Capacity Theory (ACT) is refer to a 'dynamic capability' (Todorova, 2007). ACT is widely cited by Cohen and Levinthal (1990) where it offered organisation capability on recognising the value, assimilate and apply new knowledge. While many other scholars attempt to reconceptualise the ACT, the research remain to recognise the definition brought by Cohen and Levinthal works. Thus, it is significant to the needs of developing a value capture framework that overview the theoretical work of ACT. On the following section, the study then summarise the study context based on two fundamental contructs; social media and co-creation.

# 1.2 Context of the Study: Social Co-Creation

Current organisation utilises the social media as part of the communication tools in supporting a direct conversation with the customers. Evidence has shown that the actual organisation on using social media and practicing co-creation as part of the organisation internal process has lead into the research. Therefore, in order to formulate a value capture framework within social co-creation context, the research carefully selected the organisation to meet the research needs. Two primary factors are based on social media and co-creation. Both were correlated with the social co-creation context of the study. Specifically, the characteristics of the chosen organisation is well considering before enacting the research proposes. First, the

organisation is categorised as within the limit of organisation in service and information technology industry in the United Kingdom. This is because of the potential of these organisation using social media engagement platform on integrating with their customers. Second characteristic is to ensure the co-creation is initiate as part of organisation practice. This would allow more exploratory and indepth knowledge retain for the data collection procedure. With these characteristics is believe to lead a better understanding on the value capture within the concept of social co-creation.

The participation of the organisation in this study is expected involve partly on a digital environment such as social media and social networking. In this way new knowledge may be exploited to develop more additional ways to integrate customer through a multi-modal relationships with organisations (Quinton 2013).

It is often found that organisations adopting online engagement platforms enables support for social co-creation because of the nature of customers as active engagers increases. It is apparent that organisations realise the challenge to have a more efficient and effective strategy to absorb the value accessible from the platform. Specifically, the value of co-experience and co-sharing in online platforms develops further useful and continuous engagement.

# 1.3 Aims and Objectives

To address this problem, the research sets a series of aims and objectives that support the arguments and justification for the study. The overall aim of the research is to:

To develop a value capture framework from social co-creation by considering customer and organisation participation in online engagement platforms to collaborate and share experience.

This aim is designed heavily on the organisation through managers' knowledge to develop a value capture framework from co-experience with customer and organisations within a social co-creation context. It considers how value is captured in co-creation activities through online customer engagement. Specifically, the thesis attempts to determine and identify factors for consideration within this mechanism. The online engagement platform serves as the context of environmental and is

dependent on current activities. The integration of social media and co-creation signifies the opportunity for an organisation to absorb value from its experience. In addition, the research aims enable the exploration of in-depth customer characteristics (Heinonen A 2011; Morrison A and Chepng H J 2013).

Furthermore, the following three research objectives are considered where careful attention has been made to fulfil the knowledge gap.

 a) To explore manager's knowledge on social co-creation definition, concept and purpose in organisations in relation to customer engagement from online engagement platforms.

The first objective is to build a strong foundation on the concept of social co-creation by taking managerial knowledge and clarifying the term of social co-creation. This objective covers the definition of social co-creation, the concept and the purpose for formulating a strategy within an organisation. The discussion also centres on how managers practically use social media platforms to engage with customers in order to collaborate, create and absorptive new value. Different types of co-creation relate to co-experience emerging through direct communication between an organisation and its customers. Having a clear understanding based on their experience in social co-creation, knowledge of the current activities from engaging with customers enables a description and purpose for online engagement platforms.

b) To specifically recognise factors on formulating value capture process in the organisation.

Three important constructs as social media, co-creation and customer engagement are discussed. These involve internal and external factors from absorptive capacity theory (ACT). Based on ACT, how managers acquire value-in experience, how they assimilate value before exploiting it for the organisational performance. The objective is thus to focus on determining the factors involved from this engagement within social co-creation context.

c) To formulate a value capture theoretical framework based on internal and external factors of absorptivity in the organisation.

Following the successful identification of the theoretical factors on formulating the value capture process in organisations, It should enable a recognition of the source and origin of value capture to support more fully the organisation and consumer engagement process. The design includes two important constructs; there is co-creation (co-experience between customers and managers) and social media (the engagement platform).

#### 1.4 Research Questions

To support the study aims and objectives, two central questions were set. In each central question, there are two to three sub questions. In developing these research questions, the study followed Miles (1994) suggestion to narrow the question and leave an open question. Also, the sub-questions are used to assist in the interviewing process to secure a more valid response (Creswell, 2011).

#### First Question:

1) How does the organisation design a value capture framework in web-based co-creation content? How does the organisation identify value in social co-creation? How does the organisation recognize the value of co-experience in social co-creation?

The first research question focuses on the organisation developing a value capture framework from co-experience and co-sharing with customers. It covers the extent of interaction through the online engagement platform designed by the organisation. Using the concept of social media as a method in encouraging customers in making their contribution to co-create with the organisation. In order to address this question, exploratory customer engagement within the online engagement platform is discussed. The first research question therefore refers to the initial research which is directly related to the external absorptivity of the organisation and customer co-experience.

### Second Question:

(2) What are the factors which determine how the manager absorbs new value from customer participation in the online engagement platform? What does the process involve in assimilating this value from social co-creation? How does the organisation gaining from the value of co-experience?

The second question focuses on determining the factors for value capture. This broad question may not have specific reference in the literature (Creswell, 2011). However, the qualitative notation may lead to more valid exploratory research. It is noted that the pillar of the co-creation value depends on the interaction between an individual customer and the organisation, "the locus of value creation" (C.k.Prahalad 1999). In value co-creation, recent evidence in the literature has shown that the direction of co-creation is widely discuss between customers and organisations (Russo-Spena and Mele 2012, Fernandes and Remelhe 2015, Gustafsson et al. 2012).

The second research question aims at an in-depth determination of the internal factors involved through the absorptivity of value capture. It covers four primary element of absorptive capacity (theory): identifying, recognizing, assimilating and acquisition.

Figure 1, illustrates the thesis design to indicate which research question relates to which research objectives for the research.

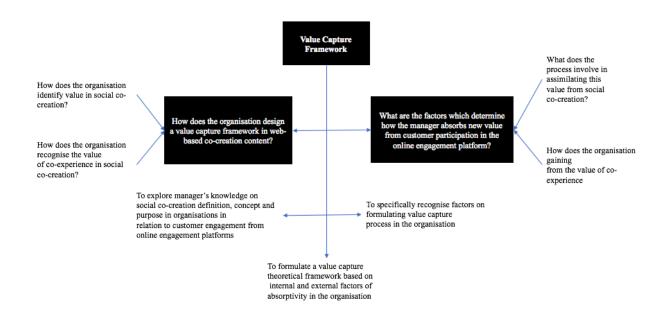


Figure 1: The relation of research question and research objectives

Specifically, this interrelation diagram (Figure 1) assists to understand what the central questions attempt to achieve along with their associated objectives.

#### 1.5 Research Methodology

The research methodology of this thesis is post-positivism. Post-positivism is regard as shaping the knowledge through data collection – evidence and the rationalise of the consideration in the study (Creswell 1990, pg 7). Therefore, with the research aims and objectives, the study was conducted in two stages. To create the value capture framework for social co-creation, the research considers internal and external absorptive capacity within the organisation. Exploring manager's knowledge on social co-creation specifically relating to co-experience with customer is recognised as requiring detailed observation. The participation of each individual manager in the study is expected to view the current social co-creation environment. Therefore, the research involves a qualitative interview methodology as part of the investigation. An observation and research participation (as individual experience) on online engagement platform also is used throughout the study. Focus on the UK organisation, the research remained on selecting service organisation offering a co-creation process with potential senior managers.

#### 1.6 Outcome Measures

As noted, the thesis is intended to identify factors within organisations in relation to capturing value. It has been reported that social media, co-creation and customer engagement are the key relative components. However, these elements may contribute directly or indirectly to the research. Therefore, it is expected that the outcome measures are based on the findings and analysis of results. The study then careful develop a framework stage by stage from the data collection evidence and thus, finally will produce a working framework. It is expected that each data collection phase produces an outcome that later measure to the significant of the study. From early stage of developing a value capture framework, the theoretical is applied to overview previous literature than later the framework is change overtime depending on the outcome measures from the data collection and analysis.

To outline this thesis, on the next section, the thesis structure is proposed.

.

#### 1.7 Thesis Structure

In this thesis, there are seven (7) chapters where it is structured as follows:

As the noted, the chapter one (1) is the introduction of the thesis, which covers the research background, research problems, aims and objectives and the outcome measures. Then, followed by Chapter Two (2) which aimed to theorerically develop a value capture framework based on previous studies through the lense of social cocreation. The chapter also address the three main constructs, the customer engagement, social media (engagement platform) and the co-creation. With several examples in real world, this chapter will introduce the significance of social cocreation in service organisation. It allows to create an understanding and conceptualisation of co-creation, customer activities in social media and their active participation in an engagement platform. A theoretical framework (F1) is developed to get an overview of how these constructs relate each other. The framework assists the researcher to have an idea of where the value (in-experience) created and when value is captured. It begins with an understanding of social media and online engagement platform. It is important to emphasise the factors within organisations adopting and using social media as tools to support the collaboration with customers. A more in-depth understanding of the co-creation concept and its definition are also explored.

Chapter 3 further develops the conceptual framework. This is the second part of the literature analysis. The purpose is to develop an additional research framework (F2). This framework is designed to look into three areas which consequently focus on social co-creation. The framework covers three main constructs, (1) customer engagement, (2) online engagement platform (social media), (3) and absorptive capacity theory (acquiring new value, assimilate value and exploit value). The framework is designed to map the thesis and point out the importance of the constructs influencing a value capture strategy.

Chapter 4 presents the research methodology. The study adopts a qualitative research approach. The research contains three (3) different stages of data collection. First, pilot study was conducted to validate the interview questions, enhance and structuring the questions. Second stage is primary data collection-semi-structured interviews, conducted with invited managers and senior executives to participate in the study. The interviews are designed as semi-structured to allow

more extended exploration of social co-creation in social media and enable an understanding of customer engagement with a managerial perspective. Third stage is where we validate the study by follow-up interview with the manager. The data analysis is discussed on Chapter 5.

Chapter 5 presents the data analysis. A qualitative research was implement in the study. The thematic analysis was conducted to analyse the evidence. It aims is to explore and identify the value capture mechanism and to further investigate the external and internal factor of organisational capability. This is to enable the capture of value within an active engagement platform between the consumer-organisation relationship, the so called social co-creation platform.

Chapter 6 focuses on the research findings. The evidence presents together with feedback from the managers, this chapter demonstrates an analyse of the implication of results. We are able to recognise four core conditions of value capture. There are customer engagement, the engagement platform, the focal organisational and the value capture. Based on our findings, we refined the value capture framework. The framework is validated by a senior manager to seek its relevancy and its potential in the organisation.

Chapter 7 present the final chapter of the thesis. It comprises of the overall conclusion of the study, address several limitations and provide future research direction. It also sum up the research questions and research objectives. Later, the study address several knowledge contributions specifically on social co-creation and value capture literature.

In summary, Chapter 2 is represent as collection of literature review on strategic management and marketing studies which undertaken which presents an overview of the overall definition and concept of social media, co-creation and the organisation capacity to absorb value from customer co-experience. It outlines four main areas covering customer engagement (considered a part of the customer engagement related to customer relationship management) and co-creation (co-experience). Chapter Three, addresses the formulation of the theoretical framework (absorptive capacity theory). Chapter Four is methodology, explains the purpose of each process in data collection and analysis. Chapter Five focuses on the research data analysis followed by Chapter Six, focus on a findings and discussion. Finally, Chapter Seven outline research conclusion, contribution, limitations and future directions.

# 1.7.1 Thesis Mapping

In order to attempt the overall concept of the thesis, a thesis mapping is developed. It allows to recognise the stages involve on each chapter and the expectations at the end of the thesis. It remained on the concept of social media and co-creation themes with other discussion related to the study.

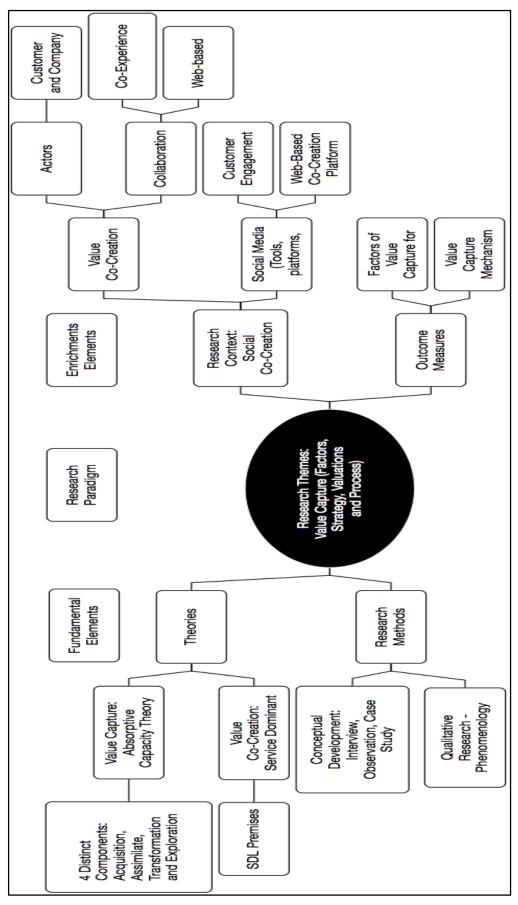


Figure 2: Thesis Structure (Adapted from Liang and Turban (2011))

Adapted from Liang et al (2011), in Figure 2, it outlines the design and research mapping to provide an overview of overall topic discussion based on the fundamental elements, research paradigm and the enrichment of concepts. The discussion covers value co-creation and social co-creation (social media and customer engagement). The outcomes of the thesis identify factors of value capture and their mechanisms. These two important elements are related on the research paradigm – the research theme value capture. Integrating these elements will guide the expectation along with the important elements. For this thesis, having the research 'map' can create a better understanding on why each element is interrelated.

# 1.8 Conclusion

The study contributes to social co-creation and the marketing literature. It is expected that the study provides an understanding of social co-creation through an in-depth analysis of theoretical concepts and empirical findings.

# CHAPTER 2: LITERATURE REVIEW

#### **CHAPTER 2: LITERATURE REVIEW**

#### 2.0 Introduction

Chapter Two address the fundamentals of developing a value capture framework from co-creation, social media and engagement platform. Specifically, in this chapter, the study aims to explore the external conditions of organisational capability by recognising the central themes around social media and the co-creation literature. This chapter presents a critical argument of the role of online engagement with the customers (with examples) to shown the significant of using social co-creation in the organisation. Prior to developing the value capture framework, understand the contextualise of the key component of the framework is essential. Therefore, useful reviews on some of the critical topics of debate within the social media and co-creation. Thus, to address the discussion in this chapter a literature map is used to explain the research gaps, as illustrated in Fig 3.

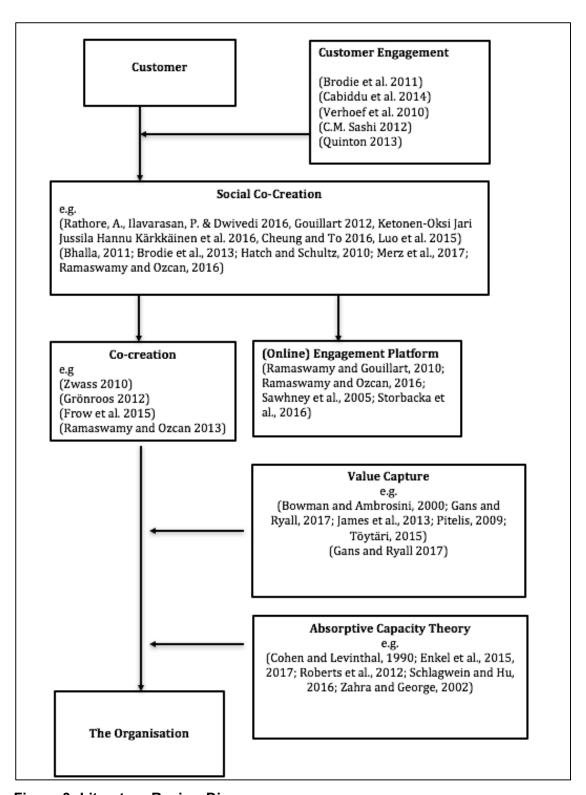


Figure 3: Literature Review Diagram

In this chapter, the research limits the contextual of the study by focusing between the customer and organisation relationship. In Figure 3, the first box represents the customer as an actor who is characterised as an active participant and engaging with the organisation. This engagement represents social co-creation and continuous as an interactive platform where integrating co-creation and social media are the main components of the process. It is important at this stage to examine the value capture mechanisms along with the theoretical work of absorptive capacity theory. Figure 3 describes each box which is correlated and symbolises its main role for the value capture process which also illustrates several literatures that act as primary source of conceptual examples.

The literature reviewed on social media, co-creation and customer engagement focuses on value creation and value capture through a systematic search of research papers and published articles. Following Kohtamäki and Rajala (2016) the reviewing process is largely based on journal guide (ranks) within business schools (ABS list). Several databases were selected such as Scopus, Science Direct and Emerald Insight for articles that covered value capture and value creation. The search of 'value capture' key words resulted in some 80 journals published from 2001 to 2017. However, combined with social media co-creation studies, the search resulted in only 22 published journals. The researcher examined these 22 journals based on the propositions, the abstract and framework development. Also, the researcher analysed other potential themes such as value creation from a social co-creation perspective.

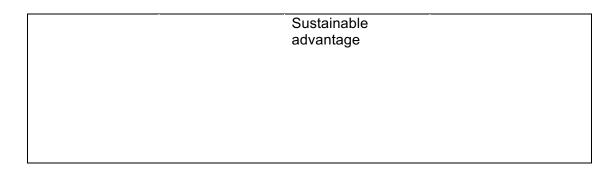
# 2.1 Value Capture Themes

In this section, we note the value capture themes gathered from previous case study and literature. Focus on the customer value of experience (VoE), the current literature suggests that value capture is linked with the customer as the participant engaging with an organisation. However, what are the conditions or specifications that allowed such a value to be captured in the first instance? More importantly, what value is constituted as 'valuable' to the organisation? Following James et al. (2013) recent work on a comprehensive literature review of 186 articles (from 1980 to 2011) value capture on innovation identifies studies do not fully recognise the mechanism in terms of the technological aspects and dimensions. In addition, the theoretical work has not adequately discussed in detail these value capture mechanisms. Consistent with Ketonen-Oksi, Jari Jussila and Hannu Kärkkäinen et al. (2016) suggest that further discussion in this study, current understanding of value capture in social media-based value creations is critical. Similarly, value capture in social media also sparks another interest through marketing studies (eg. Wamba and Carter 2013, Agafonow 2015, Thomé De Oliveira and Cortimiglia 2017). Specifically,

Wamba and Carter (2013) concern on how organisation capture value within social media.

In order to have a clear discussion of value capture themes, several studies were extracted as noted in Table 1. There are two themes which separate each of the studies. First, the economic theme remains the value-based approach which includes investment, profit (or sales), economical value and network economy. The context of the study is variable such as bargaining relationships, computing transaction, multi-actor ecosystem and social enterprise. Some of the key discussions represent value devolution, use value, value in resource integration and value proposition. The second theme relates to technology. This comprises value co-creation and social networking (social media). Therefore, the context of the study relates to the relation between organisation and customer, the role of social media and product development. In relation with the second theme, the key discussion comprises organisation capability, competitive advantage, business models and social communication, as shown in Table 1.

Themes	Context of Study	Key Discussions	Scholars
Economical Theme - Investment - Profit - Quantitative of Economic Value - Network Economy	Social Enterprise, Investors (as customer and supplier) Bargaining relationships, Computing Transaction, Multi-actor Ecosystem, Value Creation	Value Devolution, Use Value, Value generation Resource Integration, Value Appropriation Value Networks, Value propositions, Dimensions of Value Creation, Value-based, Innovations, Inventions	Agafonow and Alejandro (2015), Bowman, Cliff and Ambrosini (2000), Bowman and Ambrosini (2010), Gans et al (2017), (Kohtamäki and Rajala 2016), Lepak et al. (2007), (Obloj and Zemsky 2015), (Rhonda Germany 2001), (Ryall 2013), (Seo et al. 2015), (Töytäri 2015), (Zemsky 2011) and (Zhao et al. 2012)
<u>Technological</u> Theme	Focal Firm Product	Motivation, Organisation	James Bloodgood (2013), Ketonen-Oksi
- Value co-	Development	Capability,	Jari Jussila Hannu
creation	Computing	Competitive	Kärkkäinen et al.
- Social	Transaction,	Advantage, Value	(2016), (Kim (2016),
Network	Value Co-	networks, value	Pitelis (2009)
Service	Creation, Social	creation, business	
(Social	Media,	model, social	
Media)	Crowdsourcing	communications,	



### **Table 1: Discussions of Value Capture Literature**

In view of the illustration of the literature in Table 1 relating to value capture it is apparent that it may involve either quantitative studies or qualitative studies. Some authors have mainly an interest in questions concerning profit (or sales) and discuss the organisation investment as a value-based approach. For example, Agafonow and Alejandro (2015), Bowman, Cliff and Ambrosini (2000), Bowman and Ambrosini (2010), Gans et al (2017). Others have highlighted the relevance of value capture in the use of technology as a tool to collaborate and communicate with stakeholders via co-creation principles. Drawing on an extensive range of sources, the authors set out the different ways in which an organisation may enable a competitive advantage by capturing value with technology or economic factors. Table 1 demonstrates that value capture is not explored enough in terms of any technological or systems theme. Consequently, there is evidence that research on value co-creation specifically within social network has received limited attention.

It is important to recognise the themes that assist further value capture development which is consistent with current literature. In the following section the discussion aims to focus on value capture within social media, value co-creation and the integration of both configuration – social co-creation.

# 2.1.1 Definition of Value, Types and Concept

From a social co-creation perspective, value results from a collaboration between actors (Arkadan et al. 2013, Ramaswamy and Ozcan 2016, Buonincontri et al. 2017). In the context of the organisation-customer relationship, customer exchange, communicate and share their experience of products or services with the through a social media platform. This platform acts as intermediaries to transfer the value-in experience and thus, create value of outcome for the organisation. However, to

recognise and identify how value may be captured, a thorough discussion of the exiting literature was proposed.

Clearly, an understanding of the definition of value is essential in order to have a better picture of value the process (Barney 2001). Value can have different meanings to different people. In a way, value is not a single phenomenon but multifaceted (Cliff Bowman Véronique Ambrosini 2010), Zhang and Lin (2015). Value is defined and cocreated and determined by the customer on the basis of value-in-use. Value-in-use (Bradley 2011, Brodie et al. 2013, Wang et al. 2011, Gronroos 2008) is widely used in many customer engagement literatures which consider the customer experience. According to Bowman and Ambrosini (2010), they describe use value (value-in-use) as "properties of products and services whom provide utilities". Once customers consume the qualities of the product the value they perceived is also consider as use-value. Thus, whenever the customer purchases any product or service from an organisation they subsequently receive a 'value'.

Alternatively, there is also value-in-exchange (Humphreys and Grayson 2008, Durugbo and Pawar 2014, Perks 2004) and the value generating process (Gronroos 2000). For instance, value in exchange relies heavily on the amount of money incurred on purchasing activities (Cliff Bowman, Véronique Ambrosini 2010) and it happens within a single point in time when the exchange of the good takes place. Thus, the value-in exchange (or value exchange) involves the monetary value between buyer and seller at the point of purchase.

Value-in-experience results based on value-in use and value in exchange. Their activities in previous exchange and using the product or service to enable to create an experience. Customers gain a new insight based on individual perception, information, understand and skills. Co-creation scholars confirm the value (in-experience) is resulted from these activities (Prahalad and Ramaswamy 2004). This is consistent with Gummesson and Mele (2010) studies on network relationship with actors and contacts, where value-in experience is generated through knowledge, feedback and emotions. Gummesson and Mele (2010) study, which suggests three concepts, dialogue, resource transfer and learning. Considering the network relationship as a facilitated communication technology where there is a dyadic relationship with a customer and the organisation. Through dialogue as an interactive process reasoning where communication allows exchange information, thus, a new

information was created (Gummesson and Mele 2010). The value-in exchange activity enables the shape of a customer's aims, knowledge and skills.

"Dialogue fosters constructive interaction, comparison ideas, knowledge and experience, overcoming of personal positions and the development of a shared meaning to a group..." (Gunmesson and Mele, 2010, page 191)

In line with value-in experience, Evert and Mele (2010) addresses the value creation created based on two perspective, the interaction and resource integration. Understanding the conceptualise of value creation only can be understood if there is constant interaction in which in this study focus on the organisation and the customers. The practical application of having a direct interaction is using a network and the accessibility provided by the organisation, thus, social network. It is evidently that co-creation scholars confirm that it is developed with continuous engagement, adapted with individual live experience and extend from the consumption of service experience (Prahalad and Ramaswamy 2004, Ramaswamy and Gouillart 2010). Once a customer 'consumes' the service experience, it resides within their own domain, thus, value is interpreted. Accordingly, Minkiewicz et al. (2013) argued that value-in experience exists from developed consumer experience within its domain. As such, the development of the value is fruitful if there is a careful consideration on co-creation perspective (Minkiewicz et al. (2013). To support such initiatives the organisation can develop a medium to extract the value-in experience captured through social co-creation. It is evident that scholars in social media and co-creation have sought to examine such value.

Fostering communication enables the organisation to capture value. Thus, a medium of communication is developed. While the value is transferred from one customer to another, the organisation needs to absorb the value. Identifying value, recognising value and assimilating the value is consequently important. Thus, it reflects the organisations capability to capture value-in experience in a conducive and productive way. The study may therefore argue that the social co-creation is a medium for value capture purposes. This later will further address in the following chapter.

Figure 4 illustrates understanding of how value-in-use, value in exchange and value-in experience correlated and co-created. It is apparently that these three types of value is noted as value-in-context (Gummesson and Mele 2010) between the

customer and the provider. In the study, the provider is an organisation offering a product or service to customers.

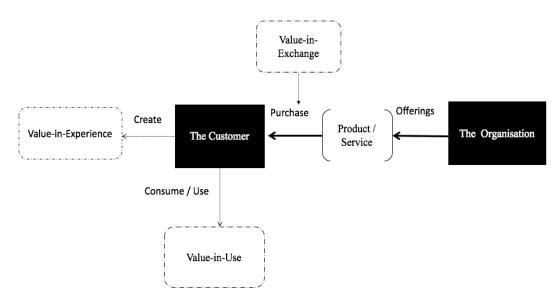


Figure 4: Value Experience

In Figure 4, the value-in experience derived from the 'perceived value' from the organisation. How this model works is that the customer, a customer experience from organisation service from either their purchasing activities for product or services, thus it creates value-in exchange. The condition of value-in use is where the customer consumed the purchased items. Later, the customer gathered perceived value from each process, thus created value-in experience. This simple example provided a clear understanding of how the 'value' is created through every interaction either physical or digitally. Based on their self-interpretation represents value. Customers create their own value-in experience based on what they understand, their sense of purpose and objectives. The 'individualism' of customers in gaining such experience may impact upon the organisation to capture value. This may force an organisation to retain back the value (experience) to support product and service development. In this sense, social media and co-creation scholars suggest that social co-creation would support such actions.

According to Lepak et al (2007) and several other scholars, value must be captured. Thus, we propose that the value-in-experience (or value of experience) is created once the customer has consumed the product or service. This is subsequently fulfilled and facilitated through the value creation process. From a service logic

perspectives the customer generates value through resources or skills and gains information from the provider.

# 2.1.2 Value Creation on Multi-Level Perspective

How value is created in multi-level perspective? According to Lepak et al. (2007) further discussed, the individual the organisation and society. An individual creates values following the completion of certain tasks. An organisation creates value when it develop a new strategy by using technology to support new forms of structured and design. In addition, within a society value creation takes place during participative activity by providing facilitating an organisation's product or service. Lepak et al (2007) further note that value is created when there is an engagement between parties with a purpose.

'Value creation is a central concept in the management and organization literature for both micro level (individual and group) and macrolevel (organisation theory and strategic management) research.' (Lepak et al. 2007, pg 184)

Lepak et al (2007) showed some concern in identifying value creation through a fairly general definition. It should be determined by specific conditions and targets (Lepak et al 2007). For this reason, value creation is limited due to the extent of conceptual studies and other factors. Also, since value is actively created by the actor(s), the question remains unanswered is "whether the particular theory able to capture value" (Lepak et al 2007). As important as value creation, value capture has received a considerable amount of attention leading to a need to balance the value transition from the creator to absorbing the value. In this sense, recognising a virtual explanation may lead other prospects conceivable of value through exploring social co-creation. Importantly, value capture can avoid value if it slips away within the transition from customer to the organisation.

"Companies are discovering new ways to create and sustain emotional connections with the brand . . . thus engaging customers through innovation and design" (Institute 2008, page 3)

According to Sashi (2012) and van Doorn et al. (2010) claimed that the engagement activities does not necessarily through buying products or services and to get

involved with decision making. However, there is circumstances that it is necessary to understand customer engagement through 'purchasing' activities although Sashi (2012) stress customer relationships is beyond purchases. This is because through purchasing activities, organisations can identify (1) customer reviews and feedback (Wang et al. 2011, Gorry and Westbrook 2011) and (2) customer buying behaviour (Hajli and Sims 2015, Shamim and Ghazali 2014, Al-Debei et al. 2013, Wells 2014). This later would develop value which allows the customer to generate through require resource, skills and within the organisation interactions.

In addition, co-creation scholars believe that the value is created when there is engagement, collaborate and transaction between actors. Consequently, as noted, the customer is the key contributor for value creation. Lusch et al. (2016) reported on service dominant logic and explained that "actors cannot deliver value but can participate in the creation and offering of value proposition". Thus, value is created through customer engagement in co-creation. Engaging customer in co-creation leads to developing further customer emotions and interactions (Ahn et al. 2016). Any value developed through interaction through co-creation is considered as value creation.

Although Pekka (2015) recognised that an organisation is able to capture value but it seems that no evidence demonstrates how this can be achieved. Therefore, the study argues that to investigate how organisation are able to capture value of experience specifically is by introduced a social co-creation as a paradigm to support the value capture process. In addition, the social co-creation works as intermediaries between the customer and the organisation to conduct a value capture procedure. In this sense, it allows the organisation to be differentiate, be competitive and able to innovate.

The attention of studies for value capture is well received among marketing scholars. Several literatures on value capture involves of the development of a formal value-based model (Olivier and Peter, 2011), assessing managerial practice to evaluate value capture in longitudinal buyer-seller relationship (Pekka 2015), the administrative issue on investing the value capture for value devolution (Alejandro, 2014) and examining a value capture strategy in the organisation (HanGyeol et al, 2014). Interesting study by Bijmolt et al. (2010) suggests that customer acquisition and a scoring method can increase the probability of capturing the right value in an

online environment. Novak et al. (2000), Brodie, R. J. et al. (2011) and Skålén et al. (2015) also provide examples of customer experience and discussions.

In summary, understanding the value, types of value creation and the condition of value capture allows to have a better view on how and what influence appears in the value capture strategy. Various value capture discussions occurs such as the engagement activities, managing behaviour and organisational factor. Thus, the condition of value capture includes (1) the engagement between customer and the organisation, (2) the situation of value capture – that is through virtual environment (social co-creation) and (3) the collaborative relationship (co-creation principle). In the following section, we introduce social co-creation as the medium to capture value, i.e., the social co-creation role as an external value capture process.

# 2.1.3 Value-of-Experience (VoE)

Value of experience is where the customer develops thinking of a product or service they purchase. This is enabled by self-understanding, background and skills, customers develop their own product or service experience. Thus, it creates value in experience. This is consistent with Wang et al. (2011) where customers are able to consume their experience through co-creation. This allows them to expand their individual self-information and knowledge.

Familiarity with certain aspects of the experience established behavioural norms, which influenced the manner in which people co-created the experience (Minkiewicz et al. 2013)

Establishing co-creation experience, scholars confirm it impacts on customer and the organisation to capture value (Novak et al. (2000), Brodie, R. J. et al. (2011) and Skålén et al. (2015)) on customer experience. The success of an organisation's reputation is not solely dependent on knowledge and expertise but also on active customer's skill, informed and mutual benefiting between them in social media (Saarijärvi, 2012). Others may find that incorporating employee behaviour with social media presents challenges to the organisation (Rokka et al. 2013). According to Alves et al. (2016), the customer experience can be analysed through co-creation of value. This is consistent with Kohtamäki and Rajala (2016) suggest "customers takes an active role in creation of the value experience...based on the interaction". To emphasise the value experience as the key component for value capture procedure,

shaping the needs, facilitate the engagement between customer and organisation can be understood if it the organisation able to accommodate it. Also, the literature agrees that such experience is co-created between customer and the organisation (see examples- Arkadan et al. 2013, Albinsson et al. 2016, Ramaswamy and Ozcan 2016, Brodie et al. 2011).

In the following section we describe in detail the social co-creation role of value capture where social co-creation works as a medium for capturing value. Externally, it involves the organisation and the customer to collaborate, communicate, exchange, and their respect co-experience.

#### 2.2 Introduction of Social Co-Creation

Conceptually, social co-creation is understood to be an integration of two mechanism, social media and co-creation. Recent works on social co-creation had been challenge within the marketing literature. In particular, value capture discussion has become an important topic within marketing. However, research has yet to investigate further on the social co-creation perspective (Piller et al. (2012), Gouillart (2012), and Rathore et al. (2016). For example, Piller et al. (2012) address in proposing a typology of co-creation activities in relation with social media between customers and focal organisations. The work is based on co-designing and product development in innovation. Other study by Gouillart (2012) had criticises the impact of the social media revolution within social business where the online engagement platform not only enables customers to share information, knowledge to expedite the business, but also "unleashed mutual emotions and generates data" to customerorganisation as well. Rathore et al (2016) on the other hand, discuss the role of social media with co-creation on product development. Several studies also discuss the relation of new product development with social media (Piller et al. 2012, Hoyer et al. 2010, Sawhney et al. 2005, Kristensson et al. 2004, Füller 2010). Thus, these examples of study provide an evidence in relation of co-creation with social media.

Integrating social media and co-creation are also extensively discussed from various perspective. One thing that signifying all these examples is that value is created through the social co-creation process. These examples also reveal that social media is an evolution of internet Web 2.0 which has globalised the customer-organisation relationship (Bharti et al, 2015). It is noted that the technology offers various

advantages to the organisation. On the next subsection, the study will then explain the definition of social co-creation.

#### 2.2.1 What Constitutes Social Co-Creation?

Social co-creation is constituting from an understanding of both social media and co-creation mechanism. Together, the organisation using the application of social media to integrate with the customer (co-create) and create the values. Studies has shown that the social co-creation is extended from value co-creation but works in a different context. However, not many published works discuss specifically the term social co-creation. More importantly, questions such as what is social co-creation, how it works within the organisation and what constitute the social co-creation is not well reported.

For instance, Prahalad and Ramaswamy (2004) note that social co-creation is a type of co-creation, where it refers to value created by the consumers in a social media setting (Rathore et al, 2016). Rathore et al (2016) refined further the definition of social co-creation as 'creation of value by consumers from social media'. This notion is a combination between social media and co-creation into one 'paradigm'. These studies shown a direct sense of social co-creation definition. However, other scholars may describe it differently depends on the context of the co-creation types.

For example, Zwass (2010) defined co-creation as 'participation of consumers along with producers in the creation of value in the marketplace'. Accordingly, Prahalad and Ramaswamy (2004) refer to co-creation as 'joint creation of value by the firm and the customer' in perspective of service experience. Zwass (2010) extends the co-creation in the notion of where the service takes places, where it able to extend jointly between suppliers and customers. It is believed that the collaboration between the organisations and the customers enable to solve service problems whilst creating an active dialogue environment. (Prahalad and Ramaswamy (2004) and Ramaswamy (2004)). When active dialogue take place, the communication level is high, thus, with the role of social media, may enable the organisation to emphasise the needs to have a more direct conversation with the customers.

However, the current study argued that social co-creation may have the potential on becoming a source of competences for the organisation and customer collaboration. To elaborate further what constitute of social co-creation, the study illustrate a simple

diagram in Figure 5. It is noted several important elements that drives the social cocreation as the key concept in the study. It describes the use of the social media as communication platform together with the co-creation as the tool for collaboration. From both elements, the study emphasises the use of an online engagement platform which functions to accommodate the value transition between customer and the organisation. The elements of social co-creation work as external factor for value capture purposes

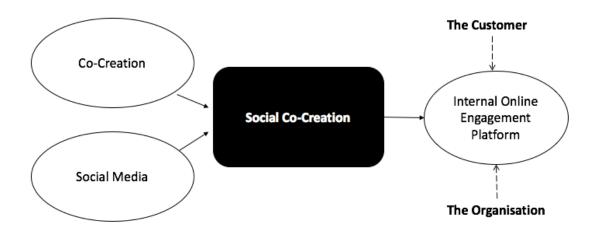


Figure 5: Social Co-Creation

The illustration of the social co-creation (Figure 5) presents an idea of how and what are the elements determined in the study. However, the understanding of the social co-creation is not new. A broader perspective has been adopted by several scholars in social co-creation. For examples, Kang et al (2017) discussed elements of cocreation and customer commitment in a social media setting, Thome et al (2017) proposed a conceptual framework based on multisided business model on value cocreation and Singaraju et al (2016) works on signifying managers effort to facilitate and managing quality the quality of social media and more. In addition, Prahalad and Venkat as early as in 1999 has recognise the co-opting customer competence has drawn a foundation on understanding customer participative action on engaging with the organisations. Their work continuous with co-creating through customers in cocreation perspective influence the managerial issues within the organisation. These studies clearly indicate that there is a relationship between customers and the organisation to collaborate in social media. In the following section, further justification of why social media and value co-creation relevant to the study are discussed.

Therefore, from justification made by Ramaswamy, Prahalad, and Rathore with other co-creation scholars, the study then posits the definition of the social co-creation as: A collaborative and participative relationship between actors on social media platform facilitated by the organisation in creating the values and provide constant engagement between actors.

#### 2.2.2 How Social is Social Co-Creation?

By definition, social media refers to a "web and mobile-based technologies that allows the creation and generation of user-generated content" (Chui et al. 2012). Kaplan and Haenlein (2010) describe social media as "a group of Internet-based applications build upon the ideology and technology foundations of Web 2.0". Meanwhile, Cabiddu et al. (2014) refer social media as an application for mobile or browser that allow users to "create, edit, access and link to content with or other individuals". Some typical examples of social media are blogs, wikis and social networks. In the same vein, the social media works an effective medium of communication and collaboration between the organisation and individual customer (Rathore et al. 2015). Also, social media impacts on the business model in which integrating such technology enhances organisational capability in providing a higher opportunity by engaging with the customers. The advantage of using social network also allows organisations to remain within their 'physical world' while continuing to engage with the virtually (Nambisan 2002). Moreover, forming advanced communication tools as the backbone of the organisation, generates value within the network. Curran and Lennon (2011) also suggest organisations should include social media in all their functions.

Conceptually, social media is a platform that provides communication assistance to the user from different backgrounds, experience and value. However, since most social media platform today operate an open concept it may impact on how the organisation is able to capture value. Clearly, customers are the main actors in creating value in social media. This however may offer different level of individual interpretation based on individual experience (for example on service). This would encourage value to be created in the social media platform. However, Lepak et al (2017) explained that value creation depends on how much 'value' is created subject to the contribution of individual users. The customer who has different background, knowledge or even experience using social media may stay connected longer. In

addition, new contents create a means of developing new values are available and ready to be captured by the organisation. From the perspective of social co-creation, social media ensure users not only generate content but also share their individual insights about the product and services.

It is useful to draw attention to how a social co-creation platform is actually works. As an illustrative example, take Apple Inc., a well-known brand in communication technology. Apple began to introduce a platform through content application which allows their own user (the customer) to develop their own application (or apps). Ramaswamy and Gouillart (2010) (page 84) explained further in their book titled "The Power of Co-Creation", Apple collaborates with potential developer to engage in co-creative community and brainstorm. It allows the developer to share their information with the designated team, personalised interactions with specific topic of interest and to analyse user experience. With customers own skills, knowledge and design, they develop their own apps and submit to Apple (Ramaswamy and Gouillart 2010). The value of experience created based on use-value and exchange-value, enable to address and identified the current trends and through their individual experience, generate new ideas and new ventures. In this sense, the customer becomes a developer.

ThinkLab, InnovationLab and Ideation platform are also common examples designed based on social co-creation paradigm. It represents an internal social media which works under the organisation 'supervision'. If compared other social media platform such as Facebook and Twitter, they are ground works for marketing. In social co-creation, the participants are among customers who knows the company's product and services, have a knowledge and have an interest to be a part of the community. Accordingly, customers in online platform and co-creation activities (Zwass 2010) build an interactive way to collaborate and communicate between business and consumers (Liang et al. 2011, Liang and Turban 2011).

Hallmark known for its wishes card uses social co-creation concept to allow customers to provide suggestions based on their product experience channels it through Idea Submit – an interactive platform for Hallmark's customer (Reece 2014). In the same platform, Hallmark received mass highly participative of virtual community (Healy and McDonagh 2013, Shen, K. N. et al. 2010, Dholakia et al. 2004, de Valck et al. 2009, Hennig-Thurau et al. 2004). This has cause several innovative ideas, thus, encourage and attract group interest within the community.

With 'Think, Make. Share', Hallmark has created the largest creative communities in the UK.

Dell. as a service provider, operates a social co-creation platform for their customers to involve and participate in online discussions. The IdeaStorm by Dell, is the place where thousands of new ideas can be explored depending on the interest of the contributor. While customer becomes the value creator from their sharing contents, Dell will be the value capture mechanism to follow-up the development of the ideas. Table 2 illustrates a number of further examples of social co-creation studies.

Organisation	Social Media Platform	Co-Creation Activities
Starbucks	My Starbucks Ideas	Customers submit ideas, vote on the ideas, and the manager approved. It is more likely as other social media forms where online communities will have discussions, posted and reviewed.
Dell	Idea Storm (2007), Idea Strom 2.0 (2010)	Customer submit ideas and online communities can vote ideas (encourage internal participation among Dell's customer), Idea Partners (involve corporate to represent in aspects of technology, products and innovation ideas
Microsoft	Virtual Customer Engagement	Is designed to maintain level of support service – originated customer discussions on the existing product, garnered valuable product improvement
Hallmark	Idea Submit, Circle of Conversation (2009), IdEx (Idea & Exchange) (2000), Hallmark Crown Retailer Sharing Community	Hallmarks encourage their customer to collaborative innovation to submit ideas and suggest for improvement. Be able to redefine benefits, develop new addition of product
LEGO	LEGO Minstrom 1.0 (1998), Mindstrom 2.0 (2006), My LEGO Network, LEGO Ideas (2011), LEGO Ideas Conference (2015)	LEGO had successfully co-develop new venture of product with their customer, encourage customer to share picture, encourage the community to evolve beyond the company's control, a forum to discuss customer experience in new product generation.
Ducati	Tech Café (online community), Ducati Forum	Virtual Communities able to help Ducati to explore new product venture, customer able to generates new ideas (mechanical and technical design), invite customer to make their own Ducati's experience

Burberry	Burberry World	This luxury brand develops social enterprise where all employees, customers and suppliers share experience. Chatter (CRM Software) is design to allow customer to comment – away from traditional CRM methods.
IBM	IBM Research Lab (2001), IBM Jam, Values Jam (2003), Innovation Jam (2006), World Jam (2001)	IBM invested these platforms to drew employees experience, develop online collaboration, brainstorming session.
Volvo	Virtual Product Test	Customer involve in testing the product virtually and this allow Volvo to increate time to market the product
THREE Mobile	Customer Experience Project	Handling customer complaints to improve products and services. Changes are made based on customer insights.
NewLook	MyLook (2008)	NewLook develop closed community to increase customer participation in online communities, enable to gives feedback – increase sales, rewards customer by offering customer loyalty card.

**Table 2: Social Co-Creation Studies** 

Based on the examples (Table 2), organisations rely on a specific platform that allows them to monitor, engage and have a direct communication with the customers. Some of these platforms had successfully enhance the organisational services. It is significantly impacts on the overall organisational performance and becoming a better provider. These organisations create co-creational projects that allows their customers to be a part of the online committee by sharing their experience, knowledge and ideas. Consistent with previous co-creation scholars, the social co-creation platform allows to facilitate communication and manage to achieve the organisational goal.

Consistent with Coates (2013) studies where co-creation offers four opportunities. There are participatory design, literary theory, open source moment and collaborative innovation. For instance, the participatory design involves users who willing to participate with the product and services. They have the opportunity to directly respond towards the prototype and provide suggestion to improve it. This is to describe user as innovative thinker and should involve a group of customer working together and build trust with each other (Johnson 2010). Similar with the literary and

open source provides much great deals in collaboration innovation. However, in effort to maintain and create a 'long-term' relationship with users (or the customers), the organisation needs to implement a 'reward' or point-based based on the individual performance. It is most likely as an appraisal effort in continuing the needs of 'collaboration'.

Despite the overwhelming of social technologies used in the organisation, the internal of the organisation needs to be focus on. Monitoring performance, building relationship and ensure the co-creation projects runs, there are much deeper needs to explore further. Although, the organisation works as the eyes and the ears to monitor, listen and facilitate such activities, absorbing the value is one crucial phased. Therefore, the concept of social media contributes to value creation (Agnihotri et al, 2012).

On the next section, we explore further the role of customers as co-creator communities.

#### 2.2.3 Customers as Co-Creator Communities

Previous studies recognise customers as value creator for co-experience. Organisations engage with a larger audience to increase insights on the value of experience for new product development (Albinsson et al. 2016). customer engagement has broadly received attention among marketing scholars. Recent evidence indicates that the discussion of customer engagement consistent as a topic within the Marketing Science Institutes (MSI). Significantly, from 2006 to 2012 customer engagement (in co-creation particularly), has been of interest for scholars to expand a research agenda. Sashi, (2012). There is reason to recognising the role of customer beyond purchasing. (Marketing Science Institute 2010). The study by Gronroos (2011) offers probably the most comprehensive empirical analysis of customers as value co-creators. Accordingly, Gronroos, C. (2011) examined the 10 service logic premises arguing that the customers are not always co-creators of value but work effectively if they are involved with an organisation. Thus, the study confirms that in order for an organisation to increase the opportunity to capture value of experience, proposing social co-creation as an enabler between the customer and the organisation must be determined.

Several studies also confirm that customers are able to share, post, communicate and build their own online community (Mchaney, 2012; Sweetser, 2010; Web 2011) which has led to the creation of value. However, a recent study by Chui et al. (2012) raised concern regarding an inconsistent value quality and abusive content may affect value creation. This, through a risk assessment, (DART – dialogue, access, risk assessment and transparency), suggest a facilitation of the value creation process where informed decisions may prevent such a risk (Albinsson et al. 2016). Therefore, the study argue that managerial action is required to enable the customer on becoming an active co-creator and contribute to the development of co-creation and avoid any negative implications to the organisation. This would be through organising, monitoring and providing digital support for the customer as initial stages of interaction. Similarly, with Ramaswamy (2004) who considers the need for the organisation to autonomously control the design, develop products, crafting messages and control the sales channels.

Therefore, the value of experience may contributes to innovation and new product development (Greer and Lei 2012). The nature of consumers used to be a passive audience but now they are transformed into active players in co-creation activities (C.k.Prahalad 1999) and active content generators (Hajli and Hajli 2013). According to Chen (2011), online communities are easily accessed by internet as platform in order for them to share information and knowledge. Social interaction among active users also allowing them to be individual empowered in online communities (Hajli and Hajli 2013). Therefore, it increases the chances of appropriate value creation.

In this sense, it is important to manage the customer because they influence every part of the organisation (Ramaswamy 2004). To encourage active participation of customers together to create value, social co-creation supports such activities. Consistent with Verhoef et al. (2010) and Cabiddu et al. (2014).

Considering an online community, value comes from the customer as generated content. Importantly, the acquirement of products and services of the organisation are assisted with the social interaction on Web 2.0 social technologies (Liang and Turban 2011). In addition to social media development and Web 2.0, consumer play an important role as main contributor for co-creation activities (Saarijärvi 2012, Heinonen 2011, Baker 2013, Goh et al. 2013). Several studies recognise customers as active players in social media. Organisations using Web 2.0 social media platforms as the primary channel for reaching customers globally. However, there are

concerns that social media is representing the whole 'marketing' method rather than for co-creation alone. Literature evidence has shown that marketers tend to use the term 'social media' as branding methodology but this is not the case with co-creation studies.

Collectively, there is no doubt that previous studies recognise the advantages of social media within organisations particularly through the co-creation process. One of the most significant advantages is closing the barrier of communication between customer and the organisation. Engaging customers by constantly connecting with them in social media allows the development of better communication, increases value, open markets and a recognition of the organisation's stability in the market. However, social media also means that the organisation needs to be more transparent, actively and engaging with customers.

Such attention has promoted customers as co-creators of value. It also creates an interactive communication through interactive dialog between online communities (Sui and Goodchild 2011, Sweetser 2010), where they contribute, retrieve and explore content (McGowan et al. 2012). Similarly, Zeng et al. (2010) indicates social media as the mode of content aggregator where all the content can be disseminated. Figure 6 illustrates the social co-creation with value creation.

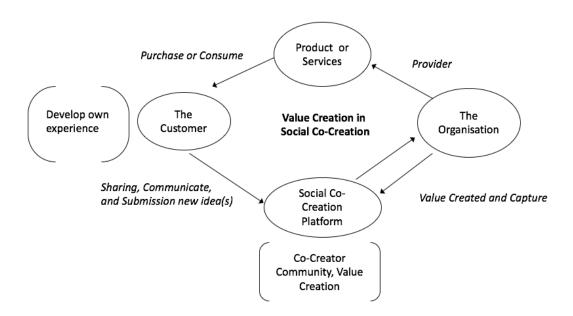


Figure 6: Value Creation in Social Co-Creation

There is also evidence that highly participative customers in engagement activities improve products and services and enable the organisation to remain dynamic in its market environment (Chen et al. 2012). Prahalad and Ramaswamy (2004) suggest four elements in co-creation (service delivery, activities mechanism and products and services). However, to remain competitive the organisation needs to develop a strategy for 'crowd-control' and manage high level responsiveness of customers through social media (Ahlqvist et al 2010). Also, managing risk behind social media use (e.g. (Bradley 2011, Frutos et al. 2014, Hajli 2013, Gouillart 2012), needs careful consideration. Thus, through social co-creation, the organisation is able to manage, evaluate the value created to meet an organisation's goals (Agnihotri et al 2012) and enable strategically 'leverage customer information to increase customer lifetime value (Malthouse et al. (2013), Bharati et al (2013)). Therefore, a careful consideration is required for choosing the right platform.

While previous sections describe in detail the purpose of social co-creation in the organisation, the development of value creation to capture and the role of customer and the organisation, the following section describes the co-creation as a method for value capture.

# 2.3 Co-Creation Principle in Social Co-Creation

This section provides further explanation of the role of co-creation in a social cocreation platform in the organisation and aims to justify the reason for integration.

# 2.3.1 Definitions, Concepts and Types of Co-creation

Early discussions of co-creation are found where service and marketing scholars have diversified the co-creation stream into different categories and themes. Specifically, Galvagno (2014), identifies six common themes such as (1) co-creating value through customer experience and competence (C.k.Prahalad 1999), (2) service-dominant-logic (SDL) (Merz, Michael A. et al. 2009, Arnould 2007, Lusch et al. 2007, Gronroos 2011, Grönroos 2012, Shamim and Ghazali 2014), (3) the development of service science, online and (4) digital customer involvement (Brünink 2014, Finin et al. 2008, Hajli 2014, Labrecque et al. 2013), (5) individual customer and (6) communities collaborating with companies. Since the study focus is on value capture for social co-creation it is useful to describe the theme applied in the

research. These, however, do not solely depend on the theme selected and several other themes may occur.

First, co-creation may lead to new divisions of business models as they are designed for their architecture of value creation, delivery and capture mechanisms (Frow et al. 2015). This shows a need to be explicit about what exactly what is meant by the term co-creation. Secondly, the co-creation opens opportunities for organisations to be more innovative (Piller et al. 2012, Bugshan 2015, Sang M. Lee 2012, Frow et al. 2015) and increases productivity (Lovelock and Young 1979). Previous studies have uncovered the phenomenon of co-creation and the organisations go beyond their traditional marketing method as early as 1990's. As such, the co-creation is extensive across industries and is already successful implemented. Third, through social media, the technology tools allow organisations to be more transparent (John C. Bertot, Paul T.Jaeger 2010, Hatch and Schultz 2010) and encourage participation for customer to engage (Jo Roberts 2011, Salanova et al. 2005, Cabiddu et al. 2014, C.M. Sashi 2012, Choudhury and Harrigan 2014, Piller et al. 2012, Li et al. 2013, Choudhury and Harrigan 2014).

From a co-creation definition, the term 'Co' is represented as collaboration and forming a mutual agreement between collaborators. As noted, the concept of co-creation is a collaboration between customers and producers to create value in the marketplace (Zwass 2010). Table 3 lists some of the definitions of co-creation from various perspectives.

Author	Perspective	Co-Creation Definition
(Zwass 2010)	Service	Participation of consumers along with producers in the creation of value in the marketplace.
(Prahalad and	Service	Co-creation is about joint creation of value
Ramaswamy 2004)	Experience	by the organisation and the customer.
(Campbell 2003)	Customer Knowledge Competence	The process that generate knowledge about specific customers
(Lambert and Enz 2012)	Value Co- creation in B2B	Value co-creation is an economic and social process in which individuals have established roles that condition their behaviors and perceptions.
(Ranjan and Read 2014)	Value Co- creation	VCC also describes the way actors behave, interact, interpret, experience, use, and evaluate propositions based on the social construction of which they are a part
(Marco Galvagno	General	Co-creation is the joint, collaborative,

2014)	concept	concurrent, peer-like process of producing new value, both materially and symbolically. There
(Ramaswamy and Chopra 2014)	Service operation	Co-creation emphasizes the need for creative collaboration and enhanced communication and co-ordination among stakeholders
(Grönroos 2012)	Service	Value co-creation is defined as joint activities by parties involved in direct interactions, aiming at contributing to the value that emerges for one or both parties
(Stern 2011)	Practitioners Services	Co-creation involves working on new product and service ideas together with the customers who are going (you hope) to buy them.
(Durugbo and Pawar 2014)	Organisational	Co-creation is a pro-active strategy for enabling firms to create value through co-opting consumer competences.
(Perks 2004)	Service Innovation	Co-creation involves the joint creation of value by the firm and its network of various entities (such as customers, suppliers and distributors) termed here actors.
(Hoyer et al. 2010)	New Product Development	a collaborative new product development (NPD) activity in which consumers actively contribute and select various elements of a new prod- uct offering

**Table 3: Definitions of Co-Creation** 

In Table 3, these definitions represent the work on actors' collaboration for value creation. To emphasise the definitions related with social co-creation, the study posit the work on Campbell (2003) and Prahalad and Ramaswamy (2004) where both describe co-creation for co-experience. However, it is noted that one may reflect on the core definition where co-creation works in the service system involves actors as co-creator participants for the purpose of the co-creation application. For example, Zwass (2010) defines co-creation as 'participation of consumers along with producers in the creation of value in the marketplace'. Further, Prahalad and Ramaswamy (2004) refer to co-creation as 'joint creation of value by the firm and the customer' from a perspective of service experience. Zwass (2010) took co-creation as the notion of where the service takes place and where it is able to extend jointly between suppliers and receiving customer. There is a difference with Prahalad and Ramaswamy (2004) who indicate that the collaboration between organisations and customer can solve problem through creating an active dialogue environment.

Following Frow (2015), the customers involved in co-creation activities allow more experience consumption in enhancing co-creation activities, expedite on brand experiences and strengthen weak-ties by creating more valued relationships among them. Similar with Gustafsson (2012) who indicates that there are important for customers to be "informed, networked, empowered and be an active consumer which at the end will reflect to organization value" (Ramaswamy, 2004). Therefore, it is seen that customers can provide a big impact on an organisation through their experience.

Table 3, presents a range of definitions of the term co-creation have been suggested and the study use the definition suggested by Grönroos (2012) 'joint activities by parties involved in direct interactions, aiming at contributing to the value that emerges for one or both parties'. However, the study considers the value co-creation (of experience) is based on the organisation-customer relationship.

Thus, we argue that the definition of co-creation generally involves collaboration between actors. However, focus on capturing value of co-experience in social co-creation, the study posits on the following definition of a 'collaborative network between actors in virtual environment to possess value of creation (in experience)'. In summary, by definition, the concept of co-creation remains uncertain and continues to be debated.

#### 2.3.1.1 Types of Co-Creation

The involvement of customer and the organisation in co-creation enables a great impact on the types of co-creation involved. Specifically, this section extends the need to understand types that may represent a different role of the co-creation. However, the co-creation remains core for its definition.

It is noted that previous scholars have found that co-creation is much more than building customer relationships. Making a strong relationship through engagement is a focus on generated content and active participation (Zeng et al. 2010, Margaret A. Morrison, Hyuk Jun Chepng 2013, Kietzmann et al. 2011, Kaplan and Haenlein 2010). Goh et al. (2013) recognises customers as user generated content while others describe customer active participation in social media as virtual communities (Mai and Olsen 2013, de Valck et al. 2009, Brodie et al. 2013, Dholakia et al. 2004,

Wang and Hajli 2015). Since social media offered accessibility for customers to create edit, access and link content in platforms such as blogs, Wikis, social networks and user-generated content (UGC) (Cabiddu et al. 2014), this may support on creation of value-in-experience. The study provides several types found in cocreation studies as shown in Table 4:

Forms of Co-Creation	Definition
Co-Conception of Ideas	The conception of ideas involve actors (customers) collaborate to produce a product concept innovation (Payne et al. 2008)
Co-Design	Actors (customers) customize products / services by using their design viewpoint (Payne et al. 2008). For example, customer can request any hardware/software require for their customized devices in Dell, customers can customized design of their shoes through Adidas brand.
Co-Production	Actors (customers and organisation) are jointly together to produces all parts of the production. For example assembling Ikea's product. (Payne et al. 2008)
	Customer get engage with organisation's process and in return, they go for lower prices (Saarijärvi 2012)
	Active role of customer in criticize product / services will help to improvise companies. For example customers in museum had opportunity to experience the space, thus it will core as museum experience as well. (Minkiewicz et al. 2013)
Co-Promotion	Actors (customers) are participating in promotional activities and collaborate with the brand to promote to others (Payne et al. 2008). For example, social media allow more opportunities for customers to participate by sharing, posting and uploading advertisement through their account.
Co-Pricing	Actors (customers, companies) both can collaborate together to get a pricing decisions (Payne et al. 2008)
Co-Distribution	Customers collaborate with organization to distribute their goods and services for end-use consumption (Payne et al. 2008)
Co-Maintenance	Core product shared among customers / companies in order for service maintenance (Payne et al. 2008)
Co-Outsourcing	Actors (customers, competitors, suppliers and others) collaborate for outsourcing the solutions (Payne et al. 2008)

Co-Experience	'Actors integrating resources over time and across multiple encounter creating a shared experience with different outcomes than those occurring in more discrete individual interactions' (Payne et al. 2008)  Organisation able to sustain in the competitive advantage by co-creating experience with customers (Ramaswamy 2008)
Co-Meaning creation	Create a new definition and knowledge by constantly communication between collaborators (customers / organization) (Payne et al. 2008)
Co-Developing	Customers contribute their knowledge, experience, skills in order to improvise organisation's offering. (Jaakkola and Alexander 2014)
Co-Contributor	Customer joint together to participate company's activities, thus shown that they bring value into the market (Cova and Dalli, 2009).  Customers' active contribution of knowledge, skills from customers allows them to be an active role in process of co-creation. Organisation involve customers as source of collaborative competence. (Lars Witell, Per Kristensson 2011)  Wikipedia require an up-to-date dictionary and encyclopaedia contributor and they need contributions from readers (viewers) (J. Gouillart 2014)
Co-Innovation	"co-innovation is a platform where new ideas or approaches from various internal and external sources are applied differently to create new value or experience for all stakeholders" (von Hippel et al. 2011, Lee et al. 2012)
Co-Disposal	Collaborate in disposal tasks among actors (Payne et al. 2008)
Co-Consumption	Actors enhance their consumption experience by using their physical, social or culture resources to employ during collaboration (Payne et al. 2008)

**Table 4: Types of Co-Creation** 

For example, co-conception of ideas is defined as a collaboration between customers to produce a concept of innovation (Payne et al. 2008). Co-design is much more towards a design viewpoint where customers can customized their products (Payne et al. 2008). Co-production refers to customers and organisations

together to collaborate parts of production of products and services (Payne et al. 2008). Others find that co-production is much more towards customer engaging in firm's process and customer can enjoy lower price (Saarijärvi 2012). Co-promotion is where customer participate in promotional activities and collaborate with the brands (Payne et al. 2008). This is a much popular form applied in today's co-creation. For example, customers participate in game or competition and send a video of products where customers have the opportunity to win the competition. Customers and the organisation make a decision of pricing to determine co-pricing (Payne et al. 2008). Co-distribution is where customers collaborate with an organisation to distribute products for consumption (Payne et al. 2008).

Overall, the study suggests that the co-creation develops from sources of value. From one actor to another actor, source of new value in terms of ideas, information, knowledge and even experience can be produced. Thus, in a social co-creation context, capturing value of co-experience derived from Payne et al. (2008) and Ramaswamy (2008) and other authors remain of interests.

#### 2.3.2 Co-creation of value with customers

There is evidence that the value co-creation discussed on co-production, co-design, co-promotion and co-development (C.k.Prahalad 1999, Payne et al. 2008, Ramaswamy and Ozcan 2013, Youjae Yi & Taeshik Gong 2013). Accordingly, to Saarijavi diagram, Payne et al. (2007) and Pennie, Frow, Adrian Payne (n.d.) indicate there are different types of value co-creation in correlation with co-creative activities. The types of the co-creation related with the purpose.

The findings are consistent with previous studies by Lanning & Michaels (1988) where they initiate value propositions for customers in delivery systems. Interestingly, it shows how customers change the way an organisation should process and change general assumptions of consumers. Furthermore, customer not only have the opportunity for creating value within an organisation but also to play as main resources through providing support, insight and opinions in supporting product and development, design and production process (Saarijärvi 2012). Arnould (2007) explained distinct ways in which customers being social, cultural or physical to support an organisation's value co-creation. These extends the common definition of customers as money providers in buying activities (C.k.Prahalad 1999, Hannu Saarijarvi 2013).

Thus, facilitating social media in an organisation enables an enhanced customer relationship and engagement (Hudson and Thal 2013, Gorry and Westbrook 2011).

"The interactive nature of social media with its ability to establish conversations among individuals and firms in communities of sellers and customers and involve customers in content generation and value creation has excited practitioners with its potential to better serve customers and satisfy their needs." (C.M. Sashi 2012, page 254)

Online customers are able to gain information and experiences from many sources including other customers' information and recommendations (Senecal and Nantel 2004) and it became a key factor for marketing (Park et al. 2007). Hence, social media offers value of "generating social support for customers" (Ballantine and Stephenson 2011). According to Liang et al. (2011), Liang and Turban (2011), social media platforms allow much more opportunity for future scholars to study on consumer behaviour. Therefore, the key factors contributing to the research is to understand customer behaviour in engaging with organisations as proactive collaborator in the co-creation process.

Other literature suggests that co-creation is much more than building customer – organisation relationship. The engagement focus on generated content and through active participation (Zeng et al. 2010, Margaret A. Morrison, Hyuk Jun Chepng 2013, Kietzmann et al. 2011, Kaplan and Haenlein 2010). UGC – User generated content is the most common term used in social media research (Goh et al. 2013). Some scholars also describe customer active participation in social media as virtual communities (Mai and Olsen 2013, de Valck et al. 2009, Brodie et al. 2013, Dholakia et al. 2004, Wang and Hajli 2015). Social media offered accessibility for customers to create edit, access and link content in any platforms such as blogs, Wikis, social networks and user-generated content (UGC) (Cabiddu et al. 2014).

Quinton (2013) notes that social media is "appealing to group of hard to reach individuals". Accordingly, social media research has transformed usage behaviour (Bolton et al. 2013), increased new knowledge (Stephen and Toubia 2010), and opportunities for develop a new business model through electronic commerce (Liang and Turban 2011) It is a platform for connecting more customers to share information instantaneously (Lee et al. 2012) through internet access for personal, social,

scientific and artistic purposes (Lee et al. 2012). These show that social media influence customers as well as organisations, specifically in CRM. While social media gives advantages and opportunities for users (customer and organisation), but it still retains challenges and risk for users.

#### 2.3.3 Customer 'in-role' and 'extra-role' in social co-creation

Several studies consider the conditions of customer engagement in social media as factor for value capture. For example, Jaakkola and Alexander (2014) and Ahlqvist et al. (2010) argue that customer roles are unclear and blurred in social media. To understand social media characteristics it is useful to formulate a theoretical and methodological approach (Hudson and Thal, 2013; Chan and Guille, 2011). A misunderstanding of what customer roles in social media leads to much deeper issues. Thus, through social co-creation, the customer role is identified as co-creator of value and why they need to engage in such platform.

One of the main sources of value capture is the development of value creation. In many other antecedents related with social media, customer role is the most important. However, considering the 'who' and 'why' customer becomes participative in the web-based co-creation is also an important issue. The forms and modality of customers to behave within such environment may become a concern to the organisation. The expectation of organisations for customer to be actively involved in social co-creation is high. It also means the value created is high.

The evidence describeds the importance of understanding customer behaviour. Previous researches has critically analysed the behaviour engagement of customers in social media and co-creation process (S.Buckley, M. Ettl, P.Jain, R. Luss, M.Petrik, R.K. Ravi 2014, van Doorn et al. 2010, Stibe and Oinas-kukkonen 2013, Jaakkola and Alexander 2014). However, it has also shown that only two types of customer behaviour is suitable within social co-creation context, the citizenship behaviour and participation behaviour (Yi et al. 2011, Arnould 2007, Mekhail Mustak 2013, Shen, K. N. et al. 2010, Mustak et al. 2013, Ng 2014, Greer and Lei 2012).

In social co-creation, customers who participate and engage with the community within the platform adopt 'in-role' behaviour. It is also called participation behaviour. Meanwhile, customers who not only participate but have an interest to engage with

the organisation is called citizenship behaviour. Customer citizenship refers an 'extra-role' which not necessary on value creation but as additional value towards an organization. It comprises feedback, advocacy, helping and tolerance (Yi et al. 2013). However, differ with customer participation behaviour. It defines as 'in-role' behaviour, which is important for value creation. It consists of information seeking, information sharing, responsible behaviour and personal interaction (Yi et al. 2013). Furthermore, as suggest by Shamim & Ghazali (2014), studying customer behavioural can added value towards the organization for further value co-creation. However, the study does not intended to explore further on behavioural literature but to understand the role of customers in social co-creation.

# 2.4 Advantages of Social Co-Creation for Value Capture

#### 2.4.1 Value Transparency

Being transparent is one of the major challenges for organisations to go 'online'. Generally, social media promotes the brands 'publicly' into the virtual community, these are significant for organisations to be transparent. Transparency has become one of the major discussion in co-creation paradigm. For instance, Prahalad and Ramaswamy on their constructive DART framework explain personalized co-creation experience allowing the users to receive detail information (for example user preferences, likes or dislikes, favourites and others) through constantly engage and connected with the community. In this sense, the organisation can learn from the input gathered in the community. For the users, they also have the access what sort of information they require to fulfil their needs. Thus, a constructive relationship between customer and the focal organisation can be develop (Bertot, Paul T.Jaeger 2010, Albinsson et al. 2016, Hatch and Schultz 2010). With simple information distribution (Klinger 2013) will leads to a better value creation environment (Albinsson et al. 2016).

Value transparency allows the organisation to capture value. Consider the social cocreation is organise and managed by the organisation, the value able to circulate within and have the potential to expand further. However, Lepak et al. (2007) point out that if the organisation is using social media such as Facebook or Twitter, the competitor may replicate the ideas or information. With social co-creation, the organisation is able to avoid such risk. Lepak et al. (2007) also suggest an isolating mechanism. Isolating mechanism is referring to 'any knowledge physical or legal barrier that may prevent replication of value creating new task' (Lepak et al. 2007). Therefore, it is suggested that internal social media application in a social co-creation platform enables an organisation to remain competitive.

#### 2.4.2 Adaptability to Social Organisation

The aim of social co-creation is to retain the social activities but under organisation 'supervision'. Forming a new way of communication with customers has changed them to become a 'social business'. Using online engagement platforms such as social media enables the encouragement and participation of customer. Therefore, it is the key of activity for an organisation in managing their customer relationships (Frow et al. 2011) and is now substantial and growing because of the global expenditures. Moreover, highly used of social media has challenged the traditional customer relationship management (Malthouse et al. 2013). However, it is definitely a challenge for organisation to structuring, monitoring and managing the 'virtual customer' is align with the organisation's capability and support needed (Malthouse et al. 2013). In addition, Godes (2013) reports findings to reveal that 64 per cent of managers are using social media to communicate.

Research has also found that social media can be implemented in the internal side of the organization where, as noted, 64 per cent of executives used social media to communicate internally and the rest externally. Yet, it presents challenges for organisations to achieve assess business value through social media (Hatch and Schultz 2010). Several studies have revealed the co-creation with customer and consumers in different aspects of background and industry (Hannu Saarijarvi 2013, Saarijärvi 2012, C.k.Prahalad 1999, Payne et al. 2008, Chen et al. 2012). In addition, Saarijärvi (2012) stated that the evolution of co-creation is because of technology advancement that facilitates traditional roles of companies into proposed customer value co-creation. Technology advancement or ICT (Information Communication Technology) is a unique strategy for the organisation to virtualise what they are offering to customer. Allowing the customer to become a part of the co-creating value with the organisation has transform the adaptability of the organisation to enhance the value creation process.

Social media allow users (customer) to self-organise their accounts, active interactions with other communities (e.g. interest) and gain social feedback. These are critical social functions as describe by Avram (2006). At the same time, customer received satisfaction by build a trustworthy relationship and get a community

reputation. This is the same with Starbucks – My Starbucks Ideas and Dell, which recognise their customers' feedback and give them recognition (rewards and reputation). With the right use of social media platform, the organisation can increase their brand, established expertise or digital fluency (C.k.Prahalad 1999). Thus, it shows that social media is align with the concept of value creation where customer received significant attention in many marketing and innovation literature (Garcia Martinez et al. 2006). Evidence shown found that through organisation's brand can influence how customer react towards its products and services (Habibi et al. 2014, Nadeem 2015).

'Consumers can play important roles in different innovation and value creation activities; for instance, their involvement at the stage of product design' (Garcia et. al. 2014, page 134)

Social media becomes collaborative and directed dialogues instead of one way monologues (Minocha and Petre n.d.). A possible explanation for this might be that social media is collaborative platform, a multi- communication channel for customer and firm to integrate and create value together.

# 2.4.3 A Platform for Value Capture

The study argues that social media not only works for providing resource for the organisation by customer's contribution, but also as platform for value creation. Previous studies also confirmed that social media support co-creation activities in terms of content sharing, organise and society operates and collaborative works among consumers (Dianne P. Ford & Robert M. Mason 2013, Avram 2006) and provides a medium to create value (Majchrzak et al. 2009). However, there are also other forms of value creation is through electronic commerce activities by using social media application (Culnan et al. 2010, Grönroos 2012). Through definition, Grönroos (2012) stated the social media as "customer of value-in-use". Meanwhile, in theoretical logic thinking, scholars describe customer as value co-creator. It is apparent with service logic resulting from marketing literature (Lusch et al. 2007, Vargo, Stephen L and Lusch 2004, Merz, Michael A. et al. 2009, Gronroos 2011, 2008).

Because of the relationship of customer-organisation in social media, it allows customers to become motivated to use the systems. This includes developing purposive value, self-discovery, maintaining interpersonal interconnectivity, social enhancement and entertainment value (Dholakia et al. 2004). However, this is effecting for marketers to adapt on keeping the customers in line especially when involve customer behaviour (Ng 2014) especially the needs to provide a better offer (information) as the "core set of motivation". A likely explanation is that customer may influence by their behaviour. Thus, it is becoming a concern for marketers because behaviour can lead to different actions.

Social media support co-creation activities in terms of content sharing, organize and society operate and collaborative works among consumers (Dianne P. Ford & Robert M. Mason 2013, Avram 2006), thus, a platform for value capture. It is important for organisations to cope with the updated technology in order to increase and motivate customers (Curtis 2013). Business value also can be created through participation of customer in co-creation (Zwass 2012) so that it became enabler for business to sustain in competitive environment Lang & Li (2013).

"The social platform is a key enabler, but the ultimate power of the Burberry model resides in the co-creation forces it unleashes between the firm's internal sales, service, and marketing people and the firm's customers. Burberry is demonstrating that human co- creation is the true revolution." (Gouillart 201, page 34)

The awareness of the organisation to use social media leads to increases in customer participation (Liang and Turban 2011) such as word-of-mouth, user generated content and social commerce (Kimmel and Kitchen 2014, See-To and Ho 2014, Urdan 2013, van Doorn et al. 2010, Bolton and Saxena-Iyer 2009). These advantages that allows the organisation to have the potential on value capture.

# 2.4.5 Facilitate Customer Engagement

One of the relation of customers is facilitating them in the engagement platform, Mano (2014) argues the customers have a 'pro-social behaviour'. Cheshire et al. (2010) describe pro-social behaviour is where customers has sense of belonging and have a self-fulfilment. Cheshire et al (2010) suggest this type of voluntary engagement is fit with the social co-creation activities. Further, Jones et al. (2009)

suggest a theoretical lens of social exchange to achieve individual consumers the organisation should provide a platform in order to have better communication (Ko et al. 2013). In this sense, on reaching highly participatory of voluntary engagement from customer is by providing a social platform. Specifically design an infrastructure for the value creation happened. It is argued, that the organisation as 'the provider' for value creation platform, promotes a better explorative communication channel like social media application. Ahn and Rho (2016) suggest the interactions and level of customer participation can increase self-satisfaction.

Assessing and facilitate customer engagement is important. Noted that 'Engage' is describe as "to employ or hire, to hold fast, to bind by a contract, to come into battle and take part or best describe as 'behavioural focus' (van Doorn et al. 2010). This behavioural focus is suitable to understand that customer behaviour is related with co-creation relationship between customer and organisation (van Doorn et al. 2010).

In a recent findings of customer engagement in tourism industry Cabiddu et al (2014) address three social media affordances. First, the persistent engagement is described as an ongoing condition for customers to exploit the level of connectivity, content creation and sharing activities in social media. For the organisation, it was established to sought further communication with the customer. Second, customised engagement. It represents the opportunity for the organisation to interact with the customer to get further information, where undertake the 'personalise' communication level (includes the profile visibility, preferences and others). Cabiddu et al. (2014) further explained it allows the organisation in-depth understand the individual customer. Meanwhile, the third customer engagement is triggered engagement which discussed a rapid respond from customer. Using social media allows the customer to offer a fast respond. Numerous scholars also agree that customers engagement encompass co-creation activities (Saarijärvi 2012, Zwass 2010, Frow et al. 2015). Understanding customer engagement is important because organisations should know how they think and behave (van Doorn et al. 2010). The types are illustrated in Table 5.

Persistent Engagement	Continuous conversation with customer	
3 3	without physically presence	
Customised engagement	The organisation communicate with	
	customer based on 'individual-level	
	information'	
Triggered Engagement	Rapid respond from customers.	

Table 5: Types of Engagement (Cabiddu et al. 2014)

Although Cabiddu et al. (2014) argues these engagement is unfavourable to social media approach in the organisation, however, the study suggest further research on different organisation setting may fruitful to increase the current social media applicability. Given the current context of study in social co-creation, these engagements may be useful to test the condition of engagement required in engaging social co-creation. However, the applicability of the engagement may limit the context of the current study, therefore, it is cautiously on how it impacts on the organisation for value capture is considered. This however consistent the need to have a further exploration of customer engagement in co-creation taken into account (Quinton 2013). Quinton (2013) also suggest the inadequacies of customer engagement have a potential to discuss further in order to explore on engagement activities with the customer as collaborator.

In summary, co-creation requires active engagement. At the same time, organisations seek to identify how far customer need to engage with them (Kumar et al. 2010) as to promote the desired level of involvement (Kumar and Bhagwat 2010). Within customer active engagement, organisations need to increase their bottom line by maximising customer engagement value (Kumar et al. 2010). Furthermore, 'the creation of value by customers for firms occurs through a more elaborate mechanism than through purchase alone' (Kumar et al. 2010). Therefore, the driver of customer value is by nature and intensity of customer engagement through either its company's product or services (Kumar et al. 2010).

Nevertheless, there still lacks an exploration of customer engagement in co-creation activities (Quinton, 2013), thus suggests to consider other potential construct to connect with collaborator, exploration on 'engaging activities' is still inadequate.

# 2.5 Evaluating Social Co-Creation: From External Collaboration to Internal Collaboration

Customers can create value without involving any purchasing activity (Kumar et al. 2010). Creating value is also heavily influence by the customer behaviour (Shamim and Ghazali 2014). There are an extensive literature of in this respect that impacts on business particularly in marketing services (C.k.Prahalad 1999, Prahalad and Ramaswamy 2004, Grönroos 2012, 2011). This criticism leads to a better understanding that customer behaviour influence customer engagement. Yet alone, the study argue the concepts of customer engagement on creating value by not involving monetary. This statement has voided the value exchange.

Arguably, customer engagement can be disengaged if the engagement may not be successful due to the lost profit or negative word-of-mouth comments (Kumar et al. 2010). Therefore, in order to have a continuous engagement, firms and customers need to understand their respective roles.

"...no such model is found discussing the factors that can develop customer behaviour towards value co-creation...it is imperative for the firms to focus on customers' behaviour in this regard..." (Shamim and Ghazali, 2014, page 186)

According to Kumar et al. (2010), managers, marketing researcher and sociologies agreed that customer interactions can impacts on consumer response to a product. Based on pilot studies that the researcher conducted, managers need to get engage with customer because of customer can influence others about their products or services which fairly impacts on the firm performance as well as reputation.

Collaboration between organisations and customers are open to more opportunity for more innovation (Piller et al. 2012, Bugshan 2015, Sang M. Lee 2012, Frow et al. 2015) and increased productivity (Lovelock and Young 1979). As noted, the technology allows organisations to be more transparent (John C. Bertot, Paul T.Jaeger 2010, Hatch and Schultz 2010) and thus encourage customers to engage with companies (Jo Roberts 2011, Salanova et al. 2005, Cabiddu et al. 2014, C.M. Sashi 2012, Choudhury and Harrigan 2014) through social media platform (Piller et al. 2012, Li et al. 2013, Choudhury and Harrigan 2014).

Although goods are consumed as services in self-service processes, when making purchasing decisions some customers may still focus on the resource they buy (a good or a service) and not on the manner in which it can be used and create value in their consumption processes. When making purchasing decisions, customers who do not focus on goods and services as value-creating processes but rather focus on them as resources or who cannot be persuaded to do so, will not buy services but resources only (as goods, and even a service can be bought as a good). Attempting to approach such customers with a service logic-based approach is clearly not effective. (Gronroos 2008, page 309)

The main focus of co-creation activities is development process in design and innovate end product (Prandelli et al. 2006; Matthing et al. 2004; Kristensson et al. 2004; Lars Witell, Per Kristensson 2011).

#### 2.5.1 Customer: From Passive to Active Contributor

Overvalued or undervalued customer engagement is dependent on how to engage customers in co-creation activities (Kumar et al. 2010) that only can be determined by the organisation itself especially for innovation purposes. Organisations using social media to 'recruit' consumers in the innovation process and sharing open innovation (Bugshan 2015). These consumers and customer are those who are actively participating, committed, trust and have interest with the activities. Customers and consumers in social media using it to develop online communities (Hajli et al. 2014, Jianqing Chen 2011, Bugshan 2014, Healy and McDonagh 2013, Finin et al. 2008, Füller et al. 2010) and they will have different perspective about the product or services. Therefore, social media is best way for organisation to stay strong, cost-efficient tool for open innovation whilst it provide informational tool to support new product development (Bugshan 2015).

It is believed through the social co-creation, offers more dynamic change of marketplace (C.K. Prahalad 1999). As shown in Table 4, the organisations using social media platform to integrate with their customer. Customers involve in these co-creation process are a part of value chain, as they are value added towards company's product or services (Prahalad and Ramaswamy 2004, Vargo, Stephen L. and Lusch 2004). The manufacturer and provider of products and services does not

have the power to control the communication activities but, they are encouraging customer to participate in their platform in order to learn themselves and at the same time create value. Even though organisation use multiple methods to encourage customer participation in co-creation, there should be a consideration on how to manage such information.

The concept of social media and consumer behaviour is participation and motivation between consumers (Mano 2014). It is almost certain that by participating in social media can increase satisfaction, sense of identification, create trust and develop virtual communities (Shen, K. N. 2010) The highly participation of customer in social media can help the organisation to contribute ideas, design and develop a new product development (van Doorn et al. 2010). Customers has driven conversation that 'trump company's marketing, sales and service efforts with their unprecedented immediacy and reach' (Baird and Parasnis 2011). Therefore, the influential factor of customer in making it relevant with today's company's strategy which has change the way it used to be because through engagement 'it is a proxy measure of the strength of the organisation's customer relationship based' (Bowden 2008).

# 2.6 Social Co-Creation: The Engagement Platform

Digital considerations for co-creation emerge significantly in the marketing and strategic management literature. Because of the current development of online tools and technologies is known for its affordance, availability and accessibility, the organisation to design their online engagement platform (Cabiddu et al. 2014, Habibi et al. 2014). The concept of online engagement platforms is similar to social media application in which allowing the customer generate content, communicate, sharing information and may contribute ideas with other online communities. The difference with other social media application such as Facebook or Twitter is that the platform is dedicated for the customer to share their ideas under the same brand. Scholars also name it as an ideation platform (see examples (Gatzweiler et al. 2017, Russo-Spena and Mele 2012) and brand engagement platform (Ramaswamy and Ozcan 2016). It functions as a facilitated, controllable, have a structure and develops based on specific purposes for a co-creation activities. It allows customers to generate new ideas in the companies virtual platform (Verleye 2015). The characteristics of this online engagement platform has attracted customers to be a part of the company's online communities. This is because customer motivated to share their own passion

of the brand, opportunity to learn new experience and having an interesting communication with other communities.

The purpose of organisation to develop an online engagement platform is to allow their customers to be under one brand, speaking the same language, sharing the same interest and having much deeper valuable contents. Among some key findings from Chui et al. (2013) is social technologies offer a unique, powerful enabler of value creation. It is fundamental of speed, scale and economics of the internet technologies (Chui et al., 2013). Customers who involve within the social media platform and participate in the online community known as user generated content (UGC) (Pongsakornrungsilp and Schroeder 2011, Brodie et al. 2013, Margaret A. Morrison, Hyuk Jun Chepng 2013, Goh et al. 2013, Hajli et al. 2014).

According to Coates (2013), one of the emergence of co-creation ideas is move away from the transition of product that control by the service industry. This case has shown that develop country uses more than half of the industrial proportion to produce product and services, for example United Kingdom (77.7 per cent), France (78.9 per cent) and USA (76.7 per cent). Thus, consumers matter in products usage and purchase and reflect the involvement consumer collaboration (Merz, Michael A. et al. 2009). To exploit consumer competence is not an easy task for any large companies. For example in automotive industry, Ford take an initiate to put consumer as their competencies but because of they are larger company, it is complicated and difficult to let the competencies for each of top 100 suppliers (C.k.Prahalad 1999).

Kaplan & Haenlein (2010) state that the ideology and the technological foundation in social media is to create and exchange of user-generated content. Thus, social media create interactive platform for individuals to communicate, share, co-create, discuss and modify content (Kietzmann et al. 2011). Similar findings by Fischer and Reuber, (2011). that social media is user-friendly and inexpensive Therefore, it easily attracts customer and company to utilize the social media and collaborate together. Moreover, social interaction via web-based technology allow content and interaction activities among users (John C. Bertot, Paul T.Jaeger 2010) this is fit with service logic theory where customer as co-creator. Minocha & Petre (n.d.) found that most social media exist today has given user an opportunity to create content as tools for exchange information through conversation and centred around social interaction (John C. Bertot, Paul T.Jaeger 2010, Yates and Paquette 2011). The research study

by Sui and Goodchild (2011) also found that social interaction able to turn scalable communication into interactive dialog.

Active customers in online social media are transmitting various information, get engage in discussion and form online communities in social media system such as blogs, media-sharing sites and forum (Finin et al. 2008). In a similar vein, study conducted by Howard & Parks 2012) and Liang and Turban (2011); Liang et al. (2011) distinguish it into different categories. Howard and Parks (2012) identify social media in three categories, first, the information infrastructure and tools used to produce and distribute content, secondly, the content takes the digital form such as personal messages, news and ideas and finally all the contents being produce and consume by the people, organisation and industries. In addition, Liang classified social media in terms of application programming interfaces into three major attributes that are social media technologies, community interactions and commercial activities. Some scholars have found the research is intimidated with digital technology advancement and give biggest challenge derived from the feature of social media (Simkin and Dibb 2013). It is critical for the organisation today, looking forward to implementing social media strategies by developing online platform and to invite customer to participate and co-create together with the brand.

#### 2.6.1 Customer Co-Experience

In a recent study by van Doorn et al. (2010) suggest offering reward (referral) and incentives will keep the customer interest in engaging with social co-creation. These will motivate and affect customer engagement behaviour. Thus, develop customer loyalty. This is consistent with Winterich et al. (2009) where social recognition for desired in-group or expertise recognition (Hennig-Thurau et al. 2004). Through social recognition and social rank in social co-creation platform, increase motivation. Thus, enhance the role of customers (C.M. Sashi 2012). We argue that virtually, the rank determined by customer contribution. Co-creator community not only create value of co-experience, but also receive a recognition status in online community. Thus, increase self-motivation, confidence and most importantly comfortable to produce value.

As value contributor, the customers rely how well they perceived value from value-inuse and exchange value. Recall from previous discussion on the early chapter 2, where the development of value-in-experience derived from these values. This is consistent with Pera et al. (2016), Ramaswamy and Ozcan 2(016) and Ramaswamy (2008) works on value in experience.

Accordingly, customer became an 'agent' to develop a new connection with other potential customers as advocates (C.M. Sashi 2012). However, in order to accomplish satisfaction is required to fulfil a sense of belonging and 'intimate' relationship between customer and the organisation. The positivity of customer satisfaction will produce exquisite result of value creation. Therefore, it is important for the organisation to meet customer satisfaction when engaging. The next big step for the organisation is to accomplish a successful customer engagement, by ensuring the customer is committed to contribute into co-creation. There are two classification of customer engagement from the provider (organisation) and customer according to Vivek et al (2012), as noted in Table 6.

Offerings	Engagement initiated with offerings (brands, goods, or services) by organizations.	Engagement initiated with offerings by consumers.
Activities	Engagement initiated with programs, events or activities (beyond the organization's offering) by organizations.	Engagement initiated with activities by consumers.

Table 6: Classification of Customer Engagement (Vivek et al. 2012)

According to van Doorn et al. (2010), customer co-creation also includes customer engagement. The antecedents of customer engagement bring significant towards creation of value. Customer co-creation derived from customer participation in "inventiveness, co-design or shared production of related goods" (Lusch et al. 2007). It believes that by customer active participation for example spontaneous and flexible behaviours able to 'customize-to-brand experience' (van Doorn et al. 2010).

"Behaviours such as making suggestions to improve the consumption experience, helping and coaching service providers, and helping other customers to consume better are all aspects of co-creation, and hence customer behaviours" (van Doorn et al. 2010, page 254)

#### 2.7 Discussion of Value

Bowman et al (2000) argues that the value is takes in form of perceived use value and exchange value. With perceived value, they describe as "subjectively assessed by the customer who uses consumer surplus as the criterion in making purchase decisions". While on exchange value, they explained as "the price paid for the use value created, which is realised when the sale takes place". Although their arguments in defining the value in terms of the 'purchasing' and 'sale' is fruitful for further discussions on figuring the number of profit gains by the organisation as value capture result, however, this is not the case. Explicitly, this not implies with the social co-creation aspects or either in social media or in co-creation. Although in the same study we agree that the markets are dynamic and offer unpredictable result, we determined the notion of value in much more qualitatively. It is important to note that, in this thesis, we are providing a better point of view on value capture on qualitative side. Whether the value capture (of profit) has been discussed on several studies, the knowledge work on value capture of co-experience remains limited.

# 2.8 Identifying external factors of value capture in social co-creation

Social media becomes an external factor for the value capture framework. Ideally, Kaplan and Haenlein (2010) referred social media as 'The ideological and technological foundations of Web 2.0 allow the creation and exchange of usergenerated content (UGC)'. It becomes a mainstream among companies globally and not simply as promotional tools and brand (Baron et al. 2014), but also as a 'gold rush' because of digital content creation and network based interactions (Agnihotri et al. 2012). Social media is not only to communicate, sharing video, pictures, tagging our close family and friends, but now it became very much different (Zeng et al. 2010, Cabiddu et al. 2014, Choudhury and Harrigan 2014). Consumers are currently actively engage and participate in marketing-related activities (Bharti et al. 2015). It became an emerging paradigm for the organisation in having social interactions with consumers via social media (Bharti et al. 2015).

Understanding how the technology works has impact in today organisation globally. Coping with digital technology such as social media has increase and motivating customers (Curtis 2013) to become a part of the organisation system. Accordingly, it is important for organisation to cope with the updated technology in order to increase

and motivate customers. More importantly, the business value increase because of participation of customer in co-creation (Zwass 2012) so that it became an enabler for business to sustain in a competitive environment (Lang & Li , 2013). According to Francis (2002), one of the key aspects in customer's value creation involves a series of activities through information, knowledge, skills and other accessible resources that customer use.

Co-creation enables a relationship between customers and the organisation. This relationship through engagement is focused on generating content and active participation (Zeng et al. 2010, Margaret A. Morrison, Hyuk Jun Chepng 2013, Kietzmann et al. 2011, Kaplan and Haenlein 2010). UGC – User generated content is the most common term used by social media scholars (Goh et al. 2013) in engagement activities. The study posit that social media and co-creation is one of the opportunity for businesses to increase value. Some scholars also describe customers active participation in social media as virtual communities (Mai and Olsen 2013, de Valck et al. 2009, Brodie et al. 2013, Dholakia et al. 2004, Wang and Hajli 2015). Hence, social media offered accessibility for customers to create edit, access and link content in any platforms such as blogs, Wikis, social networks and usergenerated content (UGC) (Cabiddu et al. 2014), this is illustrated conceptually in Figure 7.

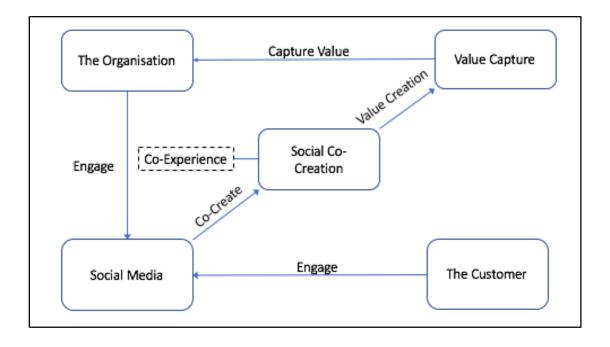


Figure 7: Conceptual Framework (F1) for Value Capture

The study conceptualise the value capture framework in Figure 7. The framework is labelled as F1 to represent the first conceptual framework in this study. The customer and the organisation work as actors to generate value through the collaborative relationship. With the use of social engagement platform, the customer acts as value creator in which they would share their experience through value-in-use and in exchange, they would get expand new information of the product and services.

The framework denotes the interrelation between the customer and the organisation. Viewing from the customer, they engage by participating in the social media under the organisation platform. The organisation develops an internal social media for their customer to be a part of the online community. The concept is similar to commercial social media; however, the participation is limit to the customers who knows the brand, understand and have experience with the product or services.

### 2.9 Conclusion

To summarise this chapter, each component is explained. By considering a social co-creation perspective, value capture of experience lies on two ideas, the external and the internal role of social media application in the organisation and level of customer engagement. Both are extensively relevant with the current study. Therefore, an empirical study by evaluating the factors to determine the value capture process in the organisation is needed to support this research. Further to this, the novelty of this investigation lies in the empirical testing (value capture framework). With the application of social media in co-creation paradigm, it can create a new dimension of interaction between the organisations and the online communities.

Therefore, the study argues that the social media is the most relevant concept to be applied in co-creation and it has been received recognition within the marketing literature. Also, there is no doubt that Web 2.0 technology has attract many individuals to generate content (Hajli et al. 2014, Margaret A. Morrison, Hyuk Jun Chepng 2013, Goh et al. 2013, Kietzmann et al. 2011), sharing information (McGowan et al. 2012, Finin et al. 2008, Dabner 2012, Yates and Paquette 2011), sharing their experience (Hennig-Thurau et al. 2004, de Valck et al. 2009, Hajli 2014, Kristensson et al. 2011) through social media technologies. Thus, it allows the

organisations received significant advantages through social tools and remain competitive.

On the following chapter, we offer a more in-depth work on how an organisation is able to capture value by considering managerial aspects. Managing value and customers in social co-creation, requires the organisational capability to identify value, recognize value, assimilate and review the value. Extending such process need further justification. Therefore, the study presents a theoretical lens and the development of theoretical framework of the value capture.

# CHAPTER 3: THEORY DEVELOPMENT

#### **CHAPTER 3: THEORY DEVELOPMENT**

### 3.0 Introduction

This chapter introduces the theoretical development for value capture in social cocreation. It considers the overall value capture discussion with a focus on the social co-creation context. In the previous chapter, the undertook several aspects of the external factor such as the social media application role in engaging customer through social co-creation, the co-creation mechanism to enrich the co-experience between the customer and the organisation and engaging and managing customer. At this stage, the research has yet to uncover the organisation capability on absorbing value from social co-creation.

This chapter attempts to fulfil the third research objective in which to formulate a value capture theoretical framework based on internal and external factors of absorptive capacity within the organisation. In relation with the social co-creation as the context of the study, the study posits to develop further understanding on determining the organisation capability to capture value. The study extends the discussion of customer participation in online engagement platforms, explore the organisation capability of capturing the value of experience (VoE), and the managerial process of determining the value. Thus, this chapter offers a further justification of the research approach demonstrated in the value capture literature.

Conceptually, social co-creation is understood as a collaborative and interactive co-creation platform where the organisation develops a unique and separate web-based social media facility with the intention to engage with the customers to co-create. Consequently, a complete view of the role of social media in social co-creation, customer engagement and the type of value is confirmed. However, what remains in this study is how the organisations are able to capture value and what are the internal factors that may be determine by the organisation. Specifically, the managerial notion of 'absorbing' the value outcome from social co-creation. Thus, on establishing this understanding, the thesis proposes a valuable theoretical approach noted through Absorptive Capacity Theory (ACT). The study also proposes to adapt a variant of Dominant Logic Theory (DLT). This is because it needs to determine the interaction between customer and the organisation, thus, the perspective of service logic theory is also worthy of discussion. However, DLT role is to support justification

that the customer is the co-creator of value. The study limits the dominant logic based on recognised fundamental propositions made by previous scholars. The role of dominant logic is to note the effect on the external environment of the proposed value capture framework. Through a focus on the literature of ACT, the study examine the organisations capability to capture value in social co-creation context by determining factors as (1) identifying the value of experience (VoE), (2) assimilating the value from customers to the managerial process, (3) transforming value to be absorbed into the organisation. The study introduces the term of VoE to recognise the value as an outcome from a collaborative relationship between the consumer and the organisation.

This chapter consists of four sections. The introduction discusses the general theoretical background of the service logic theory and ACT. This includes the antecedents of the theory. For the service logic theory, the study reports the determinant of concept, premises and the role in social co-creation. Furthermore, we note an ACT overview of its fundamental aspects, namely, identity, assimilation and transformation of value capture. The discussion includes the factors of active customer participation in social co-creation, the organisational strategy in determining this value, and the organisation capability to absorb value (VoE).

In the subsequent section, it proposes to discuss the internal and external conditions of ACT in the organisation. The section explained the organisational capability of absorbing value from within a social co-creation context along with their managerial consequences. Finally, within Chapter 3, it concluded the overall topic by developing a theoretical framework that leads to the value capture concept and a summary of the overall discussion.

# 3.1 The antecedents of The Service Dominant Logic Theory in Social Co-Creation

The study addresses dominant logic theory to demonstrate a clear and authoritative reporting of co-creation studies. The service dominance takes effect as a consequence of external organisational activities. This includes the customer as a key contributor of creating value in social co-creation and through social media interaction with the organisation. Vargo and Lusch (2004) reported, based on fundamentals of service logic propositions where the customer is a co-producer which enables organisation-customer interactions. As pioneers of the explorative and

systematic literature of the service logic, Vargo and Lush research has impacted on almost all the marketing literature and have been widely cited. Scholars frequently posit to use their eight premises of fundamental propositions of new service dominant logic (Lusch 2015, Ekman et al. 2016, Gronroos 2006). There are also writers adopting the dominant logic concept on social media. Cheung and To (2016) examine factors that drive customer to co-create in social media on service co-creation perspective. Singaraju et al. (2016) explained the value co-creation through contextualisation between actor to actor interactions by developing a theoretical framework based on multi-stakeholder systems. They combined the role of customer, the organisation and social media platform as resource integration.

These examples show evidence that integrating the theoretical work from Vargo and Lusch is useful. More importantly how it works in a virtual environment enable to enrich a better perspective especially when it comes to social integration. The expectation of the organisation integrating, engaging and collaborating with customers to remain competitive is crucial. As such, the study argue that the virtual collaboration also has a significant contribution to the service logic and also to value capture studies. The idea is to address the service dominant logic as an external factor of value capture. Previous studies confirm that most of the SDL theory is discussed on an external condition related with customer roles (active participation, value creation and interaction with the organisation).

Figure 8 illustrates Vargo and Lusch (2004) studies on dominant logic. Based on these premises, the study highlights two fundamentals which have a significantly impact on social co-creation.

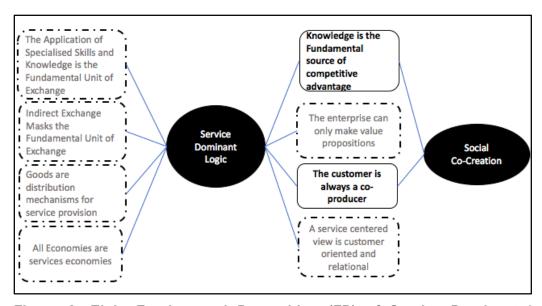


Figure 8: Eight Fundamental Proposition (FP) of Service Dominant Logic (Vargo and Lusch 2004)

Based on Vargo and Lusch studies from 2004, 2006 and 2008, the fundamental of propositions (FP) of dominant logic has evolved. The FP modifications has impact on several aspects. Specifically, three aspects were address. First, to reemphasise modification, second, to address frequent issues and third is to validate issues may arise according to Vargo and Lusch studies. However, their modification is not warrant. It focusses on the principle of the FP itself and may require consistent explanation. At this point of the study, the FP remains as the principle of acknowledging the customer as actor for co-creation integration. The study does not attempt to make further clarification but to adopt according to the subject interest.

For social co-creation perspective, the study focuses on two FPs which is (FP4), knowledge is an important element for the organisation to remain competitive and (FP6) the customer as a locus of co-creator (see example from Vargo and Lucsh 2008, page 7). The study argues that both are significantly important for the organisation in relation to capturing value. It made also suggest a further development on how well the organisation is a key 'absorbent' on managing value which is sometimes can be tacit (human) or explicit (technical). Thus, assimilating these values could affect the organisational on ensuring the success of its social platform and more importantly the social integration. Either it involves social media or any types of platform for a more profound strategy which will require building a strong foundation to manage the integration.

### 3.1.1 Customer's Value of Experience as Fundamental Knowledge

Service dominant logic (SDL) is a product of marketing research (Vargo and Lusch 2004), therefore, it is widely used among scholars in the service management literature. However, it is noted that the logic of designing these premises is that it becomes the foundation of a 'transactional' mechanism from one actor to another. The first central propositions of dominant logic are to recognise the customer's value as an important indicator of knowledge. Escribano et al. (2009) recognise the fundamental of knowledge as the key to organisational success. Drawing from their qualitative and empirical study, they highlight that knowledge should be moderate as an external condition for organisation absorptive capacity. Vargo and Lusch (2004) further explained the characteristics of knowledge based on a dominant logic perspective. They describe knowledge as 'propositional knowledge', abstract and generalised. Hunt (2003) refers to knowledge as endogenous according to competitive theory. Meanwhile, Ballantyne and Varey (2006) refer knowledge as 'knowledge renewal'. However, the study argues that the knowledge is contextual depending on the sources received and processing according to needs, as in this case will be between the transactional from customer experience to the organisation.

Consistent with knowledge management studies, knowledge is described as a mechanism for decision making and action (Kanter 1999). As customer becomes an active participator in processing the value-in-use and value-in-exchange, they become a mediating role of value processing. Combined with their understanding how well they regard the product or service they purchase, process with product knowledge, they eventually processing the value. Customer also becomes a mechanism of action (Bourdreau and Couillard 1999). Nonaka (1994) studies on knowledge as tacit value is difficult to interpret unless the organisation is able to provide a platform for their customer to engage and co-share their experience. Thus, social co-creation is the mechanism for value processing.

Considering further dominant logic theory which acknowledges the 'customer as value creator', co-creation is based on active collaboration between actors' and 'value is unique and experiential' (Ketonen-Oksi Jari Jussila Hannu Kärkkäinen et al. 2016, Lusch 2015, 2006). Previous studies clearly report the evidence of these premises. It is a widely held view that scholars of logic theory adopt these premises within the organisation to determine co-creation. It is generally described the theoretical work of collaborative to build an understanding on why a customer is

important in co-creation. The study has discussed briefly the customer as co-creator of value, in this chapter it is important to justify why they are significant to the research. Studies also confirm that customers are the key contributor and receive wide attention from strategic management and marketing scholars (Logic et al. 2009, Terblanche 2006, Cabiddu et al. 2014). Active participation on engaging within social media allows them to be more competent (C.k.Prahalad 1999, Campbell 2003, Bonnemaizon and Batat 2011).

Value creation has become the focus of attention for customers and has attract significant management interest (Gronroos 2008). In service logic, customer roles became clear because from co-producer's customer become co-creators of value (Gronroos 2008). In organisational perspective, many managers define the active participation of customers in social media where service logic supports the process. However, it is argued that the service logic is not straight forward as Gronroos (2008), claims that service logic is linked with logic for consumption and logic for service provision.

### 3.1.2 Social Co-Creation in Dominant Logic

Initial studies confirm that co-creation creates a significant on several impact such as innovation and product development for the organisation. For instance, in pervious discussion, the study elaborates the fundamentals of social co-creation about how well customers engage. As noted, the concept of co-creation is well received among marketing scholars (Romero and Molina 2011, Fyrberg Yngfalk 2013, Etgar 2008). Conceptually, social co-creation considers the participation of customers as co-creators of value which represents a unique outcome from the co-creation activities. This understanding establishes service dominant logic theory where it indicates that value creation is a 'fundamental cornerstone of the service perspective on marketing' (Grönroos 2012) and contemplates ideas from eight premises constructed among co-creation scholars (Vargo and Lusch 2004).

### 3.1.3 The Organisation as Service Provider

Over the past decade, most research in marketing has emphasised the role of organisations as service providers. It is a widely held view that service is the way of 'reconceptualization and repositioning' (Vargo and Lusch 2014). The fundamentals of the organisation as a service provider acknowledge the customer (as society) which

influences economic change, thus enriching the markets (Vargo and Lusch 2008). It also becomes a provision for the organisation on becoming a customer-centric. However, the study argues that as the organisation plays an important role in the discussion of dominant logic, business would perform better if only they are capable of capturing value. Following Lusch et al. (2007) and Grönroos (2012) detailed analysis, the dominant logic has strengthened the economics and the market of the organisation.

"Service provision is the fundamental purpose of economic exchange and marketing that is service exchanged for service. It believes this logic is applicable not only to markets and marketing but also to society" (Vargo and Lusch 2008, page 9)

Conceptually, dominant logic is to describe service as 'in its own right where the process of one actor using its resources for the benefit of another' (Vargo and Lusch 2008). It has been reported that the stakeholder is consider as the customer (Merz, Michael A. et al. 2009, Lusch and Webster 2011, Healy and McDonagh 2013). Their role is not only for purchasing the product (or service) and consuming the product (or service) but also to contribute to the organisation through their experience. It is significant that the information gathered from sharing experience will produce a better response (ideas, feedback, recommendation). However, the challenge is to remain in the customers best interest. Social media enables the key 'survival' for most organisation to keep on track with their customer virtually. Social co-creation is suggested through the service logic literature which identifies co-creation as direct interactions between co-creator (customer) to their joint activities (Grönroos 2012).

The reason why dominant logic is significant to the development of a value capture framework is because the notion of co-creation is closely related with the customer role as a value creator. If it is evaluated how well the 'new' customer roles as co-creator in dominant logic studies, it is believed that a similar outcome in social co-creation is expected. Thus, the study proposes a theoretical work conducted as an external component in value capture events. Then, it is suggest conceptualising these on customer engagement and co-creation. Both will be the main condition of the value creation and value capture concept within the social co-creation.

## 3.2 Absorptive Capacity Theory (ACT): Definition, Concept and Roles

An additional theoretical perspective for the value capture framework related with the Absorptive Capacity Theory (ACT). The study evaluates the ACT both internally and externally for value capture framework. It is believed that social co-creation worked best if operated on an isolated platform within organisation administration. Thus, the aim of this section is to elaborate the organisation's capability of capturing value. It is recognised that one of the priorities of using the ACT as the primary theoretical work is because organisations wish to remain competitive. However, the study limit to use ACT as the mechanism to capture value in social co-creation. In line with previous discussion, the value of experience (VoE) is treated as the outcome of the social co-creation. Therefore, in this section, the study focuses on the theoretical lens to enable, identify and recognise the potential for the organisation in value capture literature. The subsection below critically assesses the role played by ACT in a social co-creation context.

The academic literature on ACT reveals the emergence of several contrasting themes. For example, the technology in the organisation (Schlagwein and Hu 2016, Enkel et al. 2017, Roberts et al. 2012), strategic innovation (Malhotra et al. 2005, Salge et al. 2012, Patterson and Ambrosini 2014, Mckelvie et al. 2015) and social media (Culnan et al. 2010, Schlagwein and Hu 2016, Turner 2013). In particular, within a value capture theme, several studies have demonstrated that ACT in knowledge value discussions (Fosfuri and Tribó 2008, Malhotra et al. 2005). Much of the literature since 1980s emphasises this research and development. However, recent attention has focused on the provision of technology and social integration. Figure 9 illustrates a 'time line' for these events.

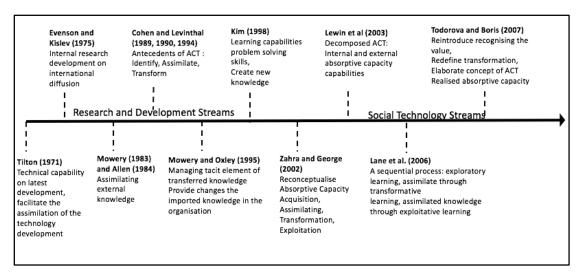


Figure 9: Timeline of Absorptive Capacity with Research Streams (Adapted from Cohen et al. (1990) and Gergana Todorova (2007))

Figure 9 presents several studies that discuss ACT according to its main streams. The timeline is gathered from the seminal work of Culnan et al (1989). The initial discussion of ACT was initiated by Tilton (1971) who explained the technical capability of the research and development in an organisation and suggested facilitating and assimilating technology. Evenson and Kislev (1975) made further adjustments by introducing the 'international diffusion' on the internal validation. Meanwhile, two studies proposing the assimilating approach as external knowledge (Mowery, 1983, Allen, 1984). Expanding on these studies, Cohen and Levinthal (1990) suggest three antecedents; identification, assimilation and transformation. Zahra and George (2002) through their paper titled "Review, Reconceptualisation and Extension" the contribution from the phenomenon. Through a focus on this organisation perspective, they reconceptualise ACT into outlining conditions of potential and realised capacities. Lane et al. (2006) further validated ACT by proposing a critical review to rejuvenate ACT constructs. In their studies, Lane et al. (2006) reported a systematic study based on 289 ACT papers published in 20 different journals. Through a thematic analysis, they argue a large number of published studies in ACT has raised some important concerns. Some writers (Fosfuri and Tribó 2008, Enkel et al. 2017, Lewin et al. 2011) have attempted to draw a fine distinction between internal and external absorptive capacity. Others (Lane et al. 2006, Roberts et al. 2012, Zahra and George 2002) enrich ACT by reconceptualising and reification of the constructs.

The constructs of absorptive capacity play an important theoretical role for organisations to identify valuable external knowledge. This is useful to assimilate or transform the knowledge (absorbing value) into the organisation (Cohen and Levinthal 1990). It is argued that based on three major elements (identification, assimilation, transformation), the organisation is able to 'absorb' value from the external environment. There is clear evidence from previous research to confirm the usefulness of these concepts. It is noted that ACT works were mostly published in Academy Management Review (Gergana Todorova 2007, Cohen and Levinthal 1990, Zahra and George 2002). Following Cohen et al (1990), Zahrah and George (2002), Lane et al (2004) and Gergana Todorova (2007) studies, there are a set of different ways in which ACT may be applicable in justifying organisational capability in order to remain competitive. However, in this research it is not intended to echo their works fully, but to implement ACT on empirical studies and thus expand the research evidence available.

To explore further on how well organisations can cope with absorptive capacity, it is worth to consider factors on 'absorbing value' in social media. While existing studies acknowledge the technology impacts on ACT, it is assumed that social media becomes a new business model. This however were careful consideration of the elements of the theory which may offer different outcomes.

### 3.2.1 The Internal and External of Absorptive Capacity in Value Capture

For developing the value capture framework on social co-creation, the study first considers the internal and external conditions of absorptive capacity in the organisation. It is important of course for the organisation to 'catch' the value from the customer in the social platform. In order to examine the role of internal and external absorptive capacity on value capture, we propose to divide our approach into four distinct components (acquire, assimilate, transform and exploit) of ACT noting both the internal and external environment. Figure 10 illustrates the core components of ACT. The study makes two-way condition for the ACT- the internal and external. The external takes acquire and assimilate, while the internal is for transform and exploit.

#### **Absorptive Capacity Theory**

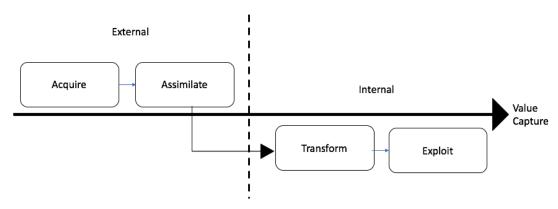


Figure 10: Illustrate the Absorptive Capacity Components (Cohen and Levinthal 1990, Zahra and George (2002), Gergana Todorova (2007))

However, allocating the components of ACT into two distinct part is not new. Several studies have established such understanding. For example, Roberts et al. (2012) report the critical role of modern information technology on the organisations absorptive capacity for development and maintenance. In their study, they claimed the absorptive capacity is external as a working condition for organisational competitive advantage. Enkel et al. (2017) notes absorptive capacity routines and social integration for innovation through an analysis of technological distance internal and external collaborations. In addition, Schlagwein and Hu (2016) examine the role of social media and absorptive capacity in the organisation through empirical and theoretical findings. Gebauer et al. (2012) draws attention of absorptive capacity on strategic innovation context by proposing the learning process that influence capabilities. Drawing on an extensive range of sources, these authors set out different ways in which absorptive capacity may be relevant to an organisation. However, it is determine the ACT components offer more flexibility on value capture literature.

Zahra and George (2002) characterise ACT as an organisational phenomenon. In other study related with the social media integration, Schlagwein and Hu (2016) stresses the role played by absorptive capacity to "provide a valuable theoretical lens which to analyse the empirical phenomenon of social media use by the organisation". Similarly, Culnan et al. (2010) suggest through social media implementation, an organisation is able to develop absorptive capacity thus increasing the opportunity to recognise and acquire new knowledge. In social co-creation for instance, an organisation is responsible for monitoring all the activities within the platform per se,

and managing the content or topic for improved development. Figure 11 illustrates the internal and external condition of ACT.

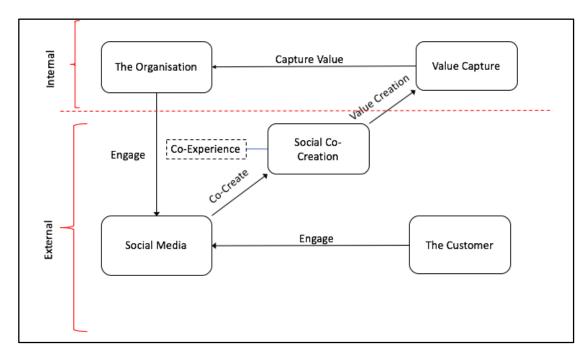


Figure 11: External and Internal Condition of Value Capture Framework

Combined with all the mechanism of social co-creation related to value capture, the study proposed the engagement effort from two actors, the organisation and the customer in order to develop new knowledge where the discussion of knowledge represent the value from co-experience. In social co-creation, customers with their active participation behaviour engage with the organisation through the platform. As explained in Chapter 2, the customer as the co-creator of value (according to dominant logic theory) communicate, share values within the community, motivate discussions and more importantly the expansion of ideas. For the organisation, their role is to facilitate the engagement through customer relationship management.

The internal and external condition was developed following Culnan et al (2010) suggestion on guidelines for implementing a social media approach in the organisation specifically for integrating business units internally. Through their observations they proposed (1) coordinating the social media link in the organisation website (2) managing online content for customer and employee (3) identify process for unstructured transaction (ideas, suggestions) and (4) develop an internal social media application under business brand. Based on their research, the application of social media internally is extensively considered in several studies (Merz et al. 2017,

Ramaswamy and Ozcan 2016, Füller and Bilgram 2017, Chahal 2015) under the name of 'brand co-creation'.

Other scholars in ACT found the importance of "social integration and interaction when external knowledge has to be absorbed" (Enkel et al. 2017). Accordingly, ACT has demonstrated empirically within previous studies which recognise the impact of internal and external environment for ACT through evaluating the 'socialisation' of individuals in the organisation (Ebers and Maurer 2014). Enkel et al. (2017) stresses the role played by social integration in the organisation to 'recognise external knowledge, assimilate and recombine with existing knowledge', thus increasing the current knowledge of the organisation. However, despite the inter- and exterdiscussion a various outcome to enrich the knowledge of the organisation, such integration requires technological support and infrastructure. In this sense, the use of social media as the main platform to reach the potential external knowledge from customer participation may be confirmed.

However, the study argues that, to actually understand how well the organisation perceived the value from social media especially in social co-creation (or some literature denotes as brand co-creation) is not fully explored. As such, to have a set of conditions as a control mechanism, as suggested by Culnan et al (2010), would present a useful outcome. Furthermore, it is propose to utilise the absorptive capacity as set of 'control' mechanism to reach such an understanding. Following Todorova (2007), the study develops a framework to determine the four components of ACT. It also consider the reconceptualise ACT based on Zahrah and George (2002), Lane et al (2006). In addition, the study refer the relationship between social media and ACT based on Schlagwein and Hu, (2016) studies. These elements generate a better concept on identifying factor on value capture research.

### 3.2.2 Absorptive Capacity for Value Capture on Social Co-Creation Context

The study posits a focus on acquiring external knowledge from social co-creation and assimilates the value from co-experience to transforming into the organisation. Both ACT subunits are used to formulate a theoretical work that focusses on the development of the value capture framework. The study concentrates on developing a value capture framework which depends on the capability of the organisation to absorb new value of experience. It is proposed by Bowman et al. (2000) that a more

accurate and rounded underpinning theory of value is required for understanding 'value' as resources. Figure 12 illustrates Gergana Todorova extended notion of ACT by including the activation triggers, a power relationship and appropriate regime.

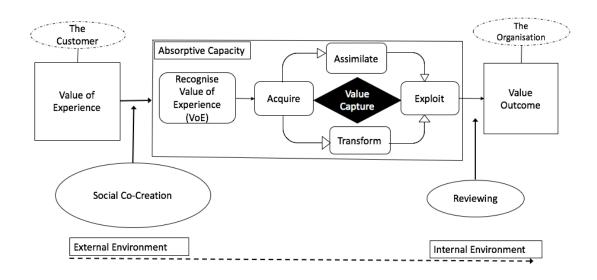


Figure 12: A Value Capture Model in Absorptive Capacity (Adapted from Todorova 2007)

The study attempts to adapt Gergana Todorova (2007) approach of ACT into the framework. Through this reintroduction and reconceptualization of ACT, he combined the work from Cohen and Levinthal (1990) and Zahra and George (2002). The components of ACT remain the same (Cohen and Levinthal (1990) and Zahra and George (2002). It also includes and highlight each component within the value capture framework. First, it is recognised the customer as the actor that produces the value of experience, thus posit knowledge activation. Next, further clarification of the social co-creation role as a platform which is triggered via the co-creation paradigm. It is consistent with Bowman and Ambrossini (2000) studies, value capture established by economic factors and the perceived power relationship. Value capture is referred as "the appropriation and retention by the firm of payment made by customers in expectation of future value from consumption", (Priem 2007).

Further within Figure 12, according to Gergana Todorova (2007), who explained the power relationships based on innovation and learning studies which influence actors. However, the study extend this understanding by enacting the social co-creation as an activation trigger. Social co-creation will act as a boundary for value capture

where evidence has shown that internal social media may be significant for the organisation.

"...absorptive capacity theory ...provides a valuable theoretical lens through which analyse the empirical phenomenon of social media use by the organisation"- (Schlagwein and Hu, 2016, page 2)

The study earlier introduced the customer as fundamental to value capture and as a proactive collaborator in social co-creation activities. It is significant to the phenomenon of the customer as the main character in creating, collaborate, disseminate, sharing social media content (Heinonen 2011). In dominant logic, the customer has been "the locus of value creation" (C.k.Prahalad 1999). The challenges of co-creation are difficult to understand especially when the value is transferred one to another (Gustafsson et al. 2012). In addition, Lepak et al. (2007), shows some concern that if the competitor replicates the ideas or information, the value is likely to diminish. If the value is not managed carefully, it is results is a disadvantage for the organisation to remain competitive. Thus, as such a condition may affect the social business on maximising value of the organisation. Therefore, the study are fulfilling the gap by adapting the absorptive capacity as a theoretical lens.

# 3.2.2.1 Organisation Capability on Recognising Value in Social Co-Creation

The first steps for organisation to capture value is to recognise 'value'. The study have discussed the core of value of experience (VoE) as the value expectation from social co-creation. Customers who engage with the organisation and participate within online community begin to share their individual experience and exchange ideas. The organisation, via content manager or social media manager, would identify and recognise the value based of their contribution, social co-creation ranks and how well the ideas has been received (based on other community feedback) within the platform. The factors of identifying the value has been widely discussed in several social media literatures. It is useful to confirm that previous research evidence has shown the significance of social media and co-creation effects on organisations. An organisation will take an opportunity to gain advantage into these networking styles which offer long-term communication, collaboration, coordination

and learning with customers (Kim 2016). In supporting that, many studies provide a fruitful discussion on the ACT, but it remains essentially theoretically.

For example, three case studies were conducted by Culnan et al. (2010) where they discuss the application of Twitter and Facebook into Fortune 500 companies. Through a focus on increasing business value through social media, they test three important elements, the mindful decision, community building and absorptive capacity. One of their suggestions is on identifying knowledge creation and sharing between the organisation and the customer. In their explanation, they make a comparison and separate distinction between customer and organisation designed transactions. As unstructured value spawns into the organisation, they argue that the 'value processing' for the customer is to be undertaken manually with no autoreporting. The unstructured value includes customer's input- suggestions, opinions or ideas generated in social media. Meanwhile, for the organisation, the value is expected come from the customer orders and transactional processing, thus a report base can be produced.

However, the study argue based on their studies that the capacity of the organisation to capture unstructured value is not well presented. On an empirically basis, we suggest, that to actually understand how well the organisation absorbs the value can be tested through implementing social co-creation. Thus, consolidating the value capture literature on collaboration between customer and the organisation would offer a better result. In that sense, identifying what are the factors for the organisation to capture value, for instance the customer engagement, structuring the social media, managing and monitoring requires further expansion.

### 3.2.2.2 Acquiring Value of Experience

Following Figure 12, once the value has been identified, the next process is to acquire the value of experience. It is the first 'building blocks of absorptive capacity' (Gergana Todorova, 2007). In external condition of ACT, the value is not 'automatic' flown into the organisation (Gergana Todorova, 2007). In social co-creation, consider the customer is a registered account holder, will engage in the platform, and contributes to the value of experience. From there, the organisation has the ability to explore, learn and absorb the value from customer input. This is consistent with Enkel et al. (2017) studies which claimed that for the organisation capable on capturing value. Therefore, to acquire the knowledge outside the comfort zone,

where external knowledge is recognised by other actors. In this sense, creating an informal collaboration seems to work between organisations. However, since social media has widely offered such new information and knowledge for the organisation, to receive a value requires further extension. Therefore, the study argue that social co-creation offers an advantage for the organisation learning process and the value of experience would fulfil this knowledge gap.

"The more knowledge that the firm is able to acquire, the greater the possibility for the firm to spot opportunities in the market and for its technology" (McKelvie et al., 2015, page 165)

When acquire value of experience from customers identifying the types of customer engagement is crucial. In our study, types of engagement will influence how the organisation is able to capture value. In a recent study by IBM, they conducted a survey of customer engagement in a social media context. Interestingly, they found the lowest type of customer engagement is to categorise as 'engaged authors'. Customers who in this category described as active responded with other comments on their own post. The highest category is 'casual participant' where an occasional respond or post in their own content (IBM 2011). IBM's studies are particularly focused on a virtual or digital environment. Based on this example, identifying types of customer engagement may impact on the value capture process especially when involve online customer participation.

# 3.2.2.3 Absorb and Exploit Value of Experience into the Organisation

How the organisation absorbs and exploit VoE into the organisation? In the study, absorb means being able to identifying the value and restore the value into a useful form. This may involve several process depending the organisational co-creation strategy. Then comes to the next stage which exploiting the VoE into the organisation. However, according to Gergana Todorova (2007), assimilation and exploitation are interchangeable. They extend the work of Zahra and George (2002) who suggest potential and realised absorptive capacity. However, in their reintroduction and reconceptualization of ACT, Gergana Todorova (2007) eliminate this potential and provide an alternative approach from the efficiency of absorptive capacity. To improve efficiency, the study further suggests testing the components

on the correlation between assimilation and exploitation in the internal condition of ACT. In this sense, the study may consider the role of customer relationship management (CRM) as an alternative unit to reach the level of efficiency required.

Accordingly, CRM is an important activity for the organisation in managing customer engagement (Frow et al. 2011). It is noted that the CRM enabling the organisation to manage under extreme pressure of their customers preferences (IBM 2011). Although it is beneficial to look upon the CRM contextual study, however, at this point, the study may limit the context of the research by focusing on social cocreation as priority for developing the research framework. Furthermore, the condition of social co-creation externally impacts the overall organisation performance especially on customer management. Thus, the study suggest that social media should be implemented internally for the organisation to capture value and recognise how well the organisation is able to make a successful adoption. Drawing from Culnan et al. (2010), it is believed beneficial if it is determine the actual case scenarios of the organisation which implemented social media. More importantly, given the role of absorptive capacity as the theoretical lens in processing the unstructured value, this will enable a better understanding of the processes involved.

How well the organisation able to capture value and increase business value generally, is not well discussed. More importantly, how the organisation is managing internal social media as a form of social co-creation to capture value. In this sense, identifying the factors for customer engagement, assimilating the unstructured value and transforming the value to be absorbed in the organisation is critical. Consistent with previous research which suggests different types of social media require different concepts (Schlagwein and Hu, 2016).

"The importance of recognising the potential value of the new knowledge requires that researchers and practitioners use this component as first building blocks of the dynamic capability of absorptive capacity" – Gergana Todorova (2007), page 777)

Once the organisation is capable of obtaining value by identify, recognising and assimilating, the next phase is to exploit its operability (Wamba and Carter 2014, Rokka et al. 2014). This is where the internal condition of ACT takes place. The

internal organisation will evaluate, exploit and manage the value accordingly, which means the role of the managerial team should consider.

The managerial role in value capture has been identified early by Gergana Todorova (2007) works on ACT. They initially suggest three managerial concerns which importance on recognising the value and validating value process. First, the organisation fails to recognise a clear distinction on assimilating new knowledge implemented to add value into prior knowledge thus increasing a repetitive action. Second, if the organisation intends to capture value, all the components in the ACT also need to be coordinated so that it produces a balance result and thus promoting effective ACT. Third, is to suggest an empirical study on efficiencies of the 'external knowledge absorbed'.

Therefore, based on Gergana Todorova (2007) works support with other evidence around ACT literature, the study design the framework according to the organisational actions on capturing the value. With this understanding, recognising the potential of value required several internal processes which needs to be clarify. The clarification means that the role of managers on identifying the level of customer engagement, what are the steps needed to absorb, assimilate, exploit the VoE. Thus, on the following section, the study makes further explanation on the managerial consequences of ACT in social co-creation context as paradigm for the value capture framework.

# 3.2.3 Managerial Consequences of Absorptive Capacity in Social Co-Creation Context

This section addresses the managerial consequences when implementing the ACT by considering the social co-creation perspective. It is expected that any organisation employing social media for business performance, innovation or new product should prepared on becoming dynamic and flexible. In this sense, the capacity on capturing the value is determine by the managerial effort. Consider internal organisation, coordinating the value process may presents a number of challenges. However, studies on examining absorptive capacity on social co-creation particularly on value capture are extremely limited. Therefore, to conduct such studies and test all the components of the absorptive capacity is usefully possible if there is an empirical evaluation of value capture. As such, the study followed Bharati et al. (2013)

suggestions to investigate of how managers examine the absorptive capacity construct in social media context (acquire, assimilate, transform and exploit).

Another managerial consequence is related to customer management. To analyse engagement particularly in social media context claiming that managers rely on a 'mental model' to understand customers, thus increasing the level of difficulty and complexity involved.

"Greater technological opportunity signifies greater amounts of external information, which increase the firm's incentives to build absorptive capacity..."- (Cohen and Levinthal 1990, page 142)

The technology opportunity such social media has transform dynamic organisation to increase the ability on customer management. In particular, customer relationship management (CRM). However, the study is not emphasising an exclusive approach to CRM but to consider managerial action on determining the value captured in social co-creation. In this sense, the manager also plays an important role. They become a mediating actor between the customer and the organisation. Boulding et al. (2005) stated that CRM not only focuses on building relationship but extends it towards more developing and integrating customer across the organisation. CRM is referring to an activity that address and identifies customers, developing customer insights and building customer relationships' (Srivastava et al. 1999). While scholars describe CRM as typically concentrating on operational responses in managing customer it also needs to extract the paramount value from the customer over the lifetime of the relationship (IBM 2011). However, Quinton (2013) questioned how social media can enhance a well informed the organisation and therefore posit, through the customer participation, that it will affect the internal organisation. According to dominant logic theory, von Hippel, E. and Thomke (2002) indicate customers as innovators and cocreators of value (Vargo and Lusch 2008). Marketers find the core capabilities of the organisation is to develop and maintain good customer relationships (Boulding et al. 2005). Therefore, to reach a consensus, developing social co-creation for value capture not only retains 'value' but also improves the business relationship with customer.

"CRM...it also includes the integration of all these activities across the firm, linking these activities to both firm and customer value, extending this integration along the value chain, and developing the capability of inte-

grating these activities across the network of firms that collaborate to generate customer value, while creating shareholder value for the firm." (Boulding et al. 2005, page 157)

The basic definition of CRM was used in this study to reach an understanding the conceptualise of customer role. However, as Frow et al. (2011) examined CRM as an essential component to capture value from the active collaboration between customer and the organisations, the focus on how well social media may influence the organisation requires a great deal of facilitation on to what extent the organisation manages the customers in social co-creation environments. Thus, it also incluence CRM on becoming as Social CRM. As noted, social media is recognised as a medium for business to increase value and thus becomes a critically important resource.

Social CRM is a condition where organisation embrace the role of technology on connecting with the customers. It is argued to facilitate such collaborative experience with customers (Baird, 2011). However, facilitating customers in the social media is not new. Recent studies by Simkin and Dibb (2013) address the technology that influences the organisation to become more flexible and opportunistic. Thus, "stepchange by the digital consumer environment" (Simkin and Dibb 2013). Fulfilling the increasing needs of how well the business units, particular on CRM may outlined a better performance (Quinton 2013). The organisation does not have the exclusive control of the relationship (IBM 2011). If it is unable to accommodate social media effectively thus increasing managerial risk. It is essential that facilitating customer preferences through a collaborative relationship (co-creation) and maintaining dialogue increase business value (IBM 2011).

"Understanding what customers value, especially when they are in the unique environment of a social platform, is a critical first step toward building a Social CRM strategy" (IBM 2011, page 2)

Again, the CRM can play an important role to encourage active participation of customer in co-creation. CRM is understood as a strategic management activity where the importance of building relationship with customers by using technology such as social media (Frow et al. 2011). On the other hand, relationship marketing is more related in a broader context towards stakeholders (Frow et al. 2011).

It is believed that transformation of social media into social co-creation has impacted on users' usage behaviour (Bolton et al. 2013), increase of new knowledge (Stephen and Toubia 2010), opportunity for develop a new business model through electronic commerce (Liang and Turban 2011), a platform for connecting more customers to share information instantaneously (Lee et al. 2012) and various personal, social, scientific and artistic purposes. (Lee et al. 2012). It also impacts on CRM to become 'social CRM' (Dutot 2013, IBM 2011, Simkin and Dibb 2013, Choudhury and Harrigan 2014, Malthouse et al. 2013, Woodcock et al. 2011).

Hoyer et al. (2010) shows concern for organisations overlooking CRM. Importantly, for innovation and new product development. In social co-creation studies, the innovation and new product development can prove, if the organisation capable to manage the social co-creation, effective especially on value capture. The Marketing Science Institute (MSI) recognizes these studies in integrating consumers in innovation as top research priorities in 2008 until 2010 (Hoyer et al. 2010).

Previous research suggests that co-creation is much more than building customer relationships. Making a strong relationship through generated contents and active participation (Zeng et al. 2010, Margaret A. Morrison, Hyuk Jun Chepng 2013, Kietzmann et al. 2011, Kaplan and Haenlein 2010). Some scholars also describe customer active participation in social media as virtual communities (Mai and Olsen 2013, de Valck et al. 2009, Brodie et al. 2013, Dholakia et al. 2004, Wang and Hajli 2015). Social media offers accessibility for customers to create edit, access and link content in any platforms such as blogs, Wikis, social networks and user-generated content (Cabiddu et al. 2014).

To that extent, the ability of an organisation to identify how social media can enhance and acknowledged the participation of customers in co-creation offers an interesting perspective (Quinton, 2013). Furthermore, "there are increasing calls to fill the gaps an outline proceeds of how CRM strategy might be better informed by social media research" (Quinton 2013). The fundamentals of creation are to understand customers as proactive collaborator in their co-creation activities. It is significant to the phenomenon of consumers as the main characters in creating, collaborate, disseminate, sharing the social media content (Heinonen 2011). In addition, the involvement of online consumers has changed the marketing environment (Berthon 2008). Based on this premise, our research considers the interaction between customers and organisations based on a relation with value capture. This is because

to create value requires key actors as co-creator (or as key contributor). As noted, Vargo and Lusch, R. F. (2008, 2004) work recognises the role of customers as co-creator to determine value creation. Value capture represents a much larger possibility to obtain an absolute advantage around organisational strategy and value creation. It involves the establishment of a consumer's valuation of the benefits made though consumption (Priem 2007).

In the study, understanding the CRM conceptually is beneficial as this is related with customer involvement and relationship. However, the study does not attempt to fully investigate the CRM or social CRM into this context but to give a conceptual approach on other managerial topic of discussion. In contrast with social co-creation, it is more focus on value development, not only for engagement but active participation as self-involvement effort into the organisation. Apparently, for social CRM, it is more on achieving 'recognition' from social community endorsement. Although both works on similar platform – social media, social co-creation role is focus into what needs to develop (new product development or innovation) and consider a serious contribution of customer in the organisation. Thus, social co-creation remain interest in this study for developing a value capture framework.

### 3.3 The Value Capture Framework

In this section, the value capture framework is designed to fulfil the research aim. Following the previous discussion in Chapter 2, the study formulates a framework of how the organisations are able to capture value from social co-creation and consider relevant absorptive capacity mechanisms. The use ACT as both an external and internal factor within our value capture framework. The study refers to studies by Cohen and Levinthal (1990), Zahrah and George (2002), Schlagwein and Hu (2016) and Gergana Todorova (2007). However, this study limits the theoretical concept based on relevant factors that lead to social media and co-creation. Also, it is considering the capturing value of experience as implicitly related to qualitative studies. Building upon the foundation of ACT may develop a further understanding of why it is important in the social co-creation context. Following Culnan et al. (2010), it was shown that an organisation requires the ability to recognise and acquire new knowledge and to exploit and gain from customers in social media. Thus, it means that the organisation must sufficiently capture the value of experience measured

through its absorptive capacity. A significant analysis and discussion on the subject was presented by Culnan et al. (2010).

The study presents a theoretical framework that represent each of the major components in value capture. Following from Cabiddu et al. (2014), it may be described as having a significant influence. The reason is customer engagement fundamentally led toward their behaviour to engage, collaborate and extend their individual experience into social co-creation. Value co-creation is referring to joint, collaboration between actors to create values. From these constructs, it is noted the external factor and the internal factors involved. Both will influence the social co-creation context. Noting previously the VoE is a type of value derived from customers for value-in use and value in exchange. As describe by Culnan et al. (2010), value can be in form of unstructured message or in this case would be the information and extended knowledge based on customer individual experience. Figure 13 illustrates the conceptual framework for this research.

Previous chapters have shed a light on understanding the condition of social cocreation. As discussed, the social co-creation works as an internal social media network run by the organisation to manage their engagement with customer for coexperience. In this thesis, the study limits the attention to customer and the organisation relationship.

On the following section, this study will combine all the frameworks develop from chapter 2 and chapter 3 to forming a value capture framework.

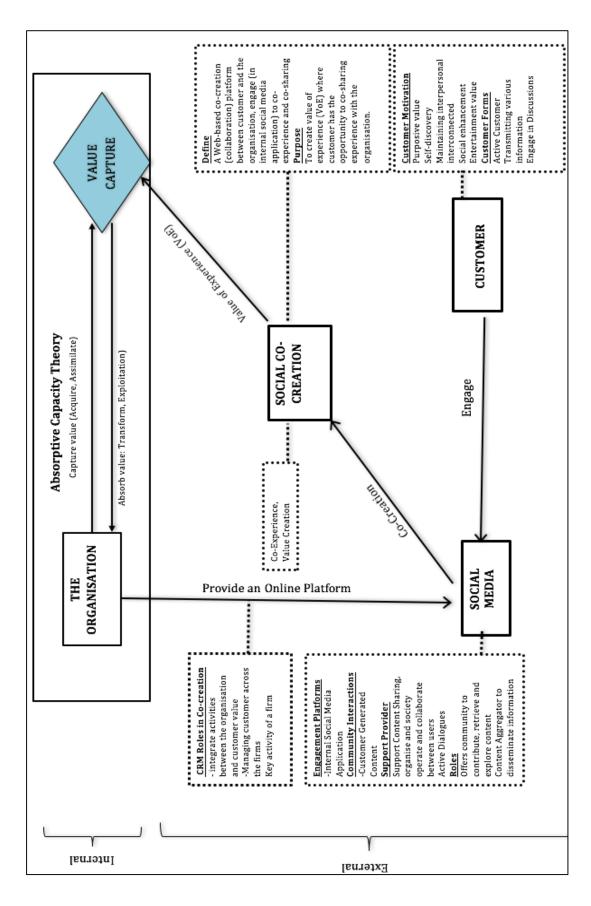


Figure 13: Value Capture Framework for Social Co-Creation through Internal and External Condition of Organisation Absorptive Capacity (F2)

### 3.3.1 The Design Process

The design process for the value capture framework as illustrated in Figure 13 takes several processes. Forming this complex framework requires steps by steps to ensure each component is understood. This is because, each of the component plays an important role on ensuring the final theoretical framework (noted as F2) as achievable.

Due to the complexity and mechanisms of capturing value of social co-creation, it is essentially to have a framework to organise the relevant literature in a cohesive way (Liang and Turban 2011). The study evaluates each component careful before identifies the significant of its function into the framework. Following from previous discussion on ACT, this study includes the external and internal condition. The role of the framework is to fulfil a research gap on value capture emphasised within social co-creation literature. The previous section (see section 3.2.1) reviewed the internal and external condition of value capture. The external carries two important elements; the customer (as the contributor) and the social co-creation (medium of integration). The internal consists of three major elements; the organisation, the value capture and the theoretical lens, the absorptive capacity. Each element has been described in detail (see section 2.4.3). At this point, social media role as a medium interchange between these two conditions.

As discussed, the development of the framework has been influenced by several social media and co-creation studies. The work on social co-creation in new product development and innovation for instances, (Piller et al. 2012, Ramaswamy and Chopra 2014, Ozcan and Ramaswamy 2014, Kao Ming-Hsien Yang Ji-Tsung Ben Wu Ya-Yun Cheng et al. 2016) has somehow well addressed. Achieving such result, it requires the organisation to increase its capability on capturing value from the customer co-experience, especially within managing a dynamic and flexible organisation.

In order to achieve the research aims and objectives (refer Chapter 1), this study designed the value capture framework (Figure 13) in social co-creation perspective through absorptive capacity theory. The role of this theoretical work is to explain organisational capability by identifying factors for value capture while considering social co-creation approaches. Consistent with Miles, (1994) which explained that the conceptual framework as 'visual or written product that explain factors, concept or

variables that relate with the subject research'. Therefore, to simplify the major components, the study combined the following figures as addressed in two chapters; Chapter 2, the literature review and Chapter 3, the framework development. In details, as follows:

- Figure 5: Social co-creation
- Figure 6: Value Creation in social co-creation
- Figure 7: Conceptual framework (F1) for value capture
- Figure 11: External and Internal condition for value capture in social co-creation
- Figure 12: A value capture in absorptive capacity theory (ACT)

From Figure 5: Social Co-creation, the study addresses two major components, the social media and the co-creation. As Rathore et. al. (2016) stated that the social co-creation refers as collaboration between actors in social media platform, thus, the current study undertook this definition and develop a more constructive way to understand the role of each component. Then followed by understanding value creation (for value capture) in social co-creation as illustrated in Figure 6. Value was created through continuous customer engagement in social platform by active participation. From both understanding, the study design conceptual framework (noted as F1) for value capture. This framework was design as initial steps to develop a complex value capture framework. This is where the theoretical work of ACT was applied into the framework through external and internal condition for value capture. With several examples from school of thoughts of ACT, the study determined the value capture framework into comprehensively. Overall, these justification of the framework is important to determine each component and their roles.

To summarise the value capture framework as in Figure 13, four major components were determined. The customer and the organisation (as actor for co-creation), the social media (as integrated platform) and the social co-creation. Considering the value capture began from active customer participation in the organisational social media platform. The role of the platform is to promotes active participation, engaging customer, sharing experience through several topics of discussion. Theoretically, this is where the organisation consider active engagement from the customer and evaluate their roles into more exclusively. Analytically, organisation enable to determine the customer motivation and behaviour. With co-experience, both customer and the organisation able to creates values, thus promotes value capture.

Through ACT lens, the external takes how the organisation acquire and assimilate the value into a useful form and the internal condition where how the organisation transform and exploit customer value of experience. These however, it is argued to be achievable through the co-creation activities which happens merely within the managerial roles. Thus, to recognise the potential and the internal process of managerial roles into the co-creation, a research evidence is needed. The capability of the organisation to capture value of experience is determined by the co-creation concept applied into the organisation.

### 3.4 Conclusion

In summary, the absorptive capacity theory (ACT) is described as the capability of the organisation to identify external knowledge, assimilate the value, and exploit the value into the organisation. Therefore, the study consolidated and conceptualise absorptive capacity by Lane et al. (2006), Cohen and Levinthal (1990), Zahra and George (2002) within ACT. Specifically, Bharati et al. (2013) and Zahra and George (2002) theoretical work in describing the ability of an organisation to acquire new knowledge (value) from the external environment (social media). Both scholars describe an absorptive capacity theory as the ability of an organisation to identify, assimilate, and transform knowledge. Zahra and George (2002) re-conceptualise the theory as a set of 'organisational routines and strategic processes by which firm acquire, assimilate, transform and exploit value for the purpose of value creation'. Therefore, the anticipate this theory for providing a clearer understanding of the current findings.

Thus, the thesis intends to determine the extent to which absorptive capacity components and whether the organisation is able to identify factors to capture value in social co-creation. The approach to the empirical research adopted for this study was one of the crucial elements for determining value capture literature. Thus, employing the qualitative exploratory and interpretive study approach to test the framework requires further explanation. The conceptual framework added the theoretical lens in which to focus on the absorptive capacity of an organisation. The antecedents of social co-creation which comprise the integration of social media as medium for interaction between customer and the organisation, and the co-creation, as the mechanism of engaging. Following from the literature review example cases and insights, are reported in Chapter 4.

CHAPTER 4: METHODOLOGY

#### CHAPTER 4: RESEARCH METHODOLOGY

#### 4.1 Introduction

This chapter discusses the specific approaches by which the research and analyses were undertaken. Various methods have been proposed to assess value capture in organisations. Many previous studies adopt a quantitative approach on value capture in which is generally considered the most popular research approach (Töytäri 2015, Gans and Ryall 2017). However, Lewin et al. (2011) emphasis that in order to identify and recognise how organisations are able to capture value is to have a specific measure of the internal routine or processes that constitutes new external knowledge, assimilation and application. In addition, it is argued that earlier research on ACT has provided inconsistent findings, thus, affecting ACT construct validity (Lane, Peter J et al. 2006). This is noted by the lack of empirical evidence of organisational absorptive capacity especially in a social co-creation context. Furthermore, the majority of scholars consider too much of a focus on the research and development issues which has limits ACT contribution on other 'related business-related knowledge' (Lane, Peter J et al. 2006).

The empirical evidence of social co-creation with regards to value capture particularly from a managerial perspective enables better insights. Thus, through the lens of absorptive capacity theory, the study aimed to make a further clarification of how well the organisation 'absorb' value from social co-creation. In this respect, the study proposed to consider a post-positivism research approach which allows an extension of the work on ACT and a better understanding through internal validation. As an example, Schlagwein and Hu (2016) exploratory study makes a valuable contribution with regard to social media use in organisations. They raise a number of questions about internal social media collaboration through absorptive capacity.

A review of social co-creation literature suggests a qualitative research approach is most significant and appropriate for our research. This is consistent with literature on social co-creation where empirical research evidence enriches value capture studies. It is argued therefore that a post-positivism approach allows a deeper insight into value capture in organisations. Given the nature of the research on determining organisational value capture from social co-creation context, within the customer-organisation relationship. The aim was to obtain further in-depth information on organisational capability to capture value. In this respect, the study propose semi-

structured interviews as a means of identifying and capturing the 'soft complexities' involved. A significant, well researched, advantage of using semi-structured interviews is that they enable an assessment of internal validation for 'value absorption mechanism' and the external factors of social co-creation in organisations. Figure 14, illustrates the proportion of different categories within our research design. The study attempts to demonstrate the post-positivist worldview with a focus on 'examining organisational causes and measuring outcomes' (Creswell 2009).

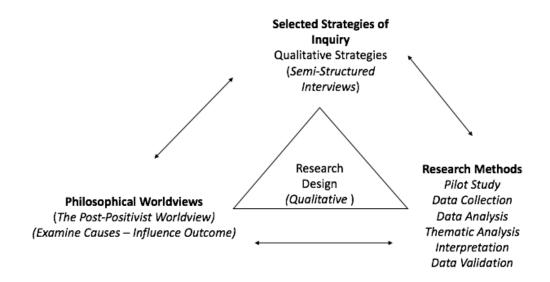


Figure 14: A Research Design for Social Co-Creation Methodology (Adapted from (Creswell et al. 2007, Creswell 2014, 2009))

Consider the actions, situations and the consequences (Creswell 2009) in an organisation when implementing social co-creation to capture value from customer engagement. To elicit such data, the study conducted a series of semi-structured interviews with senior manager in UK service organisations. Data gathered was analysed through a thematic and interpretive analysis.

Chapter 4, as noted, presents the methodology to discuss the rationality of chosen method and underlying philosophical assumptions (Kothari 2004). The study explored and developed a further understanding of the organisation capability specifically in relation to managerial effort to capture value in a social co-creation setting. The research process emerged from questions, procedures and data development (interpretation, analysis data-inductive or deductive). As noted, it is considered important that qualitative measures are a useful supplement extending

the work of Enkel et al. (2017), Schlagwein and Hu (2016), Culnan et al. (2010) with regard to social media and absorptive capacity in organisations.

This chapter begins by discussing the research aims to determine the direction of the research methodology. Next, the study explain in detail the research philosophy – post-positivist. Then, further justification of the research design, followed by the research strategy. Finally, a summary of research methodology and data collection approach.

## 4.1.1 Research Aimed and Objective

The aim of this thesis is to develop a value capture framework from social cocreation by considering customer and organisation participation in online engagement platforms to collaborate and share experience. The study then further identifies three primary research objectives. First, is to explore manager's knowledge of social co-creation concepts and definitions, second, to specifically recognise factors for formulating the value capture process and third, to formulate a value capture framework based on internal and external factors of ACT in organisations. The methodological for collecting primary and secondary data from several means is important to ensure the research is achievable. Noting that the value capture studies are still recognised as being underdeveloped (Cliff Bowman Véronique Ambrosini 2010, Kristensson et al. 2011, Merz, Michael A. et al. 2009). Wamba and Carter (2013) suggest that a thorough understanding of the main guestions of 'how' value is captured and what are the impacts are worthy of research effort. The study is driven by exemplars from several studies to investigate social co-creation which clearly has an impact on organisations. It is vital that it is broaden the concept of 'outside-in' value rather than 'inside-out' value in organisations through testing and evaluating the fundamentals of the social co-creation. Therefore, the study further explained the philosophical stance and the post-positivist approach in the following sections.

### 4.2 Philosophy Worldview

A philosophy 'worldview' or a knowledge claim (Creswell, 1990) is a general orientation about the conditions around research studies (Creswell 2014). It is reported that these views are based on the emphasis on the most influential past research experiences. The orientation of the 'worldview' is based on the nature of how the researcher recognises and acknowledges certain events and experiences.

Selecting this view is based on researcher beliefs leading to what is needed to be achieve (Creswell 2009). There are four perspectives, i.e., postpositive, constructivist, transformative and pragmatism. The study considers the reality (ontology) and are able to retrieve knowledge (epistemology) on organisations absorptive capacity for value capture in social co-creation. Guba and Lincoln (2004)

Firstly, post-positivism also known as the 'scientific method or 'doing science' (Creswell 1990) is a form of traditional effort which is described as post-positivist where the approach is focused towards quantitative methods. Research under this category is based on determining effects and outcomes, thus, identifying and assessing the causal reason of specific experiments. Meanwhile Guba and Lincoln (2004) describe post-positivism as 'reality exists but can only be imperfectly apprehended'. Secondly, a research philosophy noted as advocacy and participatory of knowledge. Creswell (1990) describe this as research inquiring into politics and political agendas. Specifically, using this type of study usually focuses on either empowerment, inequality, oppression and domination. Third is pragmatic philosophy. A pragmatic research philosophy is where knowledge is derived from 'actions, situations or a consequence rather than condition' (Creswell 1990). It is based on problem solving strategies and is not focused exclusively on qualitative or quantitative but through 'mix methods'. With this condition, a researcher may adopt a variety of research approaches to collect, analyse and presented the result either as quantitative or qualitative findings. Finally, the constructivist worldview holds a different view on research approaches. It relies on an individual perspective in contributing ideas to study, thus developing various and perhaps multiple definitions that lead to a more holistic perspective rather than a narrowing into direct categories. Social constructivist demonstrates where the condition of the researcher interacts with the participant.

However, because the nature of the current study requires understanding the 'social' mechanism, the environment of study is well informed with each other and acknowledge is based on individual interpretation. As justified generally, the worldview also relates to an interpretive analysis which acquires an inductive approach to the research. Just to illustrate, Table 7 summarises various common research philosophies (worldview) based on their key assumptions and types of research.

Research Key Assumptions Philosophy		Type of Research	
Post-positivism Worldview	<ul> <li>Determination</li> <li>Reductionism</li> <li>Empirical observation and measurement</li> </ul>	Quantitative / Qualitative	
Social Constructivism Worldview	<ul> <li>Theory verification</li> <li>Understanding</li> <li>Multiple participant meanings</li> <li>Social and historical construction</li> <li>Theory Generation</li> </ul>	Qualitative	
Advocacy/ Participatory Worldview	<ul> <li>Political</li> <li>Empowerment issue-oriented</li> <li>Collaborative</li> <li>Change-oriented</li> </ul>	Quantitative /Qualitative	
Pragmatism Worldview	<ul> <li>Consequences of actions</li> <li>Problem-cantered</li> <li>Pluralistic</li> <li>Real-world practice oriented</li> </ul>	Mixed Method	

**Table 7: Research Philosophy and Key Assumptions** (Creswell 2014)

Philosophy perspectives provide knowledge on how they impact on various research methodologies. It is evident that not all research philosophies are suitable for one particular area of study. A philosophical position holds different beliefs and assumptions and it is important for researchers to select appropriate methodological practices (Maxwell 2013) Thus, through a general and rather descriptive explanation on these philosophy, the study opted to implement a post-positivist worldview. This is because the study builds a foundation from the qualitative findings to investigate, analyse and validate the value capture framework. Post-positivism makes a claim based on testing a theory and seeks to determine the effects or outcomes.

### 4.2.1 Qualitative Research – Post-Positivist

The study posits to implement post-positivism approach where it considers on the theoretical testing on the value capture framework. As Creswell (2014) stated that the post-positivism reflects the effects of the outcome. The rationality of choosing this approach is that first, it enables to focus into a direct sense of the study identify and recognise the value capture process in the organisation.

"Post-positivism reflects a deterministic philosophy in which causes probably determine or outcomes" -Creswell (1990, page 7)

Because of qualitative research and are well known for their contribution for example to co-creation studies (Waseem et al. 2017), it is argued is crucial to have a careful observation and 'measurement of the objective reality' (Creswell, 1990) in the current organisation. With that understanding, it allows to have a thorough analysing the factors and the conditions of value capture framework in which later determine the validations of the framework. Thus, the role post-positivism inquiry to uncover the factors of value capture in social co-creation in context through absorptive capacity theory. By articulating manager experience, values and perception of how they engage with customers, thus moderating co-creation is paramount to produce valid value capture strategies. Through adopting the theoretical perspective of absorptive capacity, the study remained to focus on acquiring, assimilating, transforming and exploiting value of experience from an engagement platforms within organisations. This perspective is facilitated by considering both external and internal aspects of absorptive capacity in a social co-creation context. The study argue that this will assist managerial efforts to achieve a value capture strategy. Therefore, the method of inquiry includes a post-positivism reflection on reviewing the value capture phenomenon in service organisations. Thus, it is critically important to consider the richness of individuals experience as managers.

"Empirically knowledge derives from experience and empirical research projects utilize first-hand experience of primary data sets" (Hackley, 2003)

In post-positivism, Creswell (2014) identifies four characteristic- determination, reductionism, empirical evidence and measurement and theory verification. Meanwhile, Philips and Burbules (2000) argued that post-positivism is much likely to make either accept or reject the hypothesis or research propositions in which under circumstance 'absolute truth can be never found'. They added that data, evidence and rational consideration enable to shape the research knowledge. Seeking the real-world through exploratory of the social co-creation in the organisation thus creates a challenge on recognising the value capture strategy.

Studies use post-positivism began with theoretical understanding and thus followed by the data collection (evidence) to either validate the framework. Consistent with previous research., it is argued that the role of the organisation and customers when it comes to co-creation. Accordingly, Gronroos and Christian (2008) reported the different role played by an organisation and customers in value co-creation. Scholars identify customer as value creators, (Terblanche 2006, Kumar et al. 2010,

Kristensson et al. 2011, Rihova et al. 2014, Grönroos 2012) as an organisation only provides a value foundation and acts as a value facilitator (Gronroos 2011, 2008). Based on this 'worldview', the study denotes on attempting to understand actual social co-creation activities in the organisations.

Overall, basic beliefs are constructed by how the world is viewed. Positivism is more likely to be external and objective where phenomenological is constructed and subjective. Both paradigms distinguish the role of a researcher as an independent on the purpose of what is needed to be observed. Selecting which criteria should govern the research process results in a qualitative researcher establishing an inquiry into the process (Creswell et al. 2007). The decision for selecting a particular research design is based on research aims and objectives through the belief in the nature of reality (ontology), the question of how and what is known (epistemology), values inclusion (axiology), how the research emerges (methodology) and how it is structured from the writing process (Creswell et al. 2007).

Table 8 compares an outline of qualitative and quantitative studies based on several criteria. This is in order to have a better view of what is required in having a qualitative research perspective compared to quantitative research generally (Mahmood, 2013), Creswell et al, 2007, Gray, 2014).

Criteria	Qualitative Research	Quantitative Research
Purpose	To understand and interpret social interactions	To test hypotheses, by looking at cause and effect and make a prediction
Number of participant	Smaller and not randomly selected	Larger and randomly selected
Variables	Study of the whole not variables	Specific variables studied
Types of data collected	Words, images, or objects	Numbers, statistics
Form of data collected	The response come from open-ended, interviews, observation, filed notes, reflections, ethnography	S S
Types of data analysis	Identify patterns features, themes	Identify statistic relationship
Objectivity or subjectivity	Subjectivity	Objectivity
Role of researcher	Participant may aware the presence of the researcher while collecting data	

Results	Particular or specialized findings that is less generalizable	Generalizable findings that can be applied to other populations	
Scientific	Generates a new	Test hypotheses and theory with the	
Method	hypothesis and theory	data	
Direction	Exploratory / bottom up	Confirmatory / top down	
People	Dynamic, situational,	Regular, predictable	
orientation	social and personal		
Research	Explore, discover,	r, Describe, explain predict	
objectives	construct		
Focus	Wide-angle – examines phenomena (depth and breath)	Narrow-angle – test hypotheses	
Nature of study	Study behaviour in a natural environment	Study behaviour under control, isolate causal effects	
Nature of reality	Multiple realities, subjective	Single reality, objective	
Final Report	Narrative report – contextual description and direct quotations	Statistical report – correlations, comparison of means, statistical significance of findings	

**Table 8: Comparison of Qualitative and Quantitative Method** (Mahmood 2013, Creswell et al. 2007, Gray 2014)

The complexity of these criteria has influenced the study in selecting the best option in order to have a high-quality research output. It is obviously important in determining the right design for qualitative research to enable the collection and analysis of the data (Creswell et al. 2007). Thus, the study need to ensure the research approach in choosing the right interpretive paradigm. Denzin and Lincoln (2005) remind qualitative researchers to make a stance in which they choose a method which is suitable for addressing the research questions.

# 4.2.2.2 Inductive and Deductive Reasoning Approach

There are two types of reasoning approach, inductive and deductive. A study adopting deductive reasoning considers the use of theories where a set of hypothesis or propositions are tested and experiments are conducted (Chaston 1995, Eisenhardt 1989). A deductive reasoning may relate to propositions which are usually based on explanatory concepts (Kelemen and Rumens 2011). It entails the logic of both concepts and theory prior to the empirical observation (Kelemen and Rumens 2011). In addition, inductive reasoning begins from generalisations of some phenomenon and results in a more specific outcome. As noted in the study, the aim is to develop a value capture framework from social co-creation in organisations.

The study viewed hybrid (Chaston 1995) which can be more useful for identifying and characterising factors for an organisation to capture value (acquire, assimilate, transform and exploit) through an ACT lens. It also significant to the thematic analysis (Braun and Victoria 2006) considered in the research. Imenda (2014) argued that there is a literal distinction between inductive and deductive approaches. For instance, a quantitative researcher has a typical relationship with deductive reasoning in theoretical frameworks (quantitative-deductive-theoretical) whereas the qualitative relates a conceptual framework for inductive reasoning (qualitativeinductive-conceptual). Thus, it is argued that in any circumstances a research would just look at different phenomenon which is enabled from hybrid reasoning. Although there is a significant difference between how theoretical frameworks impact on choosing the type of reasoning, nevertheless, it allows the study to configure a strong foundation for the study. For example, while Gebauer et al. (2012) position qualitative studies between inductive and deductive, neither conduct a test 'on already developed theory, nor a development of new theory'. It is important to contribute to theory building as the main interaction between studies (Strauss and Corbin 1990).

Thus, it is believed that an inductive and deductive approach allows to understand better what constitute social co-creation and will provide evidence that impacts on value capture. Kelemen and Rumens (2011) suggest both type of reasoning are associated with research philosophy. However, it is not intention to further justify 'reasoning' but to understand the underlying concepts which are applicable to our research.

#### 4.2.2 Role of the Researcher

Developing a good relationship with research participants is important as it is need to ensure trust, confidence and the reliability the research. This is crucial because there maybe lack of skills in interviewing and experience of specific topic for discussion and how well the study presented. In addition, in most interview processes, the expectation of one individual to others can affect the success of the study. Therefore, the study adopted an open-mind in accepting and recognising various approaches to enable a valid clarification and justification of the findings.

## 4.3 Data Collection Methodology

Through a focus on a qualitative study within the methodology for the research, three prime phases are conducted. Initially, three (3) pilot studies were undertaken to validate interview questions and reconstruct them accordingly. Consequently, the study conducted thirty original interviews with senior managers and senior executives. The interviews, using semi-structured techniques, focused entirely on eliciting qualitative research findings. Five (5) questions were designed, and each question carried three (3) sub-questions to elaborate more on the study. For data analysis, the study used a thematic analysis to categorise each of the data obtained. NVivo 11 for Mac software assisted the analysis of the data. There were three major themes relating to customer engagement, social co-creation and the organisation capability (strategy). Figure 15, illustrates the design of a model for the data collection procedure consisting of three phases comprising the pilot study, substantive fieldwork and data validation.

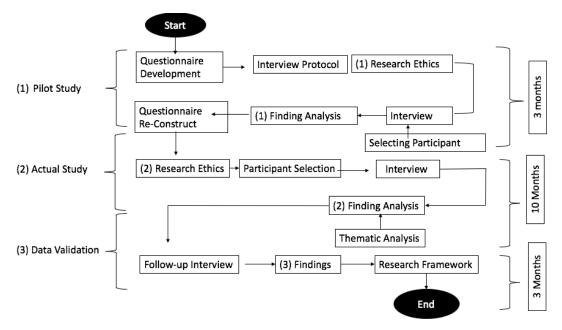


Figure 15: Data Collection Design

Each of the interview phases indicates the allocated time frame to completion where each of the elements is connected.

### 4.4 Collecting Research Evidence

The strategy for collecting empirical research evidence is illustrated in Table 9. Following Arksey and Knight (1999) and Gray 2014) research, the study carefully

considered several vital steps in the process to establish a successful interview outcome. The study cautiously applied the guidelines to assist during the data collection interview procedure. It is argued that these guidelines are necessary due to the dynamics of an in-depth interview with a senior manager in the organisations. With their outstanding background and expertise in their field, it needed to carefully extract information from them in detail. First, an introduction of the purpose of the interview was provided as an idea of what was required from the event. It also included aspects from the research protocol. Second, questions were carefully designed based on the research questions noted in Chapter 1. Third, the study adapted the approach of 'four-ways' of listening- respond, react, follow-up and learn.

## 4.4.1 Pilot Study

The pilot studies were conducted as an initial start for the methodology strategy. Several advantages of this type of approach are noted to ensure the success of the main investigation (Hundley 2004), to improve the research design (Maxwell 2013b) and to list all the possible project failures, variance of protocols or risk (Hundley 2004). Pilot studies are recognised as feasibility small scale versions of the substantive research (Hundley, 2004 )and Schreiber, 2008), and they can be a miniversion of full scale study for pre-testing the research instruments such as questionnaire or interview schedule (Teijlingen et al. 2001). However, the pilot study is only a guide for the research to be more effective and not to represent definitive findings.

The study conducted the pilot study to test and validate the research questions, interview protocol and questions design. The interview questions were based on the literature review reported through previous studies. The initial sample for the pilot study consisted of four senior managers in UK service organisations. Through this pilot study, it was possible to indicate how well the respondents were able to understand the questions and more importantly to take the opportunity to record their response to explanations. Since the participant are from different backgrounds it was important to carefully simplify questions accordingly. This was to ensure the questions met their 'managerial requirements'. The pilot study also offered some flexibility for the study to identify any flaws and to reconfigure any misleading questions. The results of the pilot study analysis are reported in detail in Chapter 5.

The set of questions, interview protocols, communication efficiencies, time-scale for acquiring permission from participants, recording system (software and application), duration of recording and understanding respondent were considered. This is similar to Randall et al (2011) suggestion, where a pilot study is important to develop and test any constructs or elements within the research. Constructing an interview for a new researcher is challenging, thus it was important to enhance confidence levels, self-esteem as well as to develop effective communication skills. Choosing a pilot study as the first method before pursuing the comprehensive research agenda enabled an improved research design and the identification of potential problems (Schreiber 2008). This is merely important to ensure that the study is on the right direction of the research.

Consequently, it is expected, the pilot study helped to clarify and identify what are the steps that should be taken and things that need to be avoided. Obviously, qualitative and quantitative studies both have similar concerns in relation to data collection and administered instruments (Schreiber 2008). Moreover, pilot studies can assist in a way how, what and why a certain method is chosen before the main research fieldwork is undertake. Table 9 illustrates and details the pilot study strategy according to Hundley (2004) suggestions.

Pilot studies Strategy	Assessments
Adequacy of research constructs	To assess the research elements (social co-creation, organisation absorptive capacity, customer engagement) to be updated and relevant with the research objectives.
Research protocol	The suitability of the research protocol can directly guide the research and follow the right path and avoid future problems with the actual study.
Recruit Strategy	It is important to make sure the participant have knowledge and experience with the social media and customer relation.
Identify possible logistics problems	Effective and efficient logistic plans is required such as cost of travelling, where and when, as well as time should need to be considered.
Collecting preliminary data	The data able to facilitate the actual study and identify the relevance of each question.
Research capability	Receive advantage in terms of developing communication skills, provide

research training, and enable to test the capability of the interview questions. Increase personal value.

Table 9: Pilot Study Strategy (Adapted from Hundley 2004)

Accordingly, there are six pilot studies strategies suggested by Hundley (2004). First, in order to assessed the research element, the pilot study enable to reconfirm the level of relevancy and how it is able for the participant to understand the important each element. Organising such effort allows the study to have good direction. Secondly, the research protocol. The research protocol is the stage where it able to guide the study. This is because the study sets to have a pilot study and semistructured interviews, with a set of questions for the interviewing process. In order to allocate suitable participant, a 'recruit' strategy is needed. This is relation to the nature of the study that needs the organisation (through managers) to participate in the study. Importantly, recognise the characteristic of the participant thus requires an understanding of both social media and co-creation. This may include has sufficient knowledge and experience. Then followed by fourth strategy by identifying the logistics problems. There are some possibilities that challenging for a research to conduct especially when involve financial (include transportation, mobiles and others). Thus, this should consider often as the organisation may allocate in a great distance. For the pilot study, it allows for a study to facilitate the actual study. The pilot study not only for facilitating, but to increase the research capability and maximising the advantage for developing communication skills, confidence and to test the interview questions.

Overall, the study assessed the pilot study based on the research elements (social co-creation, value capture and organisation absorptive capacity). Next, we tested our research protocol contents and ethics. Third, we identified and recognised the participant's demographics. The preliminary data collected enabled the facilitation of the actual study.

## 4.4.2 Semi-Structured Interview Strategy

Based on post-positivism approach, the study conducted a semi-structured, in-depth, open-ended questions to elicit valuable and reliable data. The 'interview' is primary means of data collection. The study chose semi-structured interviews because due to flexible adaptation of different forms, varying set of questions, and the opportunity to accommodate interviewee responses (Rowley 2012). According to Gray (2014), using qualitative interview methods allows the researcher (as an interviewer) to

receive highly personalised data and information, explore further opportunities for specific data and receive high levels of response. In addition, through semi-structured interviews, the participant is likely to prolong their explanation based on experience and interest, as noted;

Interviewing is a powerful way of helping people to make explicit things that have hitherto been implicit – to articulate their tacit perceptions, feelings and understandings. (Gray 2014, Arksey and Knight 1999)

Interviews are chosen because they provide opportunities to determine 'reality' (Silverman 2010) where the researcher receives knowledge access to respondent's views and perceptions (Rowley 2012). Interviewing is of course time consuming (Rowley 2012) and a carefully designed appropriate approach may potentially generate valuable insights and understanding (Rowley 2012). While interviews are also amenable to respondents who may enjoy talking about their work and experience rather than just filling in questionnaires (Gray 2014).

There are three distinct purposes why the study choose the interview as the primary research method (Gray, 2014). Following Cohen et al. (2000), the study are able to gather direct information about respondent knowledge, values, preferences and attitudes. In the research, managers who have years of experience are able to explain in detail their experience and values in dealing with customer. In addition, the interviewer is able to test and validate further on the research focus of a value capture framework (Cohen et al. 2000). Table 10 presents an overview of the interview strategy based on Arksey and knight (1999) and Gray (2014).

Do	Don't	Assessment
We establish a clear purpose of the interview – provide introduction and reasoning.	Avoid early indication to the respondent of your meanings and understandings or appear to judge their responses	
Assess questions and balance with level of difficulties.	Avoid design question for	Provide a key 'phrase' that leading to the further explanation. Avoid complicated academic terms.
Listening – Response, react, follow-up and learn	Do not rush on the next question before thinking about the last response	A strategy is needed for each question so that the objective of the interview can be achievable

Clarification of the research audio recording, repeat the response.	Do not respond with a modified version of the response, but repeat exactly what was said	Some participant has limited time; therefore, they might rush answering without understand the question is all about	
Give the interviewee express doubts or hesitate, probe them to share their thinking	Do not rush but do not allow embarrassing silences	Participant may want to explain more, therefore, time consuming	
Be sensitive to possible misunderstandings about questions and if appropriate repeat the question	impression that you would prefer some kinds of	Avoid using words that do not understand by the respondent	
Be aware that the respondent may make self-contradictory statements	Do not make any assumptions about the ways in which the interviewee might be thinking	Lead the participant by explain the questions or may repeat the questions if needed	
Established effective communication	Do not forget earlier responses in the interview	Some participant like to have informal conversation rather than too much look like 'academician'	
Avoid negativity	Do not interrogate the interviewee	Questions that really important may not able to be answer, therefore, it will make the interview incomplete, and possible the objective may not achievable.	

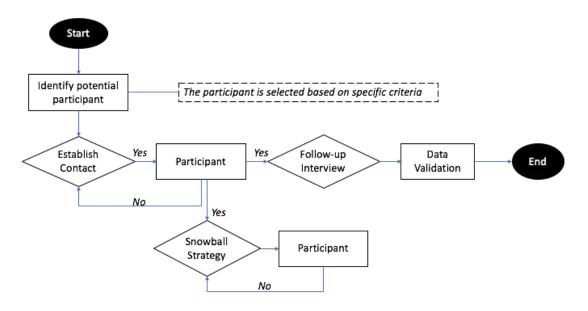
Table 10: Strategy for collecting research Evidence for Interview ( Adapted from Arksey and Knight 1999, Gray 2014)

In Table 10, the study overview the interview strategy based on Arksey and knight (1999) and Gray (2014). The study assesses every interview process and consider the needs of each action. These analytical procedures and the results obtained from them are describe in the next chapter.

## 4.4.2.1 Interview Process

The process began with identifying the participant and establishing contact. If it is reached a consensus from the participant, then the research proceeded to progress the meeting. However, if there was no interest or negative feedback, the study repeated the process again until reaching the right participant. In the interviews, the study considered the participants as managers (regardless of their position). In order

to obtain more respondents, the used of a snowball technique is needed to ensure the 'chain of informants' remains constant. Through snowballing, the first respondent can provide further potential participants with contact details (emails, position or phone (if applicable)). However, the study anticipated that not all the participant has an interest to participate but it is worth the effort to assess research skills for developing self-connections. Skills in conducting an interview (Gray 2014) are very important in order to get the most logical answer that favours the research objectives. A follow-up interview was suggested if the participant agreed. Therefore, conducted the interviews by illustrating the flow diagram of the process as presented in Figure 16.



**Figure 16: The Interview Process** 

The interview proceeds began by informing the managers through sending a participant information letter and form of consent. This is to ensure the participant is understand the purpose of the study, and offering anonymous status. However, conducting an interview also consider the mode of communication, face-to-face, phone interview or video conference. The study remained flexible and offering a comfortable interview process to the managers.

## 4.4.4.2 Selecting Setting

The most important factor of selecting the participant for the semi-structured interviews is by following Lane, et al (2006). Lane et al suggested to explore further on organisations absorptive capacity by selecting individuals who have personal

knowledge (in this case it would be those who has experience in social co-creation-social media and co-creation), and who were capable of exploiting 'value'. Bharati et al. (2013) also suggested, the role of senior managers is important for absorptive capacity to remain productive. Considering these suggestions and with reference to other literature on qualitative studies (see examples Enkel et al. 2017, Culnan et al. 2010a, Schlagwein and Hu 2016, Institute 2004), listed participant characteristic based on three factors, (a) the organisation (e.g. industry) (b) the participant (e.g. demographics, position, or experience) and (c) the process (e.g. method to conduct). These identifications of factors are based on Miles (1994), Miles and Huberman (1994). It is useful to explain in detail on selecting the organisation and the participant. Thus, this later explain further on the following sections.

## Selecting Social Co-Creation Organisation

In the research, choosing a particular organisation is critical as not all are implementing social co-creation initiatives or more importantly the co-creation process. Although there are many organisations adopting social media to engage with customers co-creation activities are not apparent. The study addressed this particular issue through observation and literature review to confirm that the most relevant industry involved in the social co-creation are service organisations. Specifically, guided by case studies from Culnan et al. (2010), Enkel et al. (2017) and Schlagwein and Hu (2016), the study examined organisations based on these factors. However, attention should be focused on particular information such as the organisation profile (including social co-creation sites), observing the social cocreation activities (examples of project or events) and if they actively engage with customers. Next step is to short listed these organisations which met the relevant criteria. (Frow et al. 2015). However, the study does not look at what they offer or what they do for a business which is beyond the scope of the research. The reason in selecting the relevant organisations is because it able to explore further the internal and external their absorptive capacity.

Since the study aimed for organisation which using a social co-creation approach when engaging with the customers, a social media application is one of the main characteristic. This is because, the organisation may have the potential on understanding the role or social media and how it works in the organisation. This later impact on the managerial perspective in which allows the study to have potential participant. In particular, the service organisation within Information Technology industry is believed to have the appropriate characteristics.

### The Managerial Participant

Following the identification of an organisation, the study then selected potential respondents. Lynham (2000), suggested executives in the organization 'who expect to use a theory' play an important role (Frow et al. 2015). Selecting the right managers is important in order to ensure they understand and relevance of their Thus, the participant role and position in the organisation was carefully considered. It was observed that varies positions can relate to social co-creation, for instance, a social media manager, customer management manager, marketing manager or content manager. This is because each of the organisations is unique in identifying how they manage individual platforms. Lane, et al (2006) also reported, "the uniqueness arises from the personal knowledge and mental models of the individuals within the firm, who can scan the environment and bring knowledge into the organisation". The challenge within the selection process is if the participant is willingly to contribute to the research (Frow u. a., 2015). The study also considered manager's knowledge and experience on value capture as key criteria. This includes current knowledge of co-creation and social media in the organisation, any example project conducted and the participant perception of value capture (examples: process and internal /external factor of value capture). In some cases, it also considered potential respondents with at least three to five years of managerial experience of social media use in their respective organisation (Schlagwein and Hu 2016). This is to ensure they have a wider knowledge of specific issues in context.

## 4.4.4.3 Interview Question Development

The study developed interview questions with reference to the literature review and conceptual framework formulated (ACT for value capture). It was noted that participants were careful selected based on their position, their potential knowledge of social media and co-creation and their understanding of the impact of social media in the organisation. Figure 17 illustrates the interview questions divided by three sections.

Section	Purpose	Questions	Reference
Introductory Phase: Overview the interviewee background, experience and knowledge	The purpose of these questions is to get some ideas of the current cocreation and social media application in the organisation.	Can you describe the co-creation activities in your organisation? How co-creation use within your department? Why using co-creation? - How you describe co-creation (based on your experience/personal perspective) When do you use co-creation?	(Ramaswamy and Chopra 2014, Frow et al. 2015, Prahalad and Ramaswamy 2004, Culnan et al. 2010)

External Phase: Social Media Application in the Organisation	To explore the role of social media in the organisation, the strategy and the impact on the cocreation. To identify value from customer engagement in social media.	How do you describe social media? What do you think using social media in co-creation? What/ How do you see organisation use social media to engage with customers and collaborate with them? What are the strategy do you use to collect new information from customer when collaborate with them? What are the methods/ strategy you apply? Can you explain further the process of capturing these new values?	(Benthaus et al. 2015, Yates and Paquette 2011, Wamba and Carter 2013)
Internal Phase: Acquiring Value from Social Co- Creation (Absorptive Capacity in the Organisation)	To identify the organisation and to specifically recognise factors on formulating value capture process in the organisation.	How do you acquire the new knowledge/new value created from the users (participant/consumer/customer) Organisation capability to identify and acquire new external value? What are the process (steps/strategy) to analyse, process, interpret and understand the new information? How do you transform this new information/new knowledge that has been created early to be employed within your organisation/department? How you get exploit this new knowledge? What are the strategy that your department/organisation used to refine, extend and leverage these new values?	(Turner 2013, Gergana Todorova 2007, Sun and Anderson 2008, Bharati et al. 2013, Roberts et al. 2012)

Figure 17: Interview Question

As illustrated in Figure 17, the questions were developed following references from other studies. However, the study does not attempt to echo or copying questions, but to develop more refresh and precise needed according to the research questions developed in this thesis. It is intended that three sections were determined to configure which focused from external to internal view of organisational value capture. The study considers the manager's respond on each stage of the questions development to ensure they would understand and increase their participation until the end of the sessions.

### **Conducting the Interview Questions**

Generally, each interview was provided an introductory where the researcher explain in details the purpose of the interview, time allocated and the rights for the participant if they need to withdraw from the sessions. However, at this point, the researcher already investigates the managers background and their capability on understanding of the research context. This is a part of the strategy to increase responds and to ease the interview sessions. In **the introductory phase**, the participant was asked their experience and knowledge of particular terminology. This would include their understanding of social media, co-creation and customer engagement. This gave an idea of the background of the interviewee although some background checks have been done at earlier stage. It was helpful for the interviewer to explore further the information provided. Some of the terms might be 'academic' leading to misleading the question and these were simplified accordingly. The introduction may take up to 5-10 minutes depending how the managers can 'fill-in' their role into the study.

Following in second section, **external phase**, aimed for the social media application in the organisation. This is where the researcher continues to investigate the role of social media in the organisation particularly on co-creation. This enable the manager to describe any relevant information related to this issue. Furthermore, in this section allows the managers to describe in detail how their organisation using social media to engage with the customer. Specifically, the methods or strategy that exist in the organisation. Some examples may be provided by the manager (if applicable).

Next, this 'discussion' leads to the **internal phase** of the interview session- focus on how the managers (the organisation acquires value (VoE) from social co-creation. This is where focusing on internal conditions absorptive capacity which aimed to explore further how the organisation acquires value (VoE) and how it is assimilated. The ACT involves acquire, assimilate, transform and exploit. Thus, the interview will involve these components. Also, careful consider any possible examples that may lead to great findings.

Overall, these interview questions relating to particularly identifying value from customer engagement in social co-creation. However, there are possible other questions that specifically address the managerial case. The interview also develops throughout the interview sessions. A reference list was provided to guide question development. It was intended not to echo other research but to tailor the questions towards original responses accordingly.

### 4.4.4.4 Interview Recording Procedure

This section explains in detail the interview recording procedure where there are several types of software available to record our research. Three software packages were selected to record the interviews, namely, QuickTime Player, Voice Memos and Skype Record. These offer free software for mobile devices and personal computers. The main advantages of the recording software are to be able to capture overall conversations. It is reliable, easy to access, holds substantial capacity to record 'digital data' (in a megabyte) and more importantly it is manageable for the transcription process. However, in any recording software available in the market, there are also several disadvantages. Firstly, the recording software or application may be sensitive to sound. For example, during the interview, it may capture background noise (e.g. busy office environment), thus increasing the level of distraction during the interview. Secondly, the extent of hard drive storage is vital in any particular device to support the quantity of data collected. The longer the interview is the larger capacity needed. Therefore, the study suggests having a 'technical test' on software to ensure it is an update, the capacity to record a lengthy conversation and possesses high-quality voice recordings. The study also considers using a note-taking technique in supporting digital content. Note-taking is considered a traditional but effected method. The purpose is to have these notes to record critically important discussions or ideas during the interview.

### 4.4.3 Qualitative Observation

A qualitative observation was suggested as part of audio-visual material (Creswell 2014, 2013). Through the literature review the justification of social co-creation characteristic was determined. The study examined and observed a participating platform which plays role in consumer engagement. The study also explored the real experience of the internal social co-creation first hand. Through conducting 'self-participation' of an actual co-creation in the organisation, it enables the study to observed how it works in the organisation particularly on how the organisation manages its online community. Observation is an interesting ideology for researchers to engage in specific fields (Alvesson and Sandberg 2011) and become a potential data source (Baxter et al. 2008). One advantage of conducting an observation it is accessible and the samples can be randomised. (Hackley 2003). Although observation is difficult to obtain for good results though an exploratory approach on

the current events develops a better understanding of the sense of 'practicality' of the actual event is an advantage. This informal investigation allowed an exploration of the internal process of social co-creation in the organisation, thus developing self-experience.

Therefore, the study conducts the observations from January 2016 to October 2016. Although the study was unable to fully participate in all social co-creation projects, but to gain first-hand experience of the online community. This provided advantages in recognising potential research areas and developing interesting discussions. As a qualitative observer, the study also supported recorded all the activities unstructured or semi-structured (inquiry) of social co-creation activities through note taking. It is carefully conducted the observations to avoid potential bias from personal interest and the managers who might influence the interview outcomes.

### 4.4.4 Focus Group

The study also conducted two focus group with managers and professional experts in co-creation and social media. The discussions highlighted social co-creation practice in the organisation and value capture through absorptive capacity. The focus group is facilitated and each of the discussion based on the research questions and the interview questions. The study then contributed to the debate on specific related topics. The focus groups were conducted using video conference (Skype meetings) and were facilitated and guided based on research interest.

## 4.5 Secondary Data Collection

The study considered collecting secondary data from websites, white papers, news articles to support the research findings. The study gathered information from website such as KnowledgeHub.com, CoCreationNetwork.com<sup>1</sup>, HarvardBusinessReview.com and co-creation community network in LinkedIn. The study also considers using professional network to engage with co-creation professionals and to 'co-share' their co-creation projects reports and documentation. This data supports the further justification of reported research projects through several existing social co-creation events.

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<sup>&</sup>lt;sup>1</sup> Co-CreationNetwork is a website for professionals in Healthcare Service in the UK facilitate social co-creation internally. The study gained permission to use their name for analysis purposes.

### 4.5.1 Online Web Seminar (Webinar), Professional Event and LinkedIn

For the secondary data collection, a 'research engagement' approach of varies activities were instigated, as follows:

#### Webinars

Many co-creation experts conduct hundreds of webinars which provided a very useful source to investigate from examples of case studies. A webinar is a concept where an online seminar takes place with participants by managers. They enable a practical platform for managers to 'sell' ideas and reach potential audience as part of their marketing strategies. Some webinar is conducted through invitation where registration is required. Free webinar was conducted for 45 minutes to one hour and half and used as part of data collection strategy. This was in order to understand real case scenarios among service organisation on social co-creation projects. The advantages of participating in the webinar is the ability to ask questions, get instant feedback and follow-up discussions. Usually, within webinars they discuss a more recent case studies with a particular organisation. The study then selects the webinar based on the contents of discussion, and if it related to the research interest (example: social media, co-creation, customer engagement and others). Furthermore, the study was also able to reach the particular presenters in the webinars to have more 'direct' discussions.

#### **Professionals Events**

It was also possible during 2015 to 2017 to attend three professional events such as Annual Summit Customer Engagement 2016,<sup>2</sup> Future of The Contact Centre Conference and Engaged Customer conference where several case studies were discussed. By attending these professional events, the study able to engage with senior managers related to their experience with value capture in social co-creation, gain feedback, improve communication skills, expand professional network, and conduct informal conversations. Also, the study was able to recognise important information including actual data from their inter-organisational case studies.

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<sup>&</sup>lt;sup>2</sup> This sponsored marketing event attended by more than 500 professional delegates from private and government sector to participate in this engaging conference.

#### Social Network- LinkedIn

As social media researcher, utilised a professional social network such as LinkedIn for current discussions related to research areas is advantages. The study also had the opportunity in setting question pool to get feedback from other professionals and managers. With more than 300 high profile managers in the network, the study is able to have a more informal 'direct conversation' on the current issues regarding social co-creation. This insightful information is based on their business orientation towards social media and engaging with customers. LinkedIn exposed useful multi-directional dialogue and communication.

## 4.6 Strategies for Validating Findings

Validating data is necessary when a study has acquired the entire data set. It also considers the second phase of data collection (Braun and Victoria 2006). The objective of data validation is where there is a need to identify any missing information from a previous round of interviews. The data needs to be re-read, recoded and refined from the findings accordingly (Braun and Victoria 2006). However, validation was time consuming and therefore ample time was ensured to conduct the process.

Following the interview process (Figure 16), the first phase of data collection by conducting another series of semi-structured interviews was validated. The study proposed a validation process through an examination and analysis of the initial findings from the second phase of data collection (Figure 16). The study tested the conceptual framework constructs along with the literature review. In addition, the study conducted the validation process though interviews with the same participant. Validation for interview is crucial to test the value capture framework. Thus, it may have targeted the same respondents who participated in phase one.

For data validation, another set of questions based on the analyses from a series of interviews was developed. The purpose is to validate the findings in-depth to enable the right direction for the research framework. The validated questions consisted of no more than three with an emphasis on two important constructs. The follow-up interviews were based on the respondent interest to continuously contribute in the study. This is achievable because the researcher had already developed engagement with the respondents at an early stage of the study. The purpose of this

approach allowed more significant understanding of the results and further future directions were determine.

# 4.7 Data Analysis: Thematic Analysis and Interpretive Analysis

The primary data collection from the semi-structured interviews (Schlagwein and Hu 2016) were documented, transcribe and coded. For example, if there are several respondents from the same organisation, they were labelled as A1 and A2. The 'A' is a representation as a code name for the organisation. However, if there is participant from different organisation, they were coded as M1, M2 which 'M' represent a manager. In addition, if there is a professional (consultant experts on co-creation) involve, this is labelled as 'P' which represent a practitioner. These coded names are useful when interpreting the script gathered from the open-ended discussions in the semi-structured interviews. On the following section, the study described in detail the data analysis procedure.

## 4.7.1 Thematic Analysis

For transcribing process, the study used NVivo software to store and analyse the data. The NVivo<sup>3</sup> software is known for its advantage in analysing qualitative data. It can store different types of media such as video, audio, pictures and social media (nCapture). One of the significant uses of this type of software allows each of the documents transcribed to be uploaded into the system for analysis purposes. Following Rowley (2012) and Schlagwein and Hu (2016) research on thematic analysis of social media studies, the study organised the data accordingly.

#### Obtain Data

After each of interview process, the study documented the results according to the participant roles. If there are several participants from the same organisation, the study categorised them under the same label. This is to ensure the participant is recognised based on organisation profiles. In NVivo software, the voice recorded and transcriptions collected was uploaded. NVivo allows transcription phase by phase according to its timeline. The advantage of transcribing in NVivo is it capable of supporting lengthy voice records. At this stage, the study compiled every

<sup>&</sup>lt;sup>3</sup> The study installed NVivo software for Mac (11.4.3)

conversation made during the interviews, pilot study, observation and secondary data collection.

## Organise Data Set

To organise the data set, we first ensured each of the documented interviews was labelled appropriately. Managing folders, creating initial themes, locating any further information. (Braun and Victoria 2006) reported it is important to consider the facet of the data.

### Getting Acquainted

The study familiarised with all the data by re-reading and designing a short listing of any common ground, identifying key words, structuring data according to its category and outlined any faults (for example, too much noise in the interview may affect the transcribing process).

### Data Classification, Coding and Interpret

Once the study had the general overview from each previous process and understood the transcription, then made further clarification by generating the 'lead theme'. This would include all the relevant data. At this stage, any possible theme was determined based on the interview questions. The study then extend the theme into sub-theme under the same category. For example, the lead theme is co-creation, and the sub-theme collaboration. Then, it narrowed the theme following research justification and conceptual framework. Figure 18 illustrates the thematic analysis procedure from obtaining data during the interviews, followed by organising and structuring data according to its code.

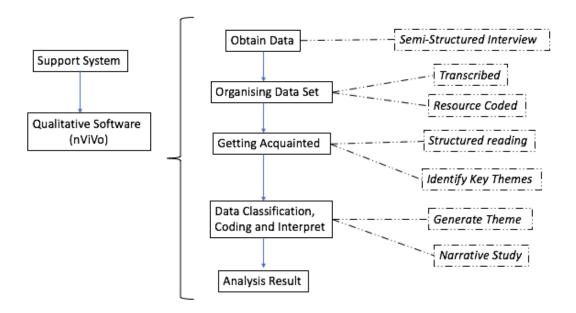


Figure 18: A Thematic Analysis (Adapted from Rowley (2012))

# Analysis Result Interpretive Analysis

Once the study had determined the themes and the sub-themes, we then analysed the data through interpretive analysis. The purpose was to seek a generalisation of the primary findings. It is a method that offers an insightful description on particular discussions (Hackley 2003). Drawing from the themes which specifically enabled further justification of the empirical findings.

It was important to familiarise data in the transcription process and to understand the key elements, and identify the key themes. The data classification generates the data and sets into individual themes. However, the study noted that there is a probability of the selected data relating to two or more themes. Thus, it was necessary to cross check the themes through the qualitative analysis software (NVivo) that was used to support the research analysis.

### 4.8 Ethical Issues

Several ethical issues may arise through the data collection procedure. The study considered each before, during and after data collection ethical conduct was implemented. For instance, before the interview can be conducted, the study sent a letter of consent and participation information sheet to the potential informants. In the participant information sheet (see Appendix 3), it provided an important information about the study. For example, the purpose of the study, characteristic of the chosen participant, the duration for each interview, etc. Each of the participants remained anonymous. However, because the study considered the participant role in the

organisation which required analysis, the study coded their name and excluded the organisation name. As noted, for example, A1 is labelled as 'manager 1' and he is 'content manager from Company A'. As part of research integrity, all types of documentation (including interview question, letter of consent, participant information sheet) were reviewed according to ethical conduct and approved by the Brunel University London Ethics Committee.

## 4.9 Expected Impact and Significance of Study

The priority of service organisation research is the interaction mechanism ((Gronroos 2008, Kristensson et al. 2011, Füller et al. 2010, Prahalad and Ramaswamy 2004, Payne and Frow 2006)). Interactions only happen if there is engagement activity between participants, here represented as customers and the organisation. When an organisation needs to engage with customers they involve customer relationship management people to explore and implement the activity. Customer engagement is synonym with customer relationship management area; therefore, it is important to view it as an additional field of interest.

The literature on service organisations discuss at least three aspects of service concept whereby service as an activity, service plays as customer's value creation and provider's activities (Gronroos 2008). In the same vein, service is understood as 'a process where someone, for example a service firm, does something to assist someone else, for example a as everyday practice (activities or processes)' (Gronroos 2008). This practice can indicate how an organisation can manage such activities when they engage and collaborate with customers.

Knowing the potential of using social media and social networking as one of the best approaches to recruit and allocate the right respondents for the study. Specifically, we accessed several websites to use as a reference to our data collection methodology. The use of LinkedIn, Co-Creation Website (a dedicated website for co-creation purposes), Private and government agencies in collaboration theme were selected. This is because these platforms are able to recognise and identify the right respondent to be invited in the study. This resulted from the pilot study, where random selection of the respondents unable to answer several questions although there were from a service industry or service management background. Due to these

limitations, the study carefully selected the respondents from their expertise, interest, knowledge, working experience and demographic profile.

#### 4.10 Conclusion

This chapter has described the methods used in the data collection procedure. The study then focused on a social constructivists philosophy. The study involved and was conducted through qualitative methods to reach a consensus of managerial aspects of value capture in organisations through absorptive capacity. It is reported a pilot study to evaluate the research questions, to examine the interview process and explore potential risk. The study conducted semi-structured interviews with senior managers to validate or research approach. Accordingly, the methodology chapter served as rational and underlying philosophical assumptions (Kothari 2004) to justify and support of the current study. The research strategy, research design and approach were noted with selected method of data analysis. A summary of the main findings and the principle issues and analysis which have arisen from the research are provided in Chapter 5.

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CHAPTER 5: DATA ANALYSIS

#### **CHAPTER 5: DATA ANALYSIS**

#### 5.1 Introduction

The aim of data analysis is to acquire 'astute questioning noted as, '.....a relentless search for answers, active observation and accurate recall' (Morse 1994). The qualitative data analysis (Miles and Huberman 1994) presented here reflects two thesis objectives. First, to explore a manager's knowledge on social co-creation definition, concept and purpose within organisations in relation to customer engagement from online platforms. Secondly, to specifically recognise the value capture process in the organisation. The research emphasis, as noted, is on developing a value capture framework by considering managerial responses. It aims is to explore and identify the value capture mechanism and to further investigate the external and internal factor of organisational capability. This is to enable the capture of value within an active engagement platform between the consumer-organisation relationship, the so called social co-creation platform. The study note that value is deposited as an experience gained by the customer from value-in use and value-in exchange to further pursue the important conceptual debate to on customer-organisation relationships (Breidbach and Maglio 2016).

The study adopts Salbana (2009) thematic analysis to analyse the data through qualitative software (NVivo). The thematic analysis is signified as a social constructivist epistemology (Braun et al 2006) produced from a 'wide range of pattern-type analysis of data' (Braun et al 2006). This enables us to identify a reality 'check' of each data item. However, each analysis requires a suggested theoretical position that allows for a clear, valid and reliable thesis outcome. Therefore, the framework proposed is constantly compared with the literature review (Töytäri 2015). Consequently, the thematic analysis was used to position the research stands and determine the values through a qualitative assessment (Braun and Clarke 2006).

To analyse the data, the study adopted an interpretive perspective through 'offering a way of researching a given topic in depth sophistication without a statistically secure universalization of findings' (Hackley 2003). This approach is suitable with qualitative data – interviews, focus group and observation for major findings and is often used in initial constructs for further studies. It seeks 'rich and insightful description of a particular issue, problem or event in its social context' (Hackley 2003).

The researcher organised this data analysis chapter as follows. The first section summaries the validation process of the interview questions through the pilot studies. Next, is to analyse the qualitative data from observations in a social co-creation platform. Thirdly, focus on the analysing the interview data with senior managers in service organisations. The study presented the data through thematic analysis by identifying specific coding. The data analysis was enhanced through diagrams constructed from NVivo This is followed by a validation section and a summary of the data analysis.

### 5.2 Validated Interview Questions

The final questionnaire was confirmed after a series of validation checks and changes were made to demonstrate the questions were reliable, constructive and they conceptually met the thesis research question through the pilot study. The pilot study was undertaken for three months from December 2015 to January 2016. Following Hundley (2004) on pilot study strategy, the assessment carried out for each objective and the actual findings were discussed. As Maxwell (2012) also suggests, the pilot study acquire information from the participant to understand the definitions around social co-creation, the external and internal of organisational absorptive capacity on capturing value from social co-creation and managerial activities within this context. Therefore, the pilot study may offer an honest and clear response from managers without an '..attempted to impress the interviewer' (Breidbach and Maglio 2016).

### 5.2.1 The impact of Validating Questions

The initial findings from the pilot study recognised and identified several issues. It is noted that the findings of the study improved the research conduct and the interview questions effectively. Before the study conducted the interviews, the pilot questions discussed social co-creation, value capture and the organisation absorptive capacity streams. Following the literature review, these questions represent three critical terms of the thesis. Furthermore, the questions were also designed to meet the two primary research questions. During the interviews, the managers (as a participants) were asked three distinctions relating to their, social co-creation role in the organisation, co-creation initiatives and views on customer engagement. However, it became apparent that managers were unfamiliar with some terms which were difficult to interpret and therefore were not understood and which required further explanation with some question remaining unanswered.

In terms of research protocol, the pilot study also helped and understanding of how the researcher was able to review participant knowledge (such as familiarity with academic terms), and to avoid any over generalisations. It was of course felt important to ensure a valid approach to the language adopted throughout the investigation on how the organisation is able to capture value from social co-creation. Clearly, in this sense the structuring of the questions and how they were conveyed and interpreted was considered essential.

In addition, the selection of the respondents through their role as managers and their position in the organisation was also considered (Robinson 2014, Schreiber 2008). There was a clear effort to ensure that the managers were comfortable with the approach taken in an attempt to capture valuable insights from their responses, the targeted managers with positions as content managers, community managers (in social media), customer engagement managers, customer relationship managers, product development managers or any closely related with social co-creation. The study considered these roles as relevant to the research study because their knowledge, expertise and as well as their interest in 'collaboration with customers'. In the next section, the study analyses these observations and illustrate the findings with reference to the conceptual framework.

### 5.3 Observation

Considering the social engagement observation with 'self-participation' in online communities, the study conducted an 'experiment' between January 2016 to October 2016. Through these observations, the researcher explored the post-positivism of social co-creation on selected platforms. Conducting a social engagement observation is not new especially for co-creation and social media scholars (Leroy et al. 2013, Gottlieb and Bergen 2010). For instance, Culnan et al. (2010) study on Fortune 500 companies adopting social media to increase business value. Based on his observation, he was able to identify several findings that were important for the organisation to remain competitive. Bonnemaizon and Batat (2011) also investigated consumers 'level of competence' by conducting ethnography research through internal observations where they recorded and produced daily diaries covering participant behaviours. Ketonen-Oksi Jari Jussila Hannu Kärkkäinen et al. (2016) uniquely conducted online observations in social media and online communities as a rarely used research method approach (Cortimiglia et al. 2011, Pihl and Sandström 2013, Wikström and Ellonen 2012).

All the activities through the research observations were kept as note taking and day-journal (diaries). However, the researcher was not fully engaged with any social co-creation projects or events on the specific platform but observed those with a particular interest to the current study. Three objectives were set, first, to understand the process required for a customer to be a part of the online community in the selected platform. This experience enabled a better examination of the social co-creation platform. Second, to observe the content of the platform, such as the consumer profiles, topic of discussion, ideas generated. Third, to establish the type and extent of co-creation projects offered within the community. The platform remained anonymous as part of the research ethical conduct. On the following section, the study explain the observational analysis following Creswell (1998, pg125)

#### 5.3.1 Observation of Platform A

Platform A is a website hosting community practice which consists of a group of people that managing mental healthcare the objective being to share knowledge. It is an open social co-creation platform concept and was designed for sharing ideas, new topic of discussions, information (example documents) and co-creation events. The open concept allows any members with similar interest to participate and become involved. Through our observation, the members represent a range from consumers, researchers, professionals and practitioners. The platform provides a significant relevance to the current study on understanding the social co-creation concept and how the organisation manages its content.

First, to be a part of this platform, a new member needs to register by creating an online profile similar to other common social media platforms. However, what makes it different is where during registration, the new user is required to fill in a specific topic of interest from 35 options given. This requirement would allow existing members to recognise the new member interest to support further discussions.

On the front page of *Platform A* website, states a clear purpose for the platform, objectives and the expectations of the online community (the member) to contribute. Through this platform, the community can share experience, learn and expand knowledge and also contribute ideas. There is a support team (e.g. community manager and administration leadership) that manage the platform. The role of the support team is to welcome new members (new registered member), share

organisation relevant documents (e.g. current news, articles), to set up a virtual meeting or video conference and to inform the member of recent events or cocreation projects. During our virtual observation, Platform A had 313 active members with various background and interest. The platform was also linked to a Twitter account for an update and for informing other communities. Regarding the contents, Platform A provides several discussions that allow others to share, comment, and contribute within the 34 groups of communities to enable general discussion within a public forum. There is also a private group facility for the support team to discuss technical issues. This in turn promotes positive commitment and responsibilities among members who are encouraged to attend co-creation events or participate in co-creation projects. Furthermore, the management of Platform A is conducted on an annual co-creation event called 'Basecamp' that allows members to participate to 'meet and greet' with each other. During the event, there are open discussions with recent ideas, sharing new information and for professional to conduct seminars. In addition, there is also a virtual conference which members have the opportunity to attend.

In undertaking of the research observations, the researcher gathered field notes and were assisted by the key informants to understand *Platform A* conceptual work. It began with an overview of the role as an outsider and then mowed towards the setting of the platform as an internal observer. Both outsider and insider approaches are suggested by Creswell (1998, pg 121).

It was observed that the members (or as participant) are encouraged to share knowledge, experience and any interesting topic for discussion. *Platform A* is not only for co-creation purposes, but is also used to develop an active conversation and collaboration between professional and non-professional members in an attempt to create value. Externally, this would fulfil the gap and create an opportunity for a better relationship. Internally, the management of *Platform A* enabled to capture the value through several events (either virtual or physical). However, because the content of *Platform A* was confidential, the study were unable to fully articulate the issues involved which is obviously generated a disadvantage to the research.

## 5.3.2 Analysis of Platform A

However, several issues were identified during the observations. Although *Platform A* encouraged members to actively engage with the network on weekly basis, only ten

percent (10%) or 31 out of 313 registered members had an active status. Each time the members log-in, their status was updated in the system and other members were notified. As Platform A also enables members to share a new topic of discussion this encouraged value to be created but apparently not all members were interested in participating. This was clearly an issue of different individual interest. To ensure the platform is updated, the gatekeeper managed recent information and fostered cocreation events. This relates to the (internal) role of managing social co-creation effectively. It was often found that the role of managers subsequently impacted on the success of the platform which facilitated the internal and external conditions necessary for value creation. The study considered this type of platform as a small scale of social co-creation network where the level of active participation may grow overtime. The analysis presented here is based on external observation with limited internal observation due to the confidentiality and sensitivity of the content information. However, the experience of these observations supports the overall finding for the current research. It is useful to present an overview of the activities in Platform A and to illustrate each component in relation to the conceptual framework, as illustrated in Figure 19.

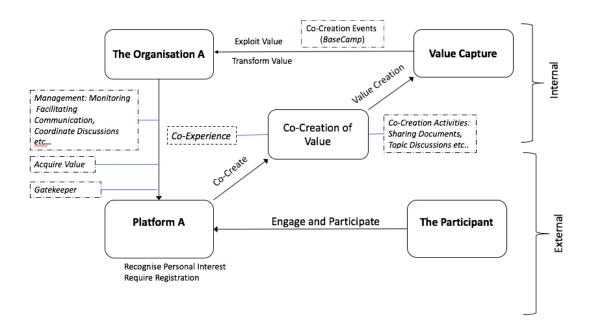


Figure 19: Observation Analysis for Platform A

Figure 19 describes five components (the consumer, *Platform A-* engagement platform, the social co-creation, value capture (co-creation program) and the organisation as an 'absorbent mechanism', that the study identified from the

observations. It is divided value creation and value capture by noting the external and internal conditions of social co-creation. The internal and external as proposed according to the ACT literature.

Overall, *Platform A* provided a channel for active communication through co-creation initiatives and bridged the gap between professionals and consumers. In data analysis of *Platform A*, it is noted that it is significance for a social co-creation platform to identify clearly its purpose where users are expected to engage, share and contribute to ideas. As a consequence of such detail the structure of the platform allows the organisation to recognize the opportunity to acquire quality value, as this would lead to its capture in the value process. The gatekeeper or content manager has the responsibility to monitor and facilitate the communication within the platform. Moreover, the platform allows members to share confidential information, thus, controlling access to documents as necessary.

Externally, the platform serves as an 'intermediary of co-creation' where it is transforming the consumer to the collaborator. In addition, by creating such an environment it improves communication, reduces negative comments and increases the organisational capability to absorb important value. However, the study is not intended to compare this platform with other existing platform because others was developing on a unique and aiming different purposes.

### 5.3.3 Summaries of Observation

The experience from the observations allowed an understanding and conceptualisation of social co-creation which is clearly paramount with the needs to produce a quality value. The role of the gatekeeper is to ensure the community engage, encourage active participation and communicate new information to members. Consistent with Creswell (1990) the gatekeeper monitors the platform and provides technical support in understandable form to the community. It is noted that gatekeepers increasing adopt a 'moderating' role to ensure the platform meets its purpose and the objectives. Their role enables and recognition for establishing value creation. The managerial effort for acquiring value from the engagement platform is obviously influenced by how it is organised and structured.

### 5.4 Semi-Structured Interviews

Qualitative semi-structured interviews were conducted from January 2016 to June 2017. These interviews formed part of the primary data collection. In the following sections, the study describes in detail how the interviews were conducted and provide a further analysis of the data.

## 5.4.1 Sampling and Study Population

#### The Sampling

It is considered the participant background as essential and therefore a purposive sampling approach was applied. The study carefully selected the managers based on their position in the organisation with a view to the opportunity for answer strategic related questions. The study therefore interviewed managers who have at least have years basic knowledge and understanding of social media, co-creation and customer engagement.

To establish these contacts, 50 formal letters and 200 personalise emails were sent to potential participants. For the letters, it is directly addressed the managers designated position in various organisations. In addition, the email addresses (including personal and corporate email) were gathered in a database from several sources, such as corporate website, professional network, blogs and news articles. The conventional method (letters) as expected required much more time to receive feedback, unlike the emails which were more frequent, efficient and effective. The result was 200 managers were sent personalised email invitations, 45 emails replied, of whom 30 agreed to participate in the research study (subsequently two participants withdrew).

The study considered the participant's schedule and location, thus, offering a much more convenient, comfortable and flexible way for the requested face-to face interviews, phone interview or video conference (Richter 2011, Wang et al. 2015). Within the research invitation, documents such as a 'participant information sheet' is included which explained in detail the purpose of the study and letter of consent. To ensure the informants were willing to participate, the researcher clearly communicate that they would remain anonymous and not identified in any emails or letters sent.

On establishing the participant contact, it took approximately a week for each interview to be arranged and conducted (from sending invitation, allocation date and time for the interviewee, and other ethical procedures) and to transcribe the findings. In some cases, it was necessary to reschedule the proposed interview session because several issues occurred.

The approach was similar on how the researcher conduct the pilot studies, through introducing the process by explaining the purpose of the study, its primary objectives and the expected outcome before conducting the interview. Also, the managers were asked if they granted permission to record the process where, if needed, a consent form was provided. During the interviews, the four contextual notions of absorptive capacity theory (acquire, assimilate, transform and exploit) were discussed (Lewin et al. 2011, Lane, et al. 2006, Cohen and Levinthal 1990). The managers were asked questions from three sections (refer to Figure 17). first regarding the conceptualisation of social co-creation in the organisation. Second, a focus on organisation strategy in identifying value through social media and finally the internal process of value capture.

The difference between conducting the pilot studies and the main field study is that, all the participants were selected based on the analysis from the pilot studies. The pilot study has impact on selecting the most appropriate candidate as this to ensure the findings is significant to the research context. Also, the pilot study is one strategy that allows new researcher to make an attempt on validating questions, understanding the interview settings, and to provide sufficient information on how to handle the interview sessions. In terms of practicality, the pilot studies not only allow the main field study to succeed, but to ensure the validity of the participant respondent is align with the research objectives and aimed. Moreover, it reduced risk of failure and increase the opportunity to produce the result in confidence if prepared well.

### Study population

The study aimed to investigate the value capture strategy by selecting United Kingdom (UK) service organisation (industry) specialising on information technology. Organisation operating services with the customer through online (social media based) is identified. A thorough analysis on the organisation background, the nature of the business (service oriented) and the significance of using social media in the organisation is considered. Although there are quite numbers of organisations in the

UK service industry, the study narrows down into two important key searches: the 'social media' and 'co-creation'. The study selecting organisation who practicing both context as it is essential due to the level of understanding and the practicality of the actual condition of the study. This outcome also based on the pilot study analysis where there is some organisation may not be using social media, for example, small organisation such as SME (small medium enterprises). Therefore, the process of selecting the organisation is based on research observation, white papers, case studies, webinars and other resources that relevant to the study. This is important to ensure that the actual case of 'social co-creation' can be determined. A further information of the organisation can be found in the Appendix section. However, due to confidentiality and sensitive information with regards to the organisation background, the study only provides sufficient information as introductory purposes.

# 5.5 Sampling Analysis

As part of a qualitative methodology, the analysis of primary data concerned determining the sort, connections and the expectations of 'real-world' conditions (Tehmina Basit 2003). The data collection phase involved conducting twenty-eight semi-structured, open-ended interviews with senior managers from various service organisations. Table 11 illustrates the data which consists of participant code name, position, duration of interview, types of data and participant expertise.

						Level of Understanding		
	Code Name	Position	Duration	Types of Data	Recorded	Social Media	Co-Creation	Customer Engagement
	M1	Module Leader Advanced Product Creation	00:25:00	Interview	Field Note	Low	Average	High
	M2	Social Media Manager	00:31:12	Interview	Yes	High	High	High
	M3	Managing Director	00:37:19	Interview	Yes	High	High	High
	M4	Director of Management	00:23:02	Interview	Yes	High	Low	High
	M5	Product Manager Co-Creation Lab	N/A	Email Respond	No	High	High	Average
	M6	Head of Strategy and Business Development	00:23:44	Interview	Yes	High	High	High
	M7	Head of Co-Creation (Expert in People Insight)	00:29:30	Interview	Yes	High	High	High
	M8	Research Community Manager	00:46:44	Interview	Yes	High	High	High
	M9	Senior Strategy	00:58:49	Interview	Yes	High	High	High
	M10	Managing Director Customer Strategy	01:35:55	Focus Group	Yes	High	High	High
	M11	Managing Director		Focus Group	Yes	High	High	High
To a	M12	Director of Customer Experience Management	00:24:36	Interview	Yes	High	High	High
The Managerial Particeipant	M13	Director of Co-Creation and Innovation	00:35:06	Interview	Yes	High	High	High
	M14	Global Market Manager	00:36:45	Interview	Yes	High	Average	Low
	M15	Product Manager	00:21:48	Interview	Yes	High	High	Average
	M16	Social Media Manager	01:00:58	Interview	Yes	High	High	High
	M17	Digital Marketing Manager	00:44:02	Interview	Yes	High	High	High
	M18	Global Marketing Leader	00:28:04	Interview	Yes	High	High	High
	MA19	User Experience (UX) Design Director	00:35:10	Interview	Field Note	High	High	High
	MB20	Community Manager	00:28:08	Interview	Yes	High	High	High
	MB21	Content Manager	00:40:59	Interview	Yes	High	High	High
	MB22	Executive Coach	00:31:59	Interview	Yes	High	High	Average
	MB23	Director Organisation Development	00:30:27	Interview	Yes	Average	High	Average
	MB24	Leadership Administration	10:00	Interview	Yes	Average	Average	Average
	MB25	Senior Executive	00:11:17	Interview	Yes	High	High	Low
	MB26	Community Manager	01:00:05	Focus Group	Yes	High	High	Low
	MB27	Leadership Administrator		Focus Group	No	Average	Average	Average
	MB28	Director	N/A	Focus Group	Field Note	High	High	Average

**Table 11: Participant Profiles for The Interview Data** 

As shown in Table 11, participants are coded as M1 to MB28 where each of the managers represented a different position in the various organisations. The study also indicates the duration of each interview recorded either using voice record software or field notes. In some cases, the researcher used the field notes because some participants do not give their consent to record the conversation. Unfortunately, the researcher experienced a technical problem while interviewing. The recording software at that time did not properly function. Thus, it is resorted to field notes to replace any missing information. This approach did not affect the information transition during the interviews. The participant profiles are included in the Appendix section. However, because the study abides with the confidentiality of the managers background, the study only provides the managerial position and their role in the organisation.

### 5.5.1 Analysing Interview Setting

From the sampling, the manager's level of understanding was recognised by three crucial aspects, social media, co-creation and customer engagement. The literature confirms that these were correlated with the social co-creation. The conceptual framework focusses on these three-major factors leading to a social co-creation for value capture. First, social media is a medium for communication between consumer and the organisation. Secondly, co-creation is a concept where collaboration is necessary for creating new value, (in this context value of experience gained from the customer). Both social media and co-creation concepts were demonstrated as social co-creation (Rathore, A., Ilavarasan, P. & Dwivedi 2016, C.k.Prahalad 1999, Ramaswamy and Ozcan 2013). Thirdly, the customer engagement indicates active participation to engage, share and contribute ideas within a social co-creation platform. Based on these three important components, the study added the manager's level of understanding in the right column of the Table 11.

During the interviews participants were asked questions within three main sections. Each question included three sub-questions. In relation to the conceptual framework, all the questions were designed according to the research objectives. In the first section, it is examined the participant knowledge, expertise and general understanding of the terms around social media and co-creation. In this section, managers were capable of explaining in detail how social media and co-creation related to their organisation programs and events. Managers provided examples

from their recent social co-creation projects or activities. Their experience through actual social co-creation activities in the organisation enabled a determination of the subsequent question relating to project itself. Prolonged discussions on the examples provided added extensively to our research findings. These questions enabled a high potential to fulfil the first research objective on the managerial understanding of social co-creation which later led to identifying the value process (internal and external) from customer engagement. This is of course a vital strategy in ensuring the success of the outcomes if research objective is achieved (Enkel et al. 2017). The capabilities of managers to answer the questions in more in-depth is because of the research design as the study targeted managers who had an early exposure to social a co-creation approaches and techniques.

Within the second section the questions focused on detailing social co-creation in context. It covered external factors of social co-creation related with an organisation's strategy or method to engage with customers. It identified a process of capturing value and how managers understand the value definition. At this stage, the questions led to an exploration of the current context and examined aspects of absorptive capacity theory (ACT) including the required constructs. As Lane, et al. (2006) suggest, attention should be given to the role of the individual in developing, deploying and maintaining absorptive capacity. In that sense, we uncovered the practicality of the 'real world' because of the managers personal knowledge and mental model can lead to developing unique new knowledge (Cohen and Levinthal 1990, Lane, et al. 2006). Throughout the interview process managers were able to provide complete and accurate information on social co-creation. While most of the managers share 'common experience' and answer independently there are also managers who understandably were not familiar with the terms used. Further clarification of the external conditions for ACT were provided to enable a continued and more precise focus on the internal aspects of value capture.

In section three we focus on a more in-depth analysis of an organisation capability to capture value through semi-structured questionnaire. The information gathered in the previous section allows us to discuss in detail the internal process of value. The literature on ACT scholars to recognise the value of new information through transforming it from external to internal within the organisation and exploiting the value to be captured. In that sense, the questions were designed to achieve such an understanding. During the interview, the managers were asked how their organisation acquires the value of experience from consumer and to identify which

value is considered higher 'qualify' to be captured. The managers were further asked to explain in detail the strategy they use to analyse and interpret new information (new knowledge). A clear purpose of this question allows a guide to explore the internal procedure of the value capture process. The questions draw heavily on the concept of absorptive capacity principles and the discussion included transforming value from external to internal and exploiting experience in the organisation. The study approach is to conceptualise the analysis by introducing the outside-in, inside-in perspectives.

Based on the interviews with senior managers we are able to identify the level of understanding based on their responses. In each of the interviews, a note was made to ensure valid recording for later analysis. This is an important indicator on which question needed further elaboration. Manager understanding is recognised by three different levels- low, average and high (refer Table 11). Low level represents a minimum understanding of the concept and able to explain conceptually but have limited ability to expand the knowledge in a broader context. When the interviews were conducted, the researcher examined the level understanding based on their explanations and how well they be able to provide appropriate information. Some respondent was not able to explain well because they might confuse or give general information about earlier discussions. One particular reason is, it is assume that the manager roles may influence their understanding on certain topics. This includes how the managers familiarise with the social co-creation process, the role of social media and how they engage with customers.

In addition, the average level is where the manager can signify the vital discussion on the topic theoretically, be able to explain further and provide examples but partially understand the critical notes. Finally, the high level is where the manager is capable of explaining in detail, able to provide examples based on experience internal or external social co-creation of the organisation, capable of signalling essential discussions, and possess extensive knowledge on the topic given. Moreover, they are also able to articulate their experience in managing social co-creation projects and thus understand the internal and external context of value capture in the organisation. With highly capability and years of experience, it is considered this group as an important validation of the findings.

From the levels of understanding, the study identified that 82.1 percent or 23 managers are highly experienced in social media, 78.6 percent or 22 managers

understood co-creation and customer engagement represented 60.7 percent (17 managers). This resulted in 73.8 percent of the managers are highly experienced in all contexts of the study. Also, for the average level of understanding, 3.7 percent (3 managers) on social media, 6.4 percent (5 managers) on co-creation and 11.5 percent (7 managers) on customer engagement. From twenty-eight managers who participated in the study, the study analysed an overall percentage of their expertise on either social media, co-creation and customer engagement. With that note, 57 percent (16) managers are highly knowledgeable on all three major components, while 25 percent (7) have two highly knowledge on any three areas and the remaining 10.7 percent possess at least one of the major areas. There are only two managers (7.1 percent) have at least low or average expertise on any of the areas. With these indicators, it is posited that the majority of the managers have a coherent domain knowledge on three of the important research areas.

The study presented these numerical results to confirm that all the participants are highly reliable, possess high knowledge on three important constructs of the study which supports to validate the analysis findings. In addition, they are also experienced in running a social co-creation platform and have the ability to understand the internal and external context of value capture in the organisation.

Although some participants possess a low level of understanding (knowledge) on certain aspects, all the participant throughout the interviews responded very well. This is where the role of a researcher took place. During the interviews, if there is a specific question that the manager's do not understand and requires further explanation, they were assisted through further explanation in a more understandable form. This would avoid the participant from leaving the questions unfilled. However, the researcher remains cautious for not interrupting or giving any clue to avoid bias.

#### 5.4.3 Coding the Participant

The study introduced coding by noting each of the managers used within the thematic analysis and findings (Table 11). Each participant carries a unique and different name. The 'M' refers to the *Manager*, where it is added by A or B codes. The participant who is labelled as MB or MA represents a code name for the organisation they work for. The coding was instigated with a systematic review on the

data, correlated around the research questions. It enables the researcher to have a narrative approach to use the coding for analysis purposes.

#### 5.5 Analysing Interview Data

Various studies have instigated the method of conducting a thematic analysis through a qualitative approach. Braun and Victoria (2006) explained where the research is conducted to determine the capability of reach a point where understanding is valid prior to reaching a consensus. (Braun and Victoria 2006) also, investigated an epistemology approach between essentialist and constructivist thematic analysis. Epistemology is an analysis based the 'individualistic' understanding of certain concepts of the data projected from the data collection procedure. Braun and Victoria stated, the essentialist of the epistemology is where a more direct approach constitutes between the researcher and the data where motivations, experience and meaning were conveyed accordingly (individual psychology). However, in contrast, the constructivist seeks the structural conditions with the data. The constructivist view is where the research is based on "ideas, assumptions and conceptualise and ideologies, theorised and informing the method in three-dimensional condition" (Braun and Victoria 2006). In this sense, the constructivist is an approach where a researcher looking into what has been written by adapting the theory or even the ideology into the research. However, Braun and Victoria added that "not all latent thematic analysis is constructionist". By understanding these two concepts, the current study argue that the condition of both concepts is reciprocal and a fine-line is noted between them. They may however be able to adapt into a much more deeper understanding of how well the data was subsequently organised. While thematic analysis seems to offer flexibility in analysing data, especially through in-depth interviews, careful consideration on how well it can be managed is necessary to avoid inconsistencies and lack of coherence is important (Nowell et al. 2017).

#### 5.5.1 Theming the Data

The term 'theming' the data is borrowed from Salbana (2009) who reports on a qualitative coding methodology. In Chapter Four, it is proposed to use the thematic analysis for data collections. For that purpose, the study followed, Braun and Clarke (2006), Salbana 2009, Maxwell 2013a, Creswell et al. 2007) method of data analysis.

#### 5.5.2 Codifying and Categorising

To codify and categorise the data we implement Salsadana (2008) and Miles and Huberman (1994) method to analyse the interviews. Coding refers to the word or short phrase that is often used in a qualitative inquiry where it represents "assigns a summative, salient, essence-capturing and evocative attribute for a portion of language-based or visual data" (Salsadana 2008). For coding purposes, the study gathered all the field notes, memos, observation, focus group and email correspondence into this chapter. Through coding, the study is able to link each of the data that indicates its transformation into theme.

One important note for codifying is to ensure that empirical certainty is justified and the analysis is written to interpretive the evidence into ideas for theory development. Salbana (2009) examined data leading towards these theoretical aspects where suggested analytic memo writing. It purposed to reflect the coding process, coding choices and the process of inquiring (the coding, sub coding and theme selection).

### 5.5.3 Initiating from Codes to Categories

In this study, there are five constructs, the social co-creation, the customer (customer engagement), value co-creation, value capture and the organisation. These five constructs were identified based on the conceptual framework. To codify these themes, the codes were applied where it requires a process to permit the data to be allocated according to its appropriate category. Salbana (2009) suggests, two cycles (namely: First Cycle and Second Cycle) of a coding method to be employed in qualitative data analysis. Accordingly, First Cycle Coding, consist of four generic coding (approach coding, structural coding, descriptive coding and In Vivo Coding). In addition, the Second Cycle Coding method focuses on Pattern Coding. This data analysis method is well-suited for thematic analysis (Salbana, 2009)

### 5.5.4 The Analysing Process

Earlier, the study explained in detail how the study analysed each of the transcribed interviews with thematic analysis. The result aimed to answer two research questions. The first primary research question is 'How does the organisation design a value capture framework in web-based co-creation content?'. This primary question leads to the sub-question of how to identify and recognise the value in co-experience

in social co-creation context. The following research question focused on identifying the factors to absorb value from customer participation. These research questions explain the purpose of presenting the interview analysis. To answer these questions, identifying the steps to analyse the data based on Saldana (2009) reports. The study also draws upon Braun and Victoria (2006), Rowley (2012) and Creswell (1990) to evaluate and interpreted the coding.

The first step in examining the raw data is to gather and become familiar with its format. The study imported twenty-eight transcribed interviews (raw data) stored in a single folder namely, Interview Folder, at the Source section in Nvivo Software. Then, the data continuously read and reread each of the transcriptions to understand the narrative of the interviews, checking any spelling error, identifying keyword from the discussion and setting a note in each of the raw data. This 'looping process' is repeated to provide an overview of the whole data set before analysing in more detail. At this stage, the study attempted to structure ideas, and no code or themes were selected. In the second step, the study initiated ideas by theming the data. At this stage, the researcher able to produce 169 new nodes. These unstructured nodes were later set into themes. Identifying potential themes is the next step. As explained in initiating codes, the categories section which act as a theme is represent as multiple nodes. To generate the theme, the study referred to the conceptual framework which indicated three critical constructs. There is, customer engagement, social co-creation and value capture. This also reflects to the interview approach where the participant was questioned based on these constructs. Thus, the conceptual framework is an essential reference to identify the themes. The 169 nodes were sorted into 34 themes. However, the theme of this phase is not finalised. The next process is to review the themes and make a note of the relevant code. This process is called refining and restricting. At this stage, the themes selected are refined with clear indications and meaning. The study use familiarises words for the themes to represent the nodes.

The next step, is to review the themes where the process includes refining and restructuring. The 34 themes were narrowed down to 10 themes. This process required rereading the data to identify the correlation of each of the nodes. The researcher was quickly able to understand the narrative of the data with each representing the same definition and concept. At this stage, if the code does not belong to the theme, a new code may be introduced. The validity of individual themes may be considered accurate, and reflect the meanings of the data. This

enabled a determination of the evidence presented for the whole data set (Braun and Clarke 2006). Also, while the data is organised with the themes, the researcher able to recognise some theme which may not carry any node(s) or 'stand-alone theme'. As Braun and Clarke (2006) report, if the theme has no node(s), a refined and clear discrepancy between themes was suggested.

This was followed by a fifth process for defining and identifying themes. Continuing the process of 'naming' with specific needs which generated the narrative within the data, the researcher manages to narrow it to four major themes. The study named the themes into words that are easily recognised and immediately give the ideas of the whole data set. Consistent with Braun and Clarke (2006) suggestion, the themes are represented as a story to the reader. However, careful consideration on naming the theme is required because it may be used multiple times which overlap each other. Braun and Clarke (2006) also suggest, each of the themes is related to the data set and to the research questions. The role of conceptual framework in naming the themes is therefore extremely important. However, the number of nodes remains the same. Then, the study restructuring the themes according to the 'key word' and interpretive analysis. The final process is to generate a report. The phase of this thematic analysis is where all the themes were finalised to work within the context of the study.

Using these six steps for analysing the interview data, the study are able to finalise four themes (Social Co-Creation, Customer Engagement, The Organisation and Value in Context). It combined social media and co-creation themes into a single theme as 'social co-creation'. This is because social media and co-creation both correlated with the social co-creation literature. Figure 20 illustrates the four themes under social co-creation.

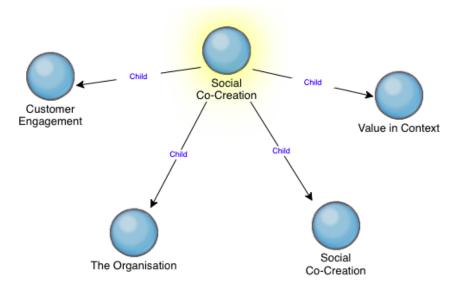


Figure 20: Research Themes

The study extracted the themes using the exploratory diagram function in Nvivo. Figure 20, notes the social co-creation work as 'parent node' while the four themes as 'child-node'. Then, the study identified the themes according to the literature review and conceptual framework. Each of the themes has its own nodes. To illustrate how the researcher organised the themes and its individual codes, the study provide an example of the sub-code under social co-creation theme in Table 12.

Theme: Social Co-Creation

Code: Value in Context

Sub-Code: Generate New value (Value Definition, Emotion, Customer is the

value)

Sub-Code: Value Creation (Source of Value)

Sub-Code: Value Capture (Selection, safeguards, report analysis etc..)

Code: Social Co-Creation

Sub-Code: Web based co-creation (research community, knowledge network)

Sub-Code: Ideation Platform (Openness, Form of Communication)

Sub-Code: Co-Creation (Co-creation Projects, Co-creation Initiatives)

Table 12: Interview Themes, Coding and Sub-Code

As shown in Table 12, an example of a detailed view on two themes, value in context and social co-creation was presented. The study extracted the value in context theme into three codes. The first code focus on generating new value where we identified understanding of the value concept, it derived from emotion and the customer as the main resource. The second sub-code represents value creation. It is derived from the customer participation as source of value. To capture value, a selection strategy is proposed to specify the engagement type (consist of highly active participation), recognise potential customer (enthusiast customer engagement). A report analysis (reviewing procedure, consumer testing report, afteraction report) is produced to further justify the outcomes claimed.

The study extracted the interview transcription according to the theme. In category (Theme) value capture process, two examples code were identified. Code selection consisted of three sub-code (selection platform, selecting engagement and selecting customer). Also, for each category report analysis, four sub-code were identified (review, high level document, conversation analysis and after-action report). For a more technical illustration an exploratory diagram was formulated using Nvivo software as illustrated in Figure 21.

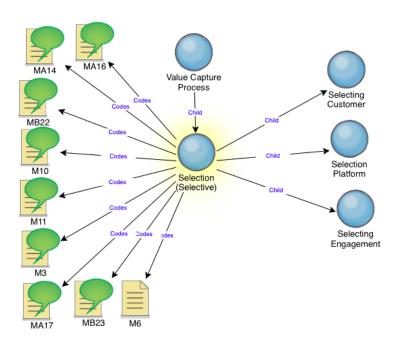
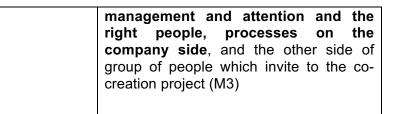


Figure 21: Exploratory Diagram for the Value Capture Process

Derived from Figure 19, the study present how the theme is linked to the code and sub-code in Figure 21. The parent code for the Selection is the Value Capture Process and the remaining three sub-code as child. The sub-code was created from analysing the raw data from the interview transcriptions. Note that, in this exploratory diagram, the current study includes how the sub-code is created. Through an analysis of 28 transcribed interviews, nine of the participant discussed issues relating to the selection process. Table 13 illustrates how the 'selection' was coded.

Theme Definition	Source Code (Input)			
	Reference			
Selecting Customer Managers recognise the importance to select the right consumer/user to participate in social co-creation for value capture.	we use as case study and understand the culture and we had done this with a number of customer. how we define the behaviour and not leave the client with their interpretation (MA16)			
	We take time to understand the people we could target, are they the one who already social reactive. (MA17)			
	Because it is long audience, need long response to social media. It is about knowing the audience (MA17)			
Selecting Engagement The organisation identifies the factor to engage need to choose the right platform to engage with consumer	we are thinking and considerate, where you can do you mix marketing, engagement (MA14)  we recognize that it will be worth speaking to engage who may not engage with their exclusive people who have good understanding about the product (M6)  I would say is, we work with client to go out work with best solution for them (M6)			
Selection Platform To engage with customer, the organisation provides a platform for cocreation for value capture purposes	The problem is that each project is separate and each project start from scratch and they are looking for the right participant and they setup a different project (M3)  I would say having the right			



**Table 13: Excerpt Data from Nvivo** 

In Table 13, the study listed examples under Selection theme with the source code. This type of thematic coding framework 'provide a clear trail for the credibility of the study' (Nowell et al. 2017). With the aid of Nvivo software, the researcher is able to manage, sort and organise all the data set into a more structured form. The use of Nvivo helped tremendously in managing the data. It able to work systematically for coding, transcribe efficiently, produce diagrams and search queries.

Each of categories is supported by the conceptual framework and the literature. For example, the selection of customers is an important factor for the value capture process. In the customer engagement literature, selecting the customer is as important factor, because they able to create a 'value' of co-creation. They are the focal actor that contributes to the co-creation process (Prahalad, 2000; van Doorn u. a., 2010; Buckley, Ettl, P.Jain, R. Luss, M.Petrik, Ravi, 2014). Furthermore, the customer is the main actor that contributes and provide valuable experience within an organisation. As noted, the study considers the customer value of experience (VoE) as an indicator for value capture. Payne et al. (2007) reported that consumer experience begins from making a purchasing decision, receiving and using product and services Other factors influence customer experience through cognitive actions and emotion (Payne et al. 2007).

From these examples, the process of analysing the data (transcribe, codifying, theming and others) were employed to the rest of the data. Therefore, demonstrating the data analysis for the value capture theme thus important. A discussion of the findings and all five themes are further presented in Chapter 6. In the following sections, the study focus on establishing the data validity and trustworthiness.

### 5.6 Establishing Validity and Trustworthiness

To ensure the data is valid and trusted, the researcher refer Creswell and Miller (2000) and Guba and Lincoln (1989) qualitative validity studies. Generally, there are several common methods to validate qualitative data. For example, peer reviews, member checking and external audits. Data validation is basically a procedure for a qualitative inquirer to check their study is believable and trusted. According to Creswell and Miller (2000), they defined the validity "how accurate of the account represents participants realities of the social phenomenon and is credible to them".

Consequently, the study followed Creswell and Miller (2000) validation procedure based on their two-dimensional framework. It discusses two perspectives, the researcher lens to validate and researcher paradigm assumptions. There are post positivism (systematic paradigm), constructivist paradigm and critical paradigm. In addition, the researcher lens includes self-validation, participants lens and external readers or viewer. This perspective not only govern the lens of the researcher, but also depend on a researcher worldview philosophy (Guba and Lincoln 1989).

Thus, following the research philosophy, the study employed a constructivists paradigm to validate our data. According to Creswell and Miller (2000), constructivists consider 'pluralistic, interpretive, open-ended, and contextualised perspective toward reality' (pg 125). The advantage of this type of paradigm is it enables reflective thinking on 'trustworthiness (example: credibility, transferability, dependability and confirmability) and authenticity (example: enable to improve understanding of others constructivist, stimulate action and empower action'. There are three types of validation approach under a constructivist paradigm. There is disconfirming evidence, prolonged engagement in the field and thick, rich description. Table 14 illustrates the types of validity.

	LENS OF	LENS OF STUDY	LENS OF EXTERNAL
	RESEARCHER	<b>PARTICIPANTS</b>	PARTY
CONSTRUCTIVIST	Disconfirming	Prolonged	A detail description
PARADIGM	Evidence	engagement in the	of the theme,
		research site	setting and
			participant

Table 14: Validity Procedure for Constructivist Paradigm (Creswell and Miller, 2000)

Table 14 lists a constructivist paradigm with its potential validity lens. Disconfirming evidence is a process to find negative evidence within the data set. Its adopts a similar approach for triangulation (Miles and Huberman 1994). It relies on researchers to identify preliminary negative themes from the research evidence. However, this process is difficult to implement because the tendency to find negative evidence is low. The second approach is prolonged engagement on the research site. This process requires the researcher to stay longer on the site and build trust and relationship with the participants. It is similar to the persuasive approach where the situation needs the participant to disclose further information, thus providing accountability evidence. The last approach is where it is rich with detailed evidence of the study on the participants and the themes. Producing this type of evidence allows the reader to report their experience.

The study has established data validation depending on a third party to evaluate and provide constructive feedback through follow-up interviews with the participants. Careful consider on selecting one expert on social co-creation specialising in value of experience activities is crucial. Thus, from the interview record, the study successfully identified one senior strategic who is expert on the social co-creation and acquire high knowledge on conducting the co-creation herself. She possessed a wide experience on the external and internal process of value capture and have the availability to validate the research evidence thoroughly. With her consent, the study continuously engages and remain contact throughout the research. Later, the validation process will address in Chapter 6 as a result for validating the conceptual framework and for further discussions.

# 5.7 Challenges and Implications of Data Analysis

Throughout conducting the data analysis, the study encounter several issues. First, because the data was in nun-numerical the time required for a single data transcription was increasingly overwhelming. There are a few interviews conducted for more than one hour producing dozens of transcribe pages. It takes a few days to analyse following the six steps of thematic analysis from Braun and Clarke (2006). Although the data for this thesis was collected using snowball techniques to increase the potential of the participant in the same organisations not all approaches were well received. This is due to employee confidentiality and ethical issues. Similarly, the managerial selection is essential to ensure their contribution through in-depth interviews has a significance in developing a value capture framework. Following this

discussion, the manager provided several social co-creation examples that related to the research topic.

#### 5.8 Discussions on Data Saturation

In the data collection procedure, the research oriented towards the nature of social co-creation using purposive samples. Patton (2002) noted that there are sixteen types of purposive samples. One of the common criteria is where the participant is selected according to 'predetermined criteria' to meet the research objective (Guest et al. 2006). Guest et al. (1995) reviewed the purposively samples and established inductively that sampling will have determined theoretical saturation. The term saturation refers to how much data collected is enough to adequately complete a qualitative inquiry. According to Guest et al. (1995), saturation is a 'gold standard'. Several guidelines were determined the data saturation reviewed from qualitative studies which stated thirty-six (36) is acceptable. This amount of data for ethnography (Bernard 2000) with fifteen is the minimum (Bertaux 1981). Guest et al. (1995) emphasise on Morse (1994) suggest the range for qualitative study is a minimum of six samples, with thirty to fifty participants the average and hundreds to two hundred participants is probably on the maximum. However, the number of participants depends on the nature of the study. Therefore, as the study focused on a qualitative investigation on the social co-creation to capture value in service organisations, it is argued that twenty-eight respondents is therefore sufficient for the current research. The study reached data saturation where the researcher unable to identify further needs or to have more participants. Also, it is argued that the number of participants that reach data saturation is when the study has determined the codes and the themes on the thematic analysis.

#### 5.9 Conclusion

The data analysis discussed in this chapter covers primary and secondary data. A qualitative methodology was conducted where the data presented as a non-numerical analysis from semi-structured interviews, focus group and observation. Accordingly, the semi-structured interviews posit as primary research material where the researcher conduct twenty-eight in-depth interviews which required a detailed explanation based on managers experience (Hackley 2003). The study on the social media and co-creation paradigm- (social co-creation) is well established in several service organisations in the UK. As a result, the study is able to establish a detail feedback from the respondents following all the interview sessions.

In conclusion, the study introduced the pilot study findings as an initial progression of the remaining data collection procedure. This subsequently confirmed that the question was designed according to the managerial standard following several changes. The chapter aimed to fulfil two noted research objectives, exploring managerial understanding of social co-creation concept and recognise the value capture process within the organisation. In line with these research objectives, the study attempted to establish a comprehensive result from the observations and interviews. Essentially, it provides examples on how the study processed the raw data to be informative. The thematic analysis and interpretative analysis were used to provide a detail explanation on this interview data. The researcher documented twenty-eight interviews collected through qualitative software, namely Nvivo, used to analysis, codifying and categorising the responses. The study adopted a constructivist paradigm on prolonged discussions with participants through follow-up interviews to validate the research findings. Chapter 6 presents the results of empirical research based on the thematic findings.

# CHAPTER 6: FINDINGS AND DISCUSSION

#### **CHAPTER 6: FINDINGS AND DISCUSSIONS**

#### 6.1 Introduction

The findings and discussions chapter aims to examine the conditions of value capture in a social co-creation context. Following the data analysis, it sets to discuss the research findings based on semi-structured interviews with twenty-eight senior managers in service organisations, observations on social co-creation platforms and the analysis of secondary data. The empirical evidence shown in this chapter reveals some interesting findings. First, the study further clarifies and justifies what a social co-creation platform is, how it works in the organisation and how managers use the platform to co-create with the customer which subsequently impacts on value capture. Second, the study provides evidence on current knowledge of social media in the organisation based on the manager's perspective. Third, following further analysis, the study point out four conditions of value capture (1) Condition 1: Engagement Platform, (2) Condition 2: Customer Participation, (3) Condition 3: The Focal Organisation, and lastly (4) Condition 4: Value Capture. Fourth, the study can identify the organisational strategy to capture the value of experience (VoE) from active customer participation in the social co-creation platform. The discussion is underpinned by absorptive capacity theory to acquire, assimilate, transform and exploit VoE into the organisation.

The conditions of value capture presented in this chapter were derived from an analysis of research findings through thematic analysis. The study purposely set it as a condition to understand how the organisation is able to capture value. It also addresses a research gap in which it provides clear and structured evidence on cocreation activities. In current knowledge of reviewing co-creation, no data was found on the association between social co-creation and value capture within the value of experience. Through our research investigation, the data may produce a descriptive analysis of both concepts. However, the study posits that combining social media with co-creation has a significant impact on the organisation accommodating such facilities to the customer and back to the organisation. Ramaswamy and Gouillart (2010) suggested four components to empower co-creation in the organisation. There is the network relationship, experience 'mind set', the context of interactions and the engagement platforms. These four components, is consider as significant factors that influences organisations in transforming and changing their regular activity into a post-positivism strategy of value capture.

Current research on value capture measured through quantitative analysis of the consumer experience through matrix tools is considered inadequate. Thus, it is argued that each customer possesses different experience, different interpretation and different analogy. Thus, considering the qualitative aspect of the organisation to rectify the condition of capturing the value of experience through engagement platform is essential. Moreover, Prahalad and Ramaswamy (2004) and Ramaswamy (2004) reported the transition from an organisation-centric view to personalised consumer experience has changed the definition of value co-creation and its process. Despite significant change in focus of research towards consumers co-opting competence and stakeholders (C.k.Prahalad 1999, Hatch and Schultz 2010), the organisation should interchange information and knowledge to have a better understanding of consumers and co-creation activities (Coates 2013). The absorptive capacity of the organisation to 'absorb' value of experience is therefore vital. As noted, absorptive capacity theory was adopted as the mechanism of the external and internal condition of the organisation value capture approach.

This chapter consequently fulfils the research aims. Noting our first research objective is to recognise and evaluate the value capture process by considering the external and internal condition of the organisational absorptive capacity. First, based on research investigation of social co-creation in service organisation through conducting the primary and secondary data collection, the researcher presents the concept of social co-creation in the organisation by adopting the actual condition in the organisation. Second, is to apply the external and internal condition of absorptive capacity to capture value. Third, is to discuss the factors that were leading to capture value in social co-creation followed by designing a value capture framework based on these findings. Lastly, the study discusses the conclusion and further discussion.

# 6.2 Structuring the Findings Analysis

To achieve the thesis aims and objectives, the study begins with a findings map. It is intended to give an idea where the discussion leads and to allow the reader to recognise the steps undertaken to reach such an understanding, as illustrated in Figure 22.

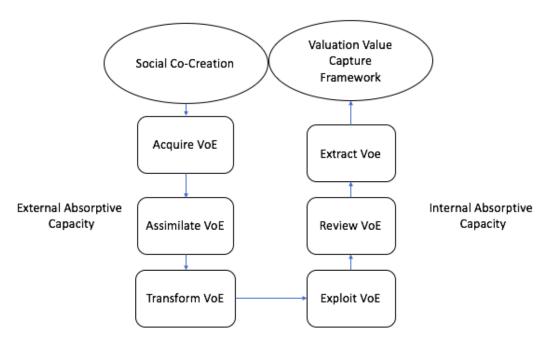


Figure 22: Structuring the Data Findings

An initial discussion relates to conceptualising social co-creation leading to more indepth features from the absorptive capacity theoretical lens in capturing the value of experience. The study organises how to accomplish the value capture theme by introducing steps following the formulation of the conceptual framework. In Figure 22, the first four primary components based on absorptive capacity theory are presented. These include acquiring, assimilating, transforming and exploiting elements. The study then added another section including the reviewing and extracting stage where the process in more rounded and which addresses the thesis aims to design a value capture framework. These components were later described and analysed accordingly.

From the personal interview fieldwork, the study undertook a word frequency check using NViVo qualitative software, as illustrated in Figure 23.



Figure 23: Words Frequency of Raw Data

Following the data analysis, a word frequency check using Nvivo software enabled ideas and summaries according to the interviewee responses. As illustrated in Figure 23, the top five words that the interviewee mention is people, creation, social, customer and needs. This information will be used later to support the research arguments and justification.

With regard to the conceptual framework, as discussed in Chapter 2 and Chapter 3, the findings analysis will focus on the external and internal condition of value capture. In the study, it is essential to explain the narrative of the value capture and to understand what conditions the value captured is. The study limits into enacting consumers and the organisation as the fundamental actors for value capture. The context of the thesis is related to social media and co-creation principles. By understanding the thesis context, the study is able to further explain the steps to capture value.

In the next section, further discuss the research findings on the external condition of value capture by involving social co-creation and customer engagement is addressed. These will then determine and identify factors that the organisation considered to capture value.

# 6.3 The external condition of Value Capture

The ability of the organisation to capture value is achieved by considering external knowledge for further evaluation of the process and utilising it to increase the business value (Cohen and Levinthal 1990). Prior knowledge is gained by identifying the source of knowledge. Thus, through social co-creation, is where value is possible to acquire, assimilate and exploit. Therefore, the study proposes the externalisation of the research findings based on an overall justification made in early discussion of the social co-creation perspective. The study first explains the narrative of the thesis by considering two factors of value capture, the engagement platform and customer engagement. These two correlated in the study where the organisation as the focal point is recognised as essential factors for value capture. The study denotes the external condition of value capture as a paradigm to explain the context of social co-creation and customer engagement. The engagement platform represents the social co-creation function allowing consumers to participate in an engaging activity, as illustrated in Figure 24.

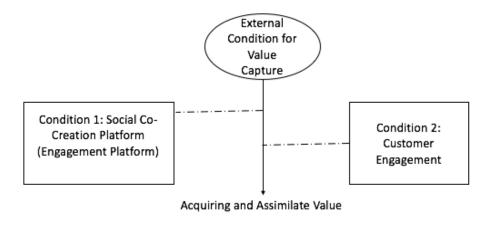


Figure 24: The External Condition of Value Capture of Experience

In Figure 24, the external condition for value capture is drawn to link with two important conditions; social co-creation platform and customer engagement. These two factors enable an organisation to acquire and assimilate value from consumer participation on an engagement platform. These later will lead to how the organisational acquiring and assimilate the value from these conditions through an ACT theoretical lens. Therefore, in the following discussion, the study address these conditions as factors for value capture in the organisation.

#### 6.3.1 Condition 1: The Engagement Platform

In this section, the study introduces the first condition of value capture by focusing on the engagement platform as a medium for value co-creation. The platform is an essential mechanism to allow the consumer and the organisation to co-share experience for creating new value. The research findings discuss this condition derived from the first section of the interviews with senior managers. They were asked about their knowledge and understanding of consumers, the organisation and co-creation activities. Also, this would answer the first thesis objective to explore managerial understanding of the social co-creation concept. It is noted that the response was initially to clarify the engagement activities within the organisation. The evidence presented in this section will determine the importance of social co-creation platforms. Note that, in the literature, social co-creation is also known as brand cocreation or brand value co-creation (Brodie et al. 2013, Healy and McDonagh 2013, Pongsakornrungsilp and Schroeder 2011, Merz et al. 2017). However, to the researcher knowledge, no empirical evidence discusses the social co-creation mechanism from the managerial perspective (Merz, Michael A et al. 2009). Thus, the study address the social co-creation as a critical issue for understanding the value capture experience.

# 6.3.1.1 What is Social Co-Creation? –Managerial Perspective

In the literature, social co-creation is addressed as 'creation of value by consumers from social media' (Rathore et al. (2016) and Prahalad and Ramaswamy (2004)). An understanding of using social media for co-creation is well received from other marketing scholars. Therefore, the study reintroduces the concept of social co-creation with the empirical evidence gathered from the primary data collection. Social co-creation is an online engagement platform to support the co-creation activities virtually. This platform is a website developed by the organisation to allow their customer to participate and engage in a collaborative environment. It is not a contemporary website where content, comments or feedback (positive or negative) are permitted. It focusses on-topic discussions according to consumer interest and preferences. Each topic represents a forum for a consumer to generate valuable information and constructive feedback within the online community.

Where social co-creation is introduced in the literature, the study found that there are no specific terms that describe its actual definition. It is, of course, paramount to

understand this concept in order to develop the first primary condition for capture value. Moreover, to the researcher knowledge, the characteristics of social cocreation itself have not been explicitly disclosed within any studies. For instance, Rathore, et al (2016) in their concluding recommendations note that social media is viewed as a new approach to provide consumer insights through user-generated content and suggest an analytical method to capture value. However, in their findings they do not mention any specific social media forms that can generate such value although the study recognise that social media is a medium for the organisation to increase business value. In the following sub-section, the study addresses social cocreation according to managerial responses from our interviews.

### 6.3.1.2 The Difference between Social Media and Social Co-Creation

There is a significant difference between social media and social co-creation although the term 'social' in this thesis is interchangeable within the literature. In this section, the study aims to justify that social co-creation is conceptually different than social media. It is noted that the term 'social' is used on both concepts. However, the term 'social' in co-creation is focused on building a valuable relationship between actors (consumers and the organisation) rather than just the technology application itself. Conceptually, social media is a platform where users can generate content, sharing information (positive or negative), communicate and build a relationship with one another. However, a more in-depth analysis of social media reveals it is more practical for the marketing needs. It has been widely addressed by the marketing scholars. Apparently, for co-creators, using social media simply to create and capture value is not preferable.

Based on the research findings, the researcher is able to confirm that an organisation develops its own social media platform (internally) to engage with their customer to co-create and collaborate. It is where the organisation empowers and controls the social media application. This involves the complete control, monitoring and directly engaging with the customers. Moreover, the platform is similar to other social media platforms such as Facebook or Twitter (as an example) where through online communities, exchange ideas and sharing knowledge and new information with others. Social co-creation is however a highly structured and manageable form for managers. Other managers think that the 'hashtag' or even a caption used in social media will impact to the organisation brand name. For example, there may be a time when the users generate content that may be unacceptable, given bad comments,

negative feedback, etc. on the business product or services. This would clearly have an impact on their brand image and subsequent management.

To explore further this notion, the study refer to a very fruitful discussion regarding social media in the organisation, one manager has described in a very specific justification for the role of social media and how it works within the co-creation. The study pointed some responses in this respect as illustrated Figure 25.

"You can see **depress with positive and negative**, companies trying to get here, try to get unites, and company is bureaucracy - **we can cut done the operating and trying people get into the process, in some time**"

"We are **learning in different ways**, so some people can come out with blogs, videos, or might everything. So, you have that experience and then came back with education tools - to look at the design thinking (example) where to start, where is actually practical situation things, about learn do it".

"Through social media - you can **share internally**, you can be rated, plug-in non-pro help do XYZ, and that gets spread around and sometimes you can get a real good one or part of product".

"Within all these things, the internal / external social media, about communicating what is going on, how things work. we should prepare everything about what we are doing. There is no agenda. There is no other way to it. Try to make successful for everything to do it. It is up to them how to do with (or do it with somebody else), frustration happen. But if you are happy work with someone who you are trusted, probably 70-80% problems solved"

"We look more create more changes, it is to get out from the products and come back to the customer and return back. We need to have customer help (in blog post) or in forums, people are posting and answering the questions. Try to understand what people want"

"For companies need to understand the problem first about the product, so every company can latest checking stuff anything"

Source: MA16: Social Media Manager and Developer Influence relations and Communication, Company A.

# Figure 25: Sample Interview Transcript on Social Media in Co-Creation from Manager MA16

The study interviewed a senior manager who posited that social media should cater for organisational needs. For instances, if there is a problem encountered throughout the developmental process of the services or products it is essential that there is engagement with the consumers by properly selecting specific characteristics which

may generate good results. However, he added that social media typically has its own risk. For instances, as noted, negative feedback will eventually affect an organisations brand name. His expertise enabled an understanding of the role of social media. To create changes, he suggested that there is a need to fully understand the consumer criticisms and identify some who may be able to resolve the issue.

In another discussion with an expert in customer experience, stated "It is not social contact that transforms collaboration. Only social context enables the relationship which subsequently transforms to co-creation. There are many studies done in a collaborative social domain" (M10). According to Manager M10, when engaging with the consumer, there is the relationship where trust is developed, which expands into a collaboration where co-creation takes place.

It is confirmed by this evidence that managers are concerned with how to engage and develop trust from the consumers. It is noted that a productive environment allows the organisation to monitor customer engagement continually. Therefore, through a social application developed internally the manager is able to communicate directly and recognise the potential customer. It is then possible to build a relationship, to collaborate and engage for co-creation (to solve the problem or organisation needs), and thus, capture value. The study then propose that social co-creation is enabled to cater organisational needs by involving consumers directly engage to provide feedback in the more constructed environment.

According to the Cambridge dictionary, 'social' is related to the society or to the organisation. Thus, the current study argue that the opportunity for the organisation to capture value is through 'social activities' with consumers engage, communicate and share information. Through this activity, it increases the organisational capability to absorb value. The premise of absorptive capacity to capture value enables an understanding of the complexity of customer language (Lindsay 1977). This has been further discussed by Cohen and Levinthal (1990) work on absorptive capacity theory.

Therefore, it is posited that by introducing social co-creation as part of intention to use it as the first condition to capture value is essential. The literature reviewed on co-creation reports a collaboration between actors to create new values. The study note that co-creation has thirteen forms which each represent different purposes.

The term 'co' itself in the Oxford dictionary means two or more joins together. Based on this understanding, social media it is known for its functioning as a 'virtual society' where people share, exchange, commerce and entertain in various form of communication such as blogs, wiki, social networks (Liang and Turban 2011). Conceptually, social media is a medium of communication which is recognised as a virtual exchange within online communities.

The study identified more than a hundred studies which focus on the two concepts of social media and co-creation (examples: Lorenzo-Romero et al. 2014, Gouillart 2012, Singaraju et al. 2015, Hajli and Hajli 2013, Rathore, A., Ilavarasan, P. & Dwivedi 2016). However, it remains argued that there should be a fine line that distinguish social co-creation from social media. Through the findings, it may help us to better understand and conceptualise social co-creation. Thus, in the next section, the study addressed further the social co-creation context in the organisation following the data analysis and findings.

#### 6.3.1.3 Conceptualisation of Social Co-Creation

Our research aims to discuss the organisational value capture from a social co-creation perspective. To recognise the factors on how organisation acquires and assimilates value from consumers. First, it is important to address the role of social co-creation. As noted, we posit that social co-creation is a combination of understanding between social media and co-creation. In this section, the study provides evidence from the data and observation of how well social media applications are used to support the value capture mechanism in the organisation through co-creation activities. This is because, it has seen the trend in several studies that often relate co-creation with social media (examples Hajli and Hajli 2013, Singaraju et al. 2015, Rathore et al. 2016, Brünink 2014).

Throughout the investigation, value capture in this context of the study argues that capturing value from social media is challenging. It may be achievable but to obtain value requires a long process. According to research data, the evidence shows that managers express some concern when using the social media platform because there are a lot of risks they will encounter. For example, if using Facebook and Twitter, the social media account itself can be manipulated to increase imitation of the development of the idea and it is difficult to identify the genuine concerns from

the customer. General social media provides advantages to the organisation with regard to reaching global customers and the opportunity to market the service. The capability of the organisation to conduct such large-scale co-creation projects to retrieve the value from consumer experience is problematic. Hence, the study is not claiming that social media is co-creation, but managerial understanding and their concerns when engaging with consumers through social media applications is a frequent issue.

# 6.3.1.4 Social Application is an Agile and Faster Approach in the Organisation

The study noted that organisations strive to use the social media as part of their marketing tools to reach high potential customers. However, there are boundaries to which where and when social media could be used to enrich value for the organisation. Externally, social media is moderately used because it is digital and people are socially aware compared with other more traditional media. With an agile and fast approach social media allows the organisation to become capable of achieving improved service performance. While the study is aware the role of social media gives such benefits to the organisation, the findings suggest that there should be a fine line to use social media to increase business value. Managers reveal some concern about the impact of social media. Social media is typical in providing an advantage to the organisation, and there are also risks the organisation needs to encounter. The pros and cons of social media in the organisation is well address in the marketing literature.

"If you connect with diverse group it shakes your ideas what's important, the thing is very generic is people might thing is making different their life, might not accessible, but it can help you, to make again some of these, organisation strategies which is quite inflexible, and contact in your organisation, that kind of approach can make use of social media rather than have traditional approach. Most (...) organisation have traditional platform, but again, they ready to (statistically) to keep agile..." (MB22, Executive Coach)

With the help from social media, the organisation can reach potential customer and not be bound with traditional communication methods. What is important is to keep the organisation on the right direction and allow social media to be accessible which may provide an 'agile' advantage to the organisation.

"In a **social network, there are a lot of ideas**, - which is the one need is to have a quality platform and measure of the quality ideas, and that back to typology of people visit and motivating why people participate." (M10, Managing Director Customer Engagement)

However, the organisation may be overwhelmed with ideas generated in the social network which will require additional effort to identify and develop further. The evidence shows that while many managers understand the need to have the social media in the organisation, apparently, measuring such ideas is a difficult task.

# 6.3.1.5 Social Media Application is an Alternative Platform

In the previous sections, it is noted that social media is an engagement platform which has an influence in many organisational areas. However, based on the understanding from the managerial evidence, the study propose that social media is an alternative platform for organisations to capture value. Social media is paramount for promoting organisational products and services to reach consumer or businesses. The study also find that the organisation does not use social media to disclose confidential information or content into the 'public platform' in order to avoid imitation from competitors (Chesbrough 2006). It is argued that social media is an alternative platform for value capture because of managers using it as a 'checking tool' where they would know if their products or service has been well received or not by their customer. Occasionally, the organisation using social media to verify the 'stories' that their customer created. Through this understanding, it is assumed applies to any types of social media such as wikis, blogs, social network and others. However, primarily, it denoted that social media is only a form of effective one-way communication. One-way communication is where the organisation is only capable of 'listening' to what their customer needs without further action. It is because, to get feedback, quality and valuable responses, a more profound and stable communication tools is required by using a more isolate platform as social cocreation.

We cannot continue the old model and cannot continue it, because I think everything health and social care have been done and making the best intention looking for people, but we have attended all the methodologies and goes beyond what we have, if we empower people, so connect and make the best useful tools that available to them and kind of told them what is the best thing is not necessarily. (MB22, Executive Coach)

The organisation realised the role of social media to increase business value. At a most basic level, a website is a virtual networking platform which allows online

communities to have fast communication, connected with each other and increased information is dispersed.

"I think it has it place. I think it very valid. There a lot of blurred line with social media, by that I mean, what is social media in truth sense, what is social in relation with business to business. I can draw the line, in my activity- for example using social media through my personal experience such as Facebook. Literally, I am using it for personal Not for business. So, I draw the line (limitations), and so on other accounts. So, I think, if it is for personal choice, if you can make it that way, until there is clear delineation the term of social media. (However) I think there should be strict control on (if using for business purposes). Let the organisation have the regulations, but the (role) of social media are amazing" (MA14, Global Market Manager)- (Emphasised added)

Some managers suggest that social media is only a marketing tools and not for the co-creation. In their perspective, managers using social media for personal use which may not related to their work. In one of the responses a manager stated that some companies may not allow employees to access any social media platform, which again makes things problematic.

### 6.3.1.6 Knowing Your Audience, Knowing Your Value

The most important thing for capturing the value of experience is by knowing who the people that the organisation is engaging with and validating their value as a vital source of innovation. Critical needs on whom the organisation engage will positively influence the value outcome. Thus, social co-creation is not the social platform that usually most others would join. At a basic level, social co-creation is derived from an understanding of the social media concept. However, we argue that social co-creation is a 'working' platform that serves a purpose. This means that through this platform, authorised and registered users (previously as consumer) share their experience with organisational consent. Based on research observations on current social co-creation platforms, to be a part of the 'system', consumer (as collaborator) is required to 'declare' their interest before proceeding to the platform. It is a part of organisational strategy to recognise each participant before engaging within the communities. Filtering consumer interest is essential because each co-creation platform is working on specific needs. This strategy has been applied in almost social co-creation platform that the study investigated and observed.

"They (the organisation) also need to have very clear social media strategy, know their audiences, what channel they use, what sector, (but) they (not) topping in and expect the people join in, build trust with community before ask help. I also seen many [...], doing lots of contribution, they broadcast and if they asking

people(customer) for help, they need to have social channel/social led the way. For example, large organisation (able) broadcast (the platform) and **they sometimes annoy people**" (MB23, Director Organisation Development)

Clearly, by knowing your audience, the people you engage with, their intention and the purpose of the engagement is essential to reach a high level of communication. It is a vital strategy to avoid and information to be misinterpreted, misleading as these misconceptions may be potentially disastrous for the organisation.

"...when you use social media, you need to have a clear audience, clear purpose, and you have to have right channel that prepare to use in many ways, and you need be aware of norms and practices in each of these channel, what you want to fit with your practices." (MB23, Director Organisation Development)

There is no doubt that social media generally increases organisation capability to reach a high volume of consumers and to receive instant feedback. However not all the feedback (ideas) qualify enough for co-creation and not all consumers are interested to collaborate. It is not a surprise where managers experience the most value retrieved from social media is not a value that they expected. This is because, through social media alone without proper management and identifying who and what value is produce is unknown. Moreover, the customers in social media have different backgrounds and it is difficult to recognise and 'knowing' their customer more closely. These arguments clearly demonstrate that a careful consideration to use social media as the main platform for co-creation is necessary.

On the next section, the study focus on the social co-creation characteristics for organisation to consider capturing value of experience.

### 6.3.1.7 Social Co-Creation Fulfil Organisational Needs to Innovate

Either it is for innovation, new product development, marketing or even research development, social co-creation is one of the many ways for the organisation to capture values. The engagement platform is like a portal that promotes content with designs to introduce the purpose of the platform to other potential co-creators.

"It is like portal, that portal into a place people can go and share and collaborate even through things like cloud collaboration entrap, people can send data, files and import (download) information. Some people are resistant, I think collaboration is used to physically or collaborate in digital, you can link. Collaboration online (virtual), using online, they can do via iPad" (MA14, Global



The need for the organisation to acquire new value from customer experience is merely through collaboration. Thus, with social co-creation (online) platforms, the organisation can share files, data and retrieved information that are needed for innovation purposes.

"Content stage - video content or digital content such as website that are major in resuming with the audience that we spoke too, (...) includes their ages or we will see how often, and we(might) use our audience and distribution department, in order to push out back content using channel that resumed most clearly with that particular audience." (M9, Senior Strategy)

In most social co-creation platforms, such as ideation, think lab, innovation lab and others are providing content for the consumer to read and understand the importance of collaboration. The study also have seen that many managers explain in detail the purpose of social platforms. With a clear purpose of co-creation initiative managers believed that they are able to focus more on specific consumer (or audience) to participate and engage.

"What you need to do there is **create a webpage**. It has conclusion at the beginning **and explained more detailed**." (MB24, Building Content)

"We increase the reach, where **creating much more content** and push more content into that channel (platform). So it is about value capture, but also value disseminate. **Trying to get the information on broader audience**, take the clients and maybe (with) new opportunities as well...But what is need is **to talk about our capabilities and prove to that people**, we do have something to say, we can help day to day business. We do understand the issues, rather than just thinking and provide things. (MA18, Global Marketing Leader)

Through a managerial lens, social co-creation is expected to develop trust and showcase organisation needs. It is not two-way communication, but it offers more dynamic engagement between actors and is responsive and on a real-time basis. The organisation is capable of telling their 'stories' what they have and what they can offer to the customers. This strategy was drawn to keep the organisation 'fresh' and attract more collaborators to co-create.

# 6.3.1.8 The Organisation Capable to Monitor, Evaluate and Manage Content on Engagement Platform

Monitoring, evaluating and managing the content of the engagement platform is another factor that distinguishes social co-creation platform from social media. Various positions such as social media manager, content manager and even a community manager are responsible for managing all the activities within the platform. Because the content is developed continuously through the active participation of consumers it is essential for the organisation to be able to identify and maintain effective communication.

By creating a content team, it enables support for the organisation. As one response we received noted, the content team is to support the content strategy by targeting consumers and is able to recognise selected consumers by their particular interest, thus reducing time for any concern of consumer behaviour. It is because, primarily, the organisation is not only focusing on value capture but also for value dissemination.

We create global content team, we recruit team from outside and inside (people who have background on managing content). For example, I have content director assigned to my part of the business. Is not technology or IT background, put catering, for reputation and creating great content and managing the content comes across. We very deep into discussions, on business strategy for all. Its content strategy to help support and try to do out the business. If we do now what we are going after the specific audience and defined the particular personas, and reduce time to think about who is likes/dislikes/motions/feelings, where we can contact them, what keeps them at night (MA18)

We increase the reach, where creating much more content and push more content into that channel. So it is about value capture, but also value disseminate. Trying to get the information on broader audience, take the clients and maybe new opportunities as well.

...One of the things that great view is content. So, one is the challenge is we are going to right now is -"how do we tell our story in Company A(values). **Immediate different way is (for) different audience.** When I said different audience, one maybe not familiar with Company A, those in one capacity, maybe they don't know our capabilities in different capacities.

how to tell the story in different ways. Some say about the use of reference, video case studies, where you talk to existing customers and tell about their stories, how and what they achieve, and post them onto the webpage, we inform them like LinkedIn/Twitter/FB just to help to spread the message to broader audience.

But what need to do is talk about our capabilities and prove to that people, we do have something to say, we can help day to day business. We do understand the

issues, rather than just thinking and provide things.

Source: MA18, Global Marketing Leader, Company A

As the first condition of value capture, the engagement platform would create an effective communication level to customers. As noted, the platform is an external website other than a corporate website that purposely work for co-creation initiatives. By introducing the website, the organisation can explain the purpose of the content to the online community so that they are well informed to participate and collaborate. In a simple concept, the platform is for telling 'stories' to the consumer why there is a need to engage and inform the expectation of their involvement in the co-creation.

# 6.3.1.9 Social Co-Creation Offers Flexibility, enable to Collect Specific Information and Organise Value

There are reasons for the organisation to create such platforms. Studies have addressed how well consumers use social media to engage with other communities through the most basic levels of communication and sharing information and experience. However, at some point, users are merely sharing their product or service experience in the community which triggers more informative discussions, thus promoting a continuous conversation.

"You collect massive information... to make a decision, you go to the platform and create and see the ideas, consumer ideas. Why(?) because you into for a very important acute good will. (Example) Because you are stress never take a decision before. But as soon they found the school for you kids, you can go to different ideation platform"- (M10, Managing Director Customer Strategy)

Through a social co-creation platform, the organisation able to collect extensive information through ideas, commenting, sharing (files, pictures, video) and others. Different consumers have different ways to interpret; thus it is expected that a single point of conversation can lead to another interesting discussion.

The managers believe that through creating a specific platform for consumers and the organisation create content, allows to push more content into that channel. Also, managers not only focus on content development through consumer experience (value capture) but also on value dissemination.

"... for example, share content, build and collaborate and built content. Through YouTube and probably as quick time such as Twitter...We increase the reach, where creating much more content and push more content into that channel. so, it's about value capture, but also value disseminate. Trying to get the information on broader audience, take the clients and maybe new opportunities as well." (MA18, Global Marketing Leader)

While the advantage of the engagement platform has been well discussed in the previous section, it most important to match the content with the actual needs of the organisation. By possessing a validating result, the organisation is able to meet expectations.

We are working with different format to encouraging people to come out with a name (e.g. books). **you need to engage and matching that saying** fizzy drink. That work and (produce) amazing result. The client and researcher understand co-creation has risk. So, the expectation is become the courageous to reach this people.

Within several discussions, managers also explained that when the organisation begins to utilise the social application format into the organisation, they become democratised. This is because, when the consumer is involved with the organisation, their decision impacts on managerial decision making. Accordingly, the top-down level of communication is considered less effective if the organisation continuous to focus mainly on a consumer-centric model. Social co-creation empowers consumers to be the value contributor in making decisions on what is best for them. This obviously results in 'popular' engagement.

## 6.3.1.10 Acquiring and Assimilate the Value of Experience on Externalisation

Any discussion of engagement platforms considered an essential condition for value capture. At the beginning of this chapter, the study posit the narrative of the study is by explaining where the value is created and from where the consumer starts to engage. Managerial understanding of the social application in co-creation initiatives creates an interesting discussion. In this first condition of value capture for VoE, the study then point out two important features. First, the managers felt that because of social media has offered many advantages to the organisation, to develop their own social media platform internally is challenging. It is due to several issues related to managerial support, technology infrastructure, organisation openness and flexible for consumer participation, validating new information and knowledge. Moreover, to establish such social contact requires effort from both consumers and the managers

as the principal actors in the engagement. Secondly, on acquiring and assimilating the value of experience (VoE) from consumers active participation in social cocreation require a strategy on how to identify the right person to co-create and collaborate. As noted, there is a possibility of the organisation receiving hundreds or thousands of ideas. Without proper structuring the value is much likely to be missed. In ACT, acquiring and assimilating is the first step for value to be recognise and acted upon.

The study considers establishing the virtual engagement platform as essential for value capture. It is consistent with Ramaswamy and Ozcan (2016) who suggest a need for managerial research to examine the enablers for brand value co-creation on digital platforms to facilitate value of experience from customer participation. Following on this discussion, the study points out the social co-creation brand value co-creation as another condition that is essential for determining value capture. The study present the findings on the engagement platform in Figure 26.

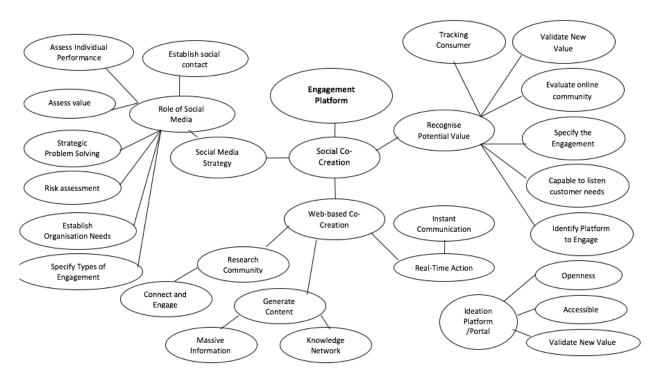


Figure 26: Engagement Platform Themes and Sub-Themes

Figure 26 illustrates the findings based on our thematic analysis from twenty-eight semi-structured interviews with senior managers in the service organisations. The study address three factors leading to a valid scale of providing an engagement platform focused on value co-creation within the organisation. Firstly, the social

media strategy implemented internally in the organisation which comprises the role of social media. Although the researcher realises studies have shown a sign related to social media, these findings are based on the managerial feedback and their understanding of social media concepts. At this point, managers listed several discussions relating to establishing social contact with consumers. These include the ability to assess individual performance of the company to develop an internal social application, assess value created from the consumer, the capability to have a strategic problem solving, risk assessment, fulfil the organisational needs on co-creation and to recognise the types of engagement for value capture.

The second point of discussion relates to web-based co-creation. The researcher asked co-creator experts regarding the developing of web-based co-creation. Several discussions reported the participation of consumers to be a part of the research community where each of is connected and engaged in producing valuable experience. Through web-based co-creation it is possible to generate content. When the organisation develops a social co-creation platform it is expected that communities are engage (includes the employees and the consumer) and thus create massive amounts of information. From these engagement activities, social co-creation (works as a web-based co-creation network) creates a knowledge network. This real-time action leads to instant communication (just like Twitter or Facebook where it was assumed the managerial receive notifications based on the consumer activities) which can impact on managerial decisions.

In summary, the engagement platform findings leading to other conditions and correlated with the customer engagement are the focal organisation and the value in context. The study had discussed the engagement platform as an effort to develop a better understanding of where value is created, who is participating on the engagement platform, the expectation of managers when engaging the mechanism and the important factors managers consider when implementing the social media internally in the organisation.

The study selected several 'managerial statements' on the actual condition of the social co-creation to support research justification and provide evidence of why each of the factor lead to a better understanding of social co-creation. For the next condition, the study focused on customer engagement in attempting to capture value of experience from their participation in engagement platform. In the next section, we

extend the externalisation of the value capture conditions by exploring further customer engagement.

### 6.3.2 Condition 2: Customer Engagement

The second condition of value capture framework is focused on the managerial perspective of consumer participation in social co-creation activities. This is to support research investigation where the actors' collaboration in digital platforms to create a value experience. In relation with the social media use in the organisation (Schlagwein and Hu 2016), the study explore the managerial factors which consider engaging with the consumer in social co-creation platform. These findings are comprised from the second section of research interviews and observation analysis as presented in chapters Four and Five. In line with thesis value capture conceptual framework, it is an important indicator to determine the managers perception and the actual ground of 'online collaboration'. The study also address the findings by including research observation on several actual social co-creation platforms (such as ideation, think lab, innovation lab on service organisation). The idea of presenting the customer engagement as part of the condition on value capture procedure is due to the interrelation managerial with the consumer as the key contribution of the value outcome. It also useful to determine the theory of ACT on external-acquiring and assimilation of the value experience. Also, in this section, it is aimed to address a further understanding of managerial strategy to reach potential customer to collaborate, conducting personalised conversations on value of experience development, selecting customer active participation characteristic and the engagement characteristics to accelerate the collaboration effort between the consumer and the organisation.

Capturing value from a consumer is a difficult task. However, the right managerial approach will lead to a better opportunity for the organisation. Assuming consumers have different perceptions and different perspectives on certain products or services, their mental models (cognitive level) are distinctive. For example, if a person bought an iPhone7, the experience is different with others who bought the same product. Given this simple analogy, the study address each of the consumers as unique, opinionated, creative, independent and experienced individuals. Because their characteristic is diverse the consumers become more creative and good ideas are produced. In this understanding, we posit that this type of consumer that really matters for the organisation to collaborate. On the next section, the study justifies

how the organisation recognises these potential customers to co-create and collaborate in the social co-creation platform.

### 6.3.2.1 Reaching the Potential Consumer to Co-Create

When the managers begin to engage with the consumer, there are several factors to consider. In the co-creation literature, the study unable to identify the actual process how the organisation or the manager begins to co-create in the sense of who they wanted to co-create and who has the right position to co-create. At this point, the consumer has already become a part of the social co-creation platform. Note that when in the engagement platform, it is expected more than hundreds to thousands of registered consumers. This understanding is based on research observation on several engagement platforms.

# 6.3.2.2 Selecting the Right People for The Right Purpose at the Right Time

With regard to customer engagement conditions is to recognise the potential collaborator. In this sense, the customer as the key contributor of value co-creation who participate within the network is the one expected to be 'qualified'. However, through research investigation, these customers (who are now become potential contributor) are not fully engage as they are partially involved. This is because there are several phases to allow an individual to become a potential co-creator. First, considering their participation in the network as an initial step towards becoming a value co-creator, it is suggested to analyse the cognitive level. This is vital to ensure the expectation of the organisation (as a whole) meet the co-creation objective. Prior for collaboration engagement, managers would identify by finding the right group (or individual) who are compatible with the needs, commitment, motivation and intrinsic level. These requirements are considered as an important to ensure value is produce is valuable to the organisation. As the study pointed out in the introduction, the second condition of value capture, the customer engagement, the study posits that the engagement as a vital factor for value capture.

[...] on question on what are their incentives to collaborate, to what kind of mind set of consumer you are looking for, and for us when we do co-creation project, we looking for people who motivated, who want to share their ideas, who want to get in touch with company, who would like to collaborate with many peers, and so for us we are not looking for people who driven by monetary or desire of money, still you need to provide them some kind of incentives because they spend their time or ideas[...]- (M3, Managing Director)

Second, although to recognise each individual customer as a potential collaborator or co-creator is almost impossible, managers undertake several cautious measures to rectify the needs. For instance, they use metric tools. The metric tools as an analytical process where several conditions where determined through the quantitative method. As a result, the managers will rely the on the analytical process first before identifying the potential customer to collaborate. However, in this case, it was assumed that the method is similar to other analytical procedure which makes further clarification. This may include the customer contribution 'profiles' in the social co-creation network based on 'point-based rank', the number of discussion posted in the network, response or idea generated on the discussion topic, the frequency that the consumer engages in a week and others. The study listed these 'measurement' based on research observation on the level of participation of the consumer in the network. Although the study unable to make further justification on the metric tools, several studies have provides similar evidence of the analytical process of social media in co-creation (for example: van Dam and van de Velden 2014, Gorry and Westbrook 2011). Moreover, research findings reveal that the managers conduct an observation on themselves of the potential customer in the platform. Some of the manager may use various method of selecting the right person to collaborate.

"To me its starts with people, People process tools, you can feel great tools that replace good people, but if you put good people in the problem, they can help, regardless the process tools they are using" (MA15, Product Manager)

Third, through the interviews with the managers, several discussions focus on selecting the right people for the right product or services. The manager ensures that the potential consumer has the knowledge and experience based on the current products. Monitoring the consumers and evaluate their understanding of the organisation product or services is essential because from there, they will acknowledge the new information and learning new knowledge. However, this finding is based on research observation of several co-creation platforms. These three phases of choosing the consumer to collaborate does not represent the whole of the co-creation process. This is only for the initial process on determining the appropriate potential consumer for co-creation and thus for the value capture. It is a part of refining these potential consumers to gather to collaborate.

[...] new concept, it depends on trying to find the right group of people and their creative input and the latest of products of certain product, when you already have certain product and certain concept the you invite certain customer to refine those concepts and maybe bring additional ideas and enhancement so depending on what stage your co-creation you are, you have to look at different kind of customer or different right group of people or customer. you have to write the right methodology to integrate them.

Therefore, for the organisation to choose the right group of people to engage is by selecting the right people to engage. On the following paragraph, the study listed several important factors for the organisation to consider before engaging and select the right consumer. Generally, these factors would assist the organisation to capture the value from the right resource and at the right time.

**Triggered Participation**. The first factor that the organisation needs to consider is by identifying customer triggered participation. Here, the study denote that the consumer is triggered by their passion to engage, active participation and contribute ideas, suggestions on new information. It is evident that managers are selecting consumer on this type of participation. When the consumers are triggered and eagerly to participate, they become a citizenship co-creation. Customer citizenship (behaviour) in co-creation is happen when they become a part of the communities.

[...] they happen to have people passion, **if people already passion about your job** and people passionate about health, your organisation may have varied communication, you can't join off, you can't use FB in work, all these happen. What **we see people are passionate about it anyway**. (MB22)

"Ideally it is really thing a part of coming and goes and co-creation passion people will be working with social care [...] you can help collet health information and giving back out and make back to community". (MB21)

However, customers who possess 'citizenship behaviour' are not new. Studies have addressed this type of behaviour in many customer engagement literatures. For example, Yi et al. (2013) reported, the customer citizenship behaviour refers to the customer as becoming a 'voluntary' to provide 'extra value' to the organisation when they engage. While Yi et al. (2013) describe this behaviour from customer perspective, the study further extends this understanding by focus on managerial understanding. The research findings show that, when the consumer becoming a part of the (internal) social co-creation platform, this is where the consumer take some responsibility of the overall process. Accordingly, M10 interviewee, noted that

through this type of behaviour, the consumer is able to 'coach' the managers (or employees) and allows the organisation to actually understand the actual (pure) forms of value. Thus, it may provide a direct, honest, and trusted conversation. At this point, the value is purely valuable when both actors are understood and valuable when it is becoming validated.

**Active Participant** Consumers who participate in the social co-creation platform may have different background and experience that may influence their cognitive level. For instance, if the co-creation projects focus on developing a new application, it may attract developers, programmers and other professional background to participate. Different types of consumers set of different skills, experience and knowledge.

**Opinionated Customer** The findings suggest that another factor that leading to value creation in social co-creation network is where the customer is opinionated. In this context, opinionated is considered a situation whereby the customer possesses their own understanding, knowledge and information. Collectively, it influences the customer experience, thus is capable to assist the manager to have a better understanding on certain topic of discussion.

**Enthusiastic Customer** Enthusiast customer participation is one of the important factors that the manager considers when they engage with the customer in the social co-creation platform. Note that customers who already participate in the network are known for the enthusiast. However, the manager felt that although the customer is recognised by their enthusiast factor, it does not mean that the motivation remains on the same phase. Action is needed to maintain such effort to keep the encouragement, on-going participation, and well organised communication channel.

I engage with people from other side of the world and meet them in conference, or Skype meeting, or see people in [...] or in the cities, that's like a community like users or companies' kind of in a mixer and just like friends and having fun. (MA15, Product Manager)

I am having fun using this (platform), building together and talking to people. I do it, is because I get to learn what other people do it, that's really interesting (different) but talking about the same things, and learnt new stuff, that keeps me engage. as much value as for me as it is like produce (MA15, Product Manager).

Also, maintaining customer enthusiasm in the network is important. This is because, the process of maintaining the relationship through a 'positive' engagement

momentum requires the managerial aspects to keep on track of the discussions. Assuming that each discussion carries interesting topics. With constant involvement from the managers would generate a better conversation and thus, create an 'idea chain'.

We usually have moderator features in discussions threads. We have been talk about, intervene, (however) not quite. Also, you can start with one discussions and people can join to the discussion, people can comment, they can add new idea, new theme, (then) you vote on individual proposal. We tend to do this, sort of short term- 3-4days (ideally)because you want to keep boosting the enthusiasm, and keeping communicate so that know what's coming. (MA18, Global Marketing Manager)

Therefore, the organisation needs to consider that when implementing the engagement platform and keep the consumer remain enthusiast is by create a moderator role. Managers believe that through constant communication will increase consumer commitment.

Based on research findings, managers considered the value creation by emphasising these factors that important to ensure the consumer remain connected within an active engagement activities. In this second condition of value capture, the customer engagement is priority because they involve more direct into the organisation. Recognising and the opportunity to reach potential customer to engage is somehow important. Thus, the study posit that from identifying the triggered participation which lead to the diverse participation background would increase customer sharing information and being opinionated. As a result, would impact on customer enthusiastic behaviour.

#### 6.3.2.3 Personalised Conversation

In order to acquire and assimilate VoE, the organisation needs to have a productive communication with the customer. Managers suggest that one of the significant advantages when engaging consumer in social co-creation platform is where they capable of having a personalised conversation on an individual basis or by groups. It is evident that several managers in the interviews stated that to understand further on the consumer experience with an attempt to capture the value, one needs to consider having a more in-depth conversation with the consumer. However, it is seen that having a personalised conversation means the manager has to spend time on

conducting the conversation. It would allow the manager learnt VoE from the consumer, sharing insights and have a meaningful conversation. Despite the challenge on managing a personalised conversation, through social co-creation platforms, allows the manager to tailor each of the conversations with its specific needs.

[...]it allows people to have much more personal connection especially with people that follow their brands, personalize conversation with the customer, and I think that it is very interesting thing. It basically allow consumer / audience be more empower before because social media is out there,(with) brand, thus the organisation don't have anywhere to hide (M6, Head of Strategy and Business Development)

The priority for value capture in co-creation is to have a continuous conversation with specific group of people, and not into a broad public like in another social media platform. Generate a valuable information allows the organisation to learn and absorb and is fundamental for organisational success. Although the manager suggests this type of conversation may produce much more insightful ideas, it is argued that the co-creation itself is conducted on a small-scale project which may require minimum participation.

### 6.3.2.4 Types of Customer Engagement

The research analysis is able to identify three types of customer engagement. There are initiate engagement, partial engagement and complete engagement. Prior to developing a value capture framework, the managers are considered the engagement types because it impacts on how well the managers be able to recognise consumers commitment, trust and capability on creating new VoE.

Participative (Initiate) Co-creation Engagement First, it is considered that the initiate engagement posits the consumer 'first appearance' on engagement platform. This is where the consumer begins to familiarise features within the internal social network on social co-creation platform. This includes participate on interesting topic discussion, communicate within the community and generate new contents. It introduces the role of consumer to the organisation as an active collaborator. However, at this point, the value is not fully generated. In order to generate a value, the constant engagement is needed which that leading to the next engagement, partial engagement.

Partial Co-creation Engagement Partial engagement is described as a condition where the on-gong basis of engagement, continuously communicate and sharing within the online community and develop interest to participate on a co-creation topic discussion. Managers recognise the active participation of the consumers based on their active engagement. In addition, the consumer who under this category are potential on becoming the main collaborator. Accordingly, the M6 manager respond that a "creative collector is selected, every time we work with an audience member on particular issue they tend to be into our network eventually". With this type of engagement allows the organisation to select a potential co-creation contributor.

Complete Co-creation Engagement A complete co-creation engagement took place when the managers successfully identified and be able to have more concrete conversation. In one respond from the interview analysis, "a concrete conversation about more individualisation, more closer ground relationship but it took for a while. It is difficult process in business. People in traditional business is works. So, it is very exciting". (M10). The study describes a concrete conversation is where there is an opportunity for the manager to acquire and assimilate new value.

These types of co-creation engagement on social co-creation enable to improve organisation capability to capture value of experience. The study argued that each of the types of engagement draw an interesting discussion with the managers. However, it also noted that it may impact differently to other co-creation activities. Externally, getting the consumer involve is much complex process where involve varies of co-creation stages especially on engaging in social network forms. Apparently, co-creation activities, managers are focusing on selecting the right consumer to co-create, and for the right purpose. The potential to have consumer in social media is limitless. However, careful consideration is needed as many of the organisation being 'openness' without knowing challenges may impact when engaging on social media.

"Because it is long audience, need long response to social media. It is about knowing the audience. How they like to engage with the vendors"- MA17 (Digital Marketing Manager)

Managerial opinion in selecting users who are passionate and willingly to make a contribution regardless of their individual background, the organisation has the opportunity to vary their communication to reach this goal. People who are driven with this kind of motivation are difficult to find with conventional social platforms

(Facebook or Twitter). On the other hand, for the managerial perspective, engaging with customer allowed them to understand the mental model of the customers. As this will later progressively evolve within internal condition of the organisation, enable the managers to absorb valuable experience in pure forms. The study indicates the 'pure form' condition is where the manager able to understand the real-time experience when they engage with the customer in social co-creation network. Thus, through the passionate customer, they (the customer) taken responsibility of what they are saying and commitment to contribute a valuable experience. It may difficult at one point, however, it depends on the organisational capability to maximising the value into a useful form.

With this understanding, several discussions were made to identify the external value capture condition on customer engagement. Focusing on the engagement externally, is somehow impact on the organisational capability. Specifically, the managers as the key person who recognise the potential consumer they wanted to engage, when they can engage with the consumer, what kind of behaviour is expected during engagement and the sense of purpose to allow the consumer fully to engage to cocreate. Despite the challenges for determining these factors for value capture, managers remain enthusiast.

For that, the study then summaries the second condition of value capture, the customer engagement on the Figure 27 diagram to represent the consumer participation themes and sub-themes.

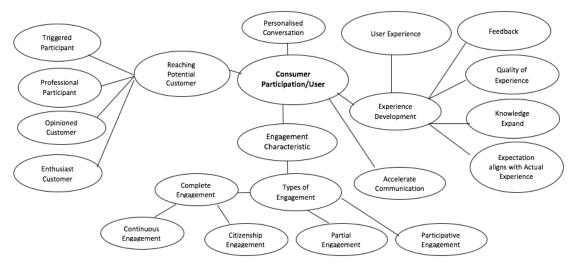


Figure 27: Consumer Participation Themes and Sub-Themes

Overall, on the second condition of the value capture framework, the study posits that the customer participation (engagement) is essential factor on determining a

value capture framework. Derived from research interview results, observation, thematic and interpretive analysis, the study illustrated the consumer participation themes and sub-themes as in Figure 27.

With consumer participation as the primary theme, consist of five sub-themes. First, in order to reach the potential consumer, the managers considered triggered participative behaviour, the consumer expert, skills and experience, opinionated consumer and the level of consumer enthusiast. Second, the manager discussed related with the consumer engagement characteristics (participative, partial and complete engagement). However, it is noted that the manager is only consider when there is a complete engagement process occur to co-create and capture value. The complete engagement also means that the consumer (as collaborator) will have a series of continuous communication with the manager. At this point, it is believed that the manager already recognises, identify, and select the potential consumer. The next theme is the experience development. Although it did not include the discussion related with experience development, the theme itself is correlated with other conditions of the value capture framework. The experience development discussed regarding the consumer experience, feedback, quality of experience, knowledge and managerial expectations align with the actual experience. The fourth and fifth theme with regards to accelerate communication and personalised conversation with the consumers.

Based on these five themes of the second external condition of value capture framework, the study emphasise the discussions on managerial aspects of consumer engagement as vital. Drawing from the externalisation of value capture framework, the study then confirms that both engagement platform and customer engagement is correlated and crucial to determine the organisational capability to capture the value. In the next section, the study highlights the value capture framework from an internal perspective.

## 6.4 Internal Condition of Value Capture

For internal conditions of value capture, the study propose to discuss the organisational role of the ability to capture value. There are two sets of conditions. First, the role of the organisation as the focal actor of co-creation on managing, coordinating and monitoring the social co-creation platform. Second condition is related to the value capture process. An interesting discussion is sought to

determining the internal condition of the value capture for the framework, as illustrated in Figure 28.

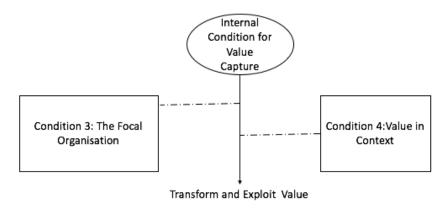


Figure 28: The Internal Factor of Transforming and Exploit VoE on Internal Condition of Value Capture Framework

In Figure 28, the study addresses the two conditions of the internal value capture framework by focusing on organisational role and the value capture. Both were correlated in the value capture framework. Thus, the aim of this section is to fulfil the internal theoretical work of organisational absorptive capacity to transform and exploit value of experience from social co-creation engagement.

### 6.4.1 Condition 3: The Focal Organisation

A large part of the value capture framework relies on the organisation capability to acquire value from the consumer, assimilate the value thoroughly, transform the value into a useful form and exploit the value for innovation. These four capabilities were taken from the theoretical aspects of absorptive capacity which focusses on the managerial (internal) attempts to 'absorb value'. Studies have shown that with the constant interaction of the customer on digital platform such as social media has impact on the customer management. Aware by this situation, customer management becomes a social customer relationship management (Dutot 2013, IBM 2011, Simkin and Dibb 2013, Choudhury and Harrigan 2014, Malthouse et al. 2013, Woodcock et al. 2011). Hoyer et al. (2010) reported that studies on consumer relationship management have almost completely ignored innovation and new product development. Although the study acknowledged that the customer relationship management may have carry a role on managing consumer on the social co-creation aspects, however, the study does not attempt to reach further discussion because the thesis much related with on the manager's spectrum on

capturing value of experience. Kumar et al (2010) explained that "manager[...] to have its own corresponding measure of value generated by customers through their behaviour and interactions to more accurately capture the value generated by a customer". This measurement is generated if managers consider particles of value capture on every corner of the social co-creation perspective, that is the value capture conditions.

**Technology Infrastructure** At this point, the study considers the organisation possess and technology facilities to support the social co-creation platform. In the discussion earlier, the social co-creation platform is a working engagement websites that promotes an active engagement to co-create and collaborate. Accordingly, having the database to store, organise and keep a real-time of customers data communication is essential. It is strongly suggested by the managers that when having a strong database, enable the organisation to produce valid reports. This is because in some cases without a proper technical strategy makes it difficult for the organisation cross-checking and to run in real-time.

[...] then these days, **people expect instantaneous reporting information**, **so you need to able to show any given phase time**, where you are on return line, whether you need to improve or increase activity to have better ROI all sort of things need to be instantaneous. Therefore, you need to be good as **data administration**, where you are using within the company (MA14, Global Market Manager)

The value of experience is coming from the data then transforms into useful information and thus requires a series of learning process to understand the consumer mental models. It is a process that require exceptional effort from the managers to understand what are the consumer wanted to tell rather than just relying on the analytical process which sometimes may not able to fully describe the consumer experience in great details.

[...] As long you have the **technology**, **infrastructure** that allows you to take in different strategy, in social media platforms. But also make sure some of analytics behind that you look into how many people take part, how many people voted, **technical elements of the infrastructure**, **the people replicate the functional as needed as you need it to be**.

Technically, the system that the organisation created to produce valuable information is only useful for the co-creation if it is considered as a qualitative process through a direct communication with the consumer. However, it is noted earlier that the process may useful for a small-scale co-creation projects but it is not limit to larger project as

well. The analytical strategy to complimenting the results from the engagement activities is evident for the organisation to remain competitive.

**Database** With regard to organisational capability of storing, allocating and finding consumer criteria is by having a strong database presence. It was a technical management areas, but impacted on managing customers effectively. It works if screening for thousands of customers to fit the co-creation purpose.

[...] based different criteria and for a every project and looking the right participant and on-going database and constantly improving the database of people, because a lot of time and money they need to ring the right people and for a different co-creation project (M3)

Overall, in terms of organisation capability on managing the technology adoption within social co-creation context is seems more technical. However, as the study focuses on capturing value from consumer participation on the engagement platform, it then related with the organisational capability, apparently, managers also considering the technical capability in the discussions. The capability of the organisation to transform the value is relying on the managerial effort to ensure that they had successfully selected the right consumer to engage for co-experience. For example, in attempt to design a product, managers have to create personas from the co-creator and develop stories (for instance a series of software requirement). However, the manager suggests that a rigorous process is not able to produce the expected outcome.

Monitoring Social Co-Creation Platform Like other social media platform, the social co-creation platform also needs the organisation to monitor all the activities includes moderating feedback, web-site maintenance (moderating page), managing the users which are common in managerial task. It is important for identifying organisational capability in transforming and exploiting value of experience. The purpose is to examine the consumer communication, such as feedback. One of the respond MA15 stated that "Most direct communication we are monitoring how they use things so that we can make a better". In social co-creation platform, it is expected that the speed of communication may impact on organisation capability. This is because, it is believed that 'value overflow' may occur. However, the manager is very cautious when they receive feedback therefore a process of valuation is needed. In addition, Manager M4 reported that "[...] it is valuable if the monitoring customer feedback in social media, they really tell you what they think, but you as

organisation you need to guess, that everything need to be free, but you need to have a realistic feedback". Therefore, it is essential for the manager to have a better understand in order to avoid any misleading information. A realistic approach therefore is needed to confirm the new information. However, in some cases organisations may outsource to third party.

Managing and Coordinate Co-Creation Platform As the study addressed earlier that in social co-creation platform, the organisation needs to create understandable content and ensure it is relevant to the targeted audience. The capability of the organisation to acquire, assimilate, transform and exploit the value of experience is depends on the communication effectiveness. People are spending their time to generate valuable input based on their experience, thus, expecting they are 'being treated well'. It is more challenging if there are thousands of ideas generated from thousands of co-creators. Given that situation, coordinating the resources (as input) is vital. Each value (VoE) is transparent, conveying such value into much more meaningful, readable forms (documented) require special skills. In one respond we received that "[...] any kind that actually allows us to make sure that it is single transparency in the experience and the same level or next level, when you physically change the you acknowledging to the wisdom you start to generalise the, became to tacit knowledge, so everyone will know that these values represent certain the value." (M9). This evidence has shown that each of the respond the managers received is needed to treat differently according to its level of importance. At this point, the managers are considered this as 'raw material'. To reach certain level, is depends on the value content that generate earlier. Expanding further the new value also needs further continuous engagement, in-depth, and require commitment as well as trust to ensure the value is clear and understandable (complete engagement). It may take face-to-face or online meeting to determine such value.

Analysing and Transforming Value How managers are capable of managing the value (as raw value) and coordinate and demonstrate the value involved through several processes.

"That journey and project setup, your kind of setup, people have different sharing, different task to do, all the work online, interactions all that is raw material. and that raw material and I make an ID and an observation, I also look at the raw material, which is good enough, and likely giving the task to the client and level of the interpretation all the work that has been made collectively with the participant and the collaboration from that. sometimes the elaboration requires higher, and sometimes depends on the research, it might done online, the first step is my observation apart from material and the analysis from the researcher and strategy, their recommendation basically, the participant is serve not make the final recommendation and is not a direct recommendation". (M8, Research Community Manager)

For example, in one co-creation project, each of the contributors was identified, putting a unique identification (code name), and gathering all the new value. It derived from the complete engagement between the manager and the consumer (as the contributor). Managers are making several observations on these value through a series of valuations. Some managers using the platform to have the one-to-one conversation to get more details information, some manager using analytical tools to support their justification. However, the study is not able to identify further on how the managers do the valuation on the observation. Noted that the value received from the consumer has not been finalised and not as 'final recommendation' yet, the study considers this as part of the coordinating the engagement in an attempt to gather new value of experience.

Based on discussion of the third condition of the value capture framework derived from the internal aspects of the organisational activities on managing technology infrastructure, monitoring communication through examining the value, maintaining and moderating communication on the platform. Also, a discussion involves the managerial capability of coordinating resources such as coordinate knowledge, the consumer and the engagement were addressed. As part of the theoretical works on absorptive capacity theory, the third conditions aimed at transforming value into a useful form, documented (report) into reasonable measures and validated the new value from continuous engagement with the consumers. At this stage, the study already described in details factors that the organisation considers before being able to absorb value.

To summary this section, the study illustrates the focal organisation themes and subthemes in Figure 29 that represents each of discussion related with the third condition of the value capture framework.

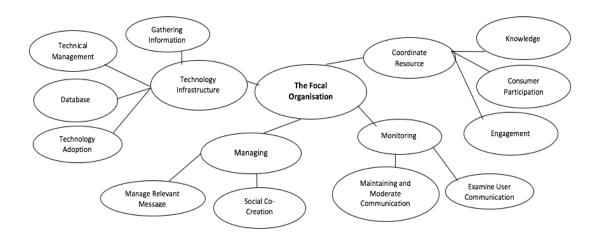


Figure 29: The Focal Organisation Themes and Sub-Themes

Figure 29 illustrates the themes and sub-themes selected from the thematic analysis. Derived from previous semi-structured interviews with senior managers in the service organisation, the study can identify four themes. On the first discussion related to the third condition of the value capture framework is the technology infrastructure. However, the discussion remains with the generalisation of the technology adoption because it has established on several social media works of literature and as well as in marketing, the study includes this theme because the study wanted to explore further the managerial perspective on social co-creation where sometimes previous studies may tend to overlook and take for granted. Within this theme, managers concern on the technical management, the capability for the organisation on storing and allocating consumers (such as a develop a unique identification for each of the consumer) and the technology adoption in co-creation. All these were essentials for the managers to gather all the new information, transform and an attempt to exploit the value. On the second, third and fourth themes, the study draws on the management field which comprise managing the social co-creation platform, monitoring the communication channel (maintaining, moderate and examine user communication), and coordinating resources (knowledge transfer, consumer participation and engagement).

In the next section, the study discussed the organisation capability on taking all these three conditions (the engagement platform, customer participation and the focal organisation role) to capture value of experience on social co-creation.

#### 6.4.2 Condition 4: Value in Context from Social Co-Creation

In determining the final (fourth) condition of our value capture framework is by focusing on the organisation capability to exploit the value. The discussion is related with the value capture process. Thus, in this section, the study draws attention to determining managerial strategy in capturing value of experience from social cocreation context. Value of experience is deposited from active engagement of customer on engagement platform. As part of user generated content community activities is by sharing their experience within the network and produce valuable information. However, each new information is considered as a unique, value and can only be validated if there is continuously expanding new value into useful outcomes. The study had discussed types of engagement that the managers are consider in capturing value and at this stage, the study notes that the managers have selected the right consumer (as collaborator actor) to co-create and for the right co-creation purpose. This is where a 'complete engagement' has taken place.

On determining the fourth condition, Figure 30 illustrates the combined previous conditions of value capture (customer engagement, engagement platform and the organisation).

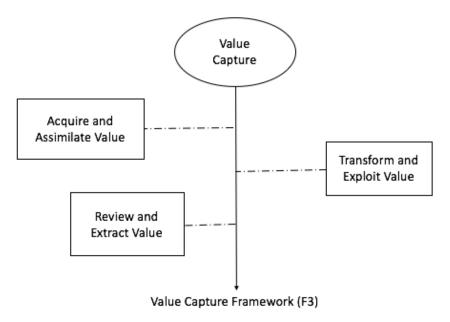


Figure 30: Determining Value Capturer Framework from ACT

As illustrated in Figure 30, the value capture condition focus on the co-creation the value capture condition. Drawing from previous discussion from external and internal

organisation absorptive capacity theory, this section aimed to develop a working value capture framework. First discussion of the value capture framework focuses on the externalisation of value capture where the study focuses on organisation strategy to acquire and assimilate value from active consumer participation in social cocreation. Secondly, the study considered an in-depth organisational process of transforming and exploiting value through understanding the organisational role as focal social co-creation.

Various perceptions of value were gathered during our interviews with senior manager. Some would see the value as an innovation which are aimed as core values. Accordingly, the core value is where a focus is on the organisational ability to capture, innovate and grow. An interesting discussion with Manager MA14 explained "I think about core value to innovate, ability to communicate well and strongly, to able to represent the value of our brand and not miss represent". It is vital for the organisation to learn and understanding in detail what the value is represent for. The risk of having misleading information later impacts on the organisational performance which is definitely a challenge. Manager MA14 added "[...] better position of company but equally the expectations of individuals of a company is real time action". The study then posit that a real-time action is only possible if the organisation engages in social co-creation. The expectation of managers is based on the commitment given with the consumer (as in this case between consumer and the organisation). In some cases, the organisation is considering young consumers (as generation Y and Z) to come up with a better position of ideas and feedback.

In line with the value capture, Manager M2 describes value capture as an important to represent a working strategy for the organisation. He added that: "[...] want to have continue to have the journey and its like return of investment (ROI)- in away if you can do partnership with external - if I want to deliver to quantify and deliver to the partner- the time and source we need to deliver, we need to have part to subsidise and something, and need to have a return on that."

As part of the managerial effort is to continuously improvise the service experience and to have a direct feedback if the real-time factors can be implemented. Manager MB22 suggest that in order for capturing value is by "connecting with life, things what to do, process what to do, people process often very different, with real-chat can check what's going on". A real-time communication may provide better results for the organisation to analyse and to exploit the value.

Therefore, value capture begins with conducting co-creation practices. In the literature, the co-creation is defined as collaboration between actors to creates values. Therefore, on the next section, the study further explained how managers conduct co-creation, capture, validate and analyse value.

# 6.4.2.1 Conducting and Managing a Co-Creation in the Organisation

In this thesis, the study is able to explore in detail how the organisation conducting a co-creation in the organisation. In this sub-section, the findings presented will help us to better understand how the managers conduct the co-creation, capture the value and analyse the value. Studies shown that the customer (as an actor) is empowered by the co-creation where they are capable to provide valuable input to the organisation, thus makes further contribution to the value of experience.

**Study 1:** Manager MA17 explained that they conduct a co-creation by meeting regularly with the user group two-to three times a year. Accordingly, the co-creation is involved the organisation technical management team to assist during the projects by explaining about certain product for instance. The project is conducted through face-to-face interaction with the user and the organisation offering a workspace to the user. The co-creation we considered as a small-scale co-creation project where involve fifty users. An annual conference also conducted which aimed to ensure that the customers meeting the management team and engage continuously.

**Study 2:** Manager MB20 reported that, through social co-creation- 'The network', they are able to reach wide pharmacy community to work with. They have been working within The Network for ten years and recently using social media to promotes The Network to reach global users with 60 000 active collaborators. Within that reach, they share resources, inherent work and social learning. However, through Twitter, Manager MB20 will surveyed, monitor, manage workshop and continuously engage with the users by involving them along. Manager MB20 added the engagement begins when the users participate in The Network "promotes active and keen to communication and vibrate discussion forum. I get them to breach them whenever want. We see what the engagement is and often staggering to share with other colleagues and create value". As administrator of the social co-creation

account, she facilitates all the internal activities ensuring that the network remains active.

Study 3: In one discussion with Manager M6, the co-creation is focusing on workshop style where he and the team capable to view on particular issues. Focus on three stages, insight stage, content stage and audience stage. For the first stage of content co-creation focus on reach the insights. The insight stage determining on 'who' is participating the co-creation. For example, develop a video (digital) content. The co-creation project requires for consumers (or users) age between 16-25 years old in participating a co-creation workshop. In order to determining the participant of this co-creation, the transform casting and research department of the organisation is responsible to do the search. Later, the participants would share their 'insights' and produce the content. It then resulted the organisation to produce a video (digital) content that later published within the social co-creation or social media platforms. With the digital content produced earlier, then comes to the next stage where focus on the content. A focus on the 'authenticity' of users response, the organisation later reviewed the response received, which includes age group of users to "push back content using channel that resumed most clearly with that particular audience", Manager M6. For co-creation, working with a particular interested users is vital.

The **length of engagement**, some campaign, we can run one workshop, or 5 workshops. Each workshop it can be 2 -3 hours or longer based on project. In terms of specific project, we will if not just working total insights production and distribution within work team physical contact. In terms of engagement what we are producing, 1 minute video engagement can be in 1 week or it could be 10 pieces of content, each piece could be develop for maybe couple of months. In campaign can be 3-12 months. (M6, Head of Strategy and Business Development).

With regards on engagement, organisations use a 'campaign method' by running at least five co-creation workshops with approximately two to three hours for each project. However, the organisation may use physical or digital workshop to conduct and it includes the technical team (internal) to support such project. Each campaign may run for three to twelve months.

**Study 4:** Another example from Manager M8, stated that the co-creation began with questioning 'what they think, what they need, how we can create, how actually to improve and see'. Initially, it is an interesting phrase where the organisation considers the input (or ideas) from the consumers. It was expected that the organisation recognises and appreciate the sharing concept where understanding lives (experience) better with people and expects that their consumers have to 'say'

about certain value. With the co-creation, the organisation acquires the input (ideas, information, new value) from the engagement with the consumers. Then, the manager particularly, 'improvise the ideas' follow-up with the action with the consumer in order to reconstruct and restructure the process from questions. In addition, the growth of the value of experience in this context, only capable if the organisation has engaged directly with the consumers. As for the co-creation aspects, the manager roles are vital as the 'gatekeeper', 'engager' and ensure that the consumers are empower and believe that the organisation is cared their inputs.

"The participant is designed in general term - then we improvise the answer(s) and the action with the participant, the journal structure of the questions and process and they final growth of the company, that in different project, changing question based on answers, they would probably say, let say they (customers) we need to change the theme, we have a few room with time and depending on the customer - the influence is minor with the project, that basically the power, the participant have opportunity to not say (lying) so of course they have the freedom to (when we ask) interaction with their videos, interviews (with friends in supermarket because they are mobile) some of that, they have to do, that they have control over how much or powerless that is why I find that my role to create their bond and create their trust", (M8, Research Community Manager)

The process is the mechanism in capturing the value is depends on the efficiencies of communication between actors. Trust, commitment and strong relationship has an influence on how far does the value can resemble the organisation performance.

**Study 5:** On the other hand, Manager M9 explained that the co-creation is conducted as a workshop style where focusing on 'brainstorming session, insights session and sharing session'. Similar to any workshop in the organisation, it is conducted with the aimed to achieved organisational vision and mission. Interestingly, Manager M9 reported that in order to ensure that the value could be captured and produce a valuable outcome, she use an 'identity method'. An identity method allows all the participant are in 'anonymous' position. For example, each participant was assign to a group and regardless with their position is, they capable to share, exchange and collaborate ideas without concerning on their background or by their position. This is because, based on Manager M9 experienced, most of the co-creation activities were influence by the position or participant background. It would impact the outcome of the co-creation process. Therefore, it increases the opportunity to capture valuable information and knowledge. Also, the manager is able to 'capture different views which sometimes can be contextual'.

**Study 6:** Manager MA15 is concerned with the engagement process with the consumer (or another stakeholder) while co-creating. Focus on the decision-making process, primarily, the engagement is entails with active participation within social media (internal). Considering the social media (or in the case as social co-creation) as medium communication, the organisation adapts several methods to achieve decisions. First, they are considering the use of metric tools, analytical process or AB Test to provide possible solutions. Manager MA15 reported that from these tools "you able to see like where people drop off on the side of the product or discover things that you do not know people using features in different way, you kind like back and forth in user experience, how people engage with things and though process leads to them to the experience to like what is actually going on".

From these six examples from twenty-eight (28) interviews the researcher conducted, has shown some interesting discussions on how the organisation relate to our three conditions of value capture. Prior to co-creation process, the managerial is considering the aspect of consumer engagement, the engagement platform and the manager role in insuring the effectiveness and the efficiencies of the value from raw to valuable information. Infinitely, some of the organisation may use various method to capture value, however, we argue that in capturing the value, more than one method is required. The method is depending on the organisation strategy either focus on qualitative or quantitative. It is essential, regardless of the methods used does need to recognise and identify the conditions of value capture.

Within these co-creation examples, it was considered that the consumers reach a high level of engagement where it comprises of trust, commitment and personal interest. This is because of once consumers become a part of the online community, they are volunteering themselves to engage. However, it is noted that during this time, the engagement is still not fully developed. The consumers who participate within this activity have been carefully selected by the managers through their selective criteria, coordinating and categorising the consumers accordingly. At this stage, it was expected that the co-creation is not fully established.

### 6.4.2.2 Value Creation for Value of Experience (VoE)

The capability of the organisation to realise that value is created through the engagement with the consumers is well recognise. The evidence has shown in Table 15, has proven that allowing the consumers to participate on contributing for value

creation with the organisation has increase the opportunity for competitive advantage. Therefore, the study selected evidence from the interviews with managers as listed in Table 15.

Value Creation	Respond
<ul> <li>Increase Organisation Core Values</li> <li>Organisation A have nine core values (primary values). It represents of the organisation capability to innovate and grow</li> <li>Ability to communicate well- portal: people share and collaborate (cloud), sending and receiving files, import information.</li> <li>Collaboration online: Opportunity to collaborate physically or digitally. Faster approach, identify potential client.</li> <li>Use an open source for product. Different people from different organisation</li> <li>"We use open source product back then. We came with different people with different organisation, who creates or buy self with nothing, with popular tools in Organisation A"</li> <li>Advantages to get real insights, "what being said, not just comment, text, there maybe some analytical aspects</li> </ul>	MA14  MA16
<ul> <li>People Feeling Good (Satisfaction and Confidence)</li> <li>The co-creation is a network that allows:</li> <li>The organisation valued the community.</li> <li>Improve intangible (information, knowledge), "people feeling good"</li> <li>Be able to understand people problems, social experience and get together, "[] it gives feel really good stuff and sensitivity and to improve their jobs and feel goof about it"</li> <li>Large community in social media also means has "incredibly sensible". Assessing and great information there</li> </ul>	MB21
<ul> <li>Value is stability of consumer experience, cognitive and respond</li> <li>Customer own the experience – setting customer experience relevant with customer outcome</li> <li>"Customer needs to create and people genuinely interested in each other and create value with each other. Contribute to the co-creation and company need to understand what is value"</li> <li>Value is defined by its 'continent' of the relationship stage. Value is relationship.</li> <li>Open conversation- learning overtime, an additional value.</li> <li>"The companies trying to formulate reason, pro value proposition in the highest level. Interesting is, I think that the distance the strategic level to the customer interaction level how actually customer think and how the process".</li> <li>Value creation also involve stability of emotion, cognitive activity as favourable outcome.</li> </ul>	M10 M11
<ul> <li>Value Effective in Digital Platform</li> <li>With the digital platforms, effective for value creation, able to point out and show, respond and actions in various people.</li> </ul>	M9

- Example: New product development (NPD) address to different needs, mental model and background.
- "How they interact with the brand, conversation is all about the values- social conciseness and at the same time, users generations, all about convenience and practically".

### **Table 15: In-respond for Value Creation**

In Table 15, senior managers realise that value discussion is related with organisation core value, the level of consumer satisfaction and confidence on the organisation brand, the stability of consumer experience and cognitive, and the impacts of digital platforms. With this understanding, it is confirmed that the conceptual framework of value capture is related to the customer engagement with conditions of complete engagement level. The novelty of these findings is important because, after two decades of co-creation of value for co-experience realises that the social co-creation is significant to value capture.

### 6.4.2.3 Value Capture Process

At this stage, the managers have identified the pre-conditions of the participants in the co-creation activities. The co-creation allows the managers to understand the user needs, level of motivations, define individual personas and the markets based on experience. Interestingly, Manager MA15 consider that "overtime you find like this person never heard the product and yet it can solve their need very well when they start to use it, then how we can engage and let them know that". In addition, working with consumer also means that the manager need to understand their education background. Manager MA17 stated that "how they get into this role typically, because the more you understand, the more you get an idea what they need".

While manager focus on the communication-engagement aspect of the co-creation, other managers consider the learning-engagement. In co-creation, learning is different. If a manager has 30 minutes to have a conversation with the consumer, then it is expected that value is created in this 30 minutes (Manager M11). However, is not known how to ensure that value created within that time frame would produce value outcome as needed for co-creation. Assumed that value has a significant into the co-creation, thus, several steps of measure were suggested in this section. With regards to the value capture process, the study is able to identify several co-creation

process and methods from the interviews. Table 16 lists four examples of co-creation process and methods.

Co-Creation Process and Method(s)	Respondent(s)
Analytical Tools- An analysis method focus on quantitative	MA15, MA18,
measures on social media platforms. It is a rather complex	MB23, MB25,
technique and require technical expertise	M1
Narrative Method- is a reporting method where the managers	MB23, M3,
using their own mental model to explain the narrative from the	M10, M11, M9,
beginning until end.	
<b>Insight Stage</b> - is a process during the co-creation allows different	M10, M11, M6,
roles from management to participate with the consumer to	M8
collaborate.	
Identity Method- is a unique method that allows the participant	M3, M9
remain 'anonymous' position in co-creation workshop	

**Table 16: Co-Creation Process and Methods** 

As in Table 16, there are four types of co-creation process and methods in capturing the value of experience from consumer. The study categorised according to the managers approach on capturing the values. Manager MB25 reported that "We do have a valuation done. It may not (and again from the website), into the website and talking to the people".

The first method of capturing value is through analytical tools (includes matrix tools or relevant). It is not surprisingly that managers are consider the analytical tools and apply the quantitative analysis as a result of engagement with consumer. These findings however, has been established in most social media literature. Examples: van Dam and van de Velden (2014), Bijmolt et al. (2010), Zeng et al. (2010), Greco et al. (2013). The matrix tools provide assistance for the managers to make a decision. Manager MA14 added that "it will be more upscale and depending on the size the organisation, not so effect personally, is board of directors' decisions [...]".

"Matric tools like a decision making is very important so you got your primary like WOM and actually user engagement but then matrix and analytics help you to really find user experience like you work or more like detail view where you able to AB test possible solutions or you able to see like where people drop off on the side of the product or discover things that you do not know people using features [...]"-MA15 (Product Manager)

Second, narrative method is a process where the managers 'telling the stories' after they gathered all the information acquire during the co-creation. Manager M9 reported that "story telling you have nice data to work on to create and understand

the mental model". It involves managerial interpretation based on the data they received. This is because, engaging directly allows the managers capability to understand and evaluate the value in more depth. Third, some organisation applied an insight stage. An insight stage is where the managers join together (to represent their organisation) with the consumer in co-creation and communicate. It allows the manager to play their role beyond their position in the organisation. Lastly, an identity method is suggested by Manager M3 and Manager M9 where they invite the senior management to participate with an 'anonymous' position. This unique but creative approach offers two main advantages. First, when there are internal management participate into the co-creation engagement 'workshop' for example, they will receive first hand of experience on communicating with another participant. Other participants (within the group) may feel comfortable and 'relax' whilst enjoying sharing their values. Secondly, Manager M3 added that it is much easier to documenting (or reporting) because the large part of discussions is involved the organisation management, thus, support the co-creation discussions. Evidence has shown that each co-creation projects may require up to twelve months of reviewing, reporting and documenting.

However, despite the study provide evidence that related to several examples of how the organisation capturing the value, the end decision for each co-creation process requires high-level managerial position which is not able to identify.

"To select all the ideas being generate in all the platform, with the conditions, that they created in relational context or social context, I think it is not so hard to prove. But once if you beyond, you can see a lot stage where companies need to interact, need to get to know customer, customer also need to know the company, they need to create an idea and there is really". (M10 and M11- Focus Group)

"You start with the data, you have the pool from various people, you have the artefacts, they share with you, then you have a discussion arrive from that, as data. then as we may know as knowledge pyramid (process data, information - making sense of the parts, finding patterns, group together, what make sense on that direction, what make sense other directions, creating the micro-families, then we process that information into knowledge so its kind of document documents that we said these are the values, this is how implement to use to start or thinking about the brand and how we can translate it". (M9)

"Let say value transparency, inter to interface, so how you could convey with these values - interfaces? texts? brochure? or any kind that actually allows us to make sure that it is single transparency in the experience and the same level or next level, when you physically change the you acknowledging to the wisdom you start to generalise the, became to tacit knowledge, so everyone will know that these values represent certain the value". (M10)

Being selective on who the organisation engage with is vital. The conditions are playing an important role for the manager in order to capture the value. In addition, Manager M9 and M10 emphasised the 'internal process' from data to knowledge, converting the consumer experience into more meaningful value.

### Documenting (Documentation) - Reporting and Reviewing

There are several types of documenting the value. Common ground of any management works in the organisation are based on reporting and reviewing. It is more on 'checking' on the results. Table 17 overview some examples applied in several organisations.

Task/ Purpose	Respond
Data Administration-Online Management Review- viewing achievement yearly. Recognition review- an individual performance at a given phase of time. The purpose to improve or increase activity of return of investment (ROI).	MA14
Checking (Update) the latest product, by understand the problems	MA16
Checking across the co-creation network (with the community)-intangible value, inclusion mental management	MB21
Continuity of engagement- Maintaining communication, develops patterns, narrative, 'translate'	M9

**Table 17: Examples of Review Procedure in The Organisation** 

Table 17 is examples of reviewing procedures in the organisation by several managers.

Although it is not completely similar to other organisation, but, with this information, the internal strategy in capturing value is more intense. Align with the needs of 'checking' or validating new value, managers are concerns on how each value can be utilise. Internally, it is expected that organising high volume of data is depending on the organisation data administration and technology tools capabilities. However, in some cases, conventional tools may applicable. For instance, documenting and report analysis.

Validate New Value The value capture also means that the organisation capable to validate new value. Noted that in the study, value is represented as value of experience in which consumers develops their own thinking on service that they received earlier and create their own mental model to reach their own consent. This

however develops an interesting discussion. The capability of the organisation to validate the new value has create attention for the managers.

"You able to **validate assumptions**. So, what you are doing is remove variables essentially you have better communicate with the vision the product should be based on that user needs. Like what problem is solving specifically". (MA15, Product Manager)

"Then probably you have user testing and you may have think user testing, validating the data and experience with the user of the source of sub-domain of the co-creation. you are not gee rate idea but validate the idea, you sit down with the whole team and this are the things that matters, this are the values. This are the work with artefacts to be produce. This are the things to have the feedback are align with the feedback".(M9, Senior Strategy)

"[...] validate to co-creation design and it is a key [...]" (M8, Research Community)

"In my opinion, unless you capture value, how you can validate someone ability to be able to show true value to the company you work for. You not only create but also to capture, then you can show, or you have to live it to your own goal to the end of your work. How you can improve your own goal and achievement". (MA14, Global Market Manager)

For example, Manager MA14 discussed on her perspective when engage and cocreate internally with the employees, a validation to the value outcome is vital. It shows how the value can be useful if it able to understand thoroughly. Engage, communicate, sharing and learning are some of the task that may require managers attention.

Managers Mental Model The study is considering managers mental model is important on determining a success value capture process and to design our value capture framework. This is because, managers are playing an important role to ensure each value is validated, hold the right individuals to engage (the consumer), produce documentation, outline important aspects that later impact on the organisation vision and mission and others. Mental models are referring to how individuals thinking, opinions and perception on certain features. These examples have shown us that the managers optimising their role to reach maximum result as the co-creation requires constant and continuous engagement with consumers.

Figure 31, the study illustrates the capability of managers on understanding the values with consumers mental model.

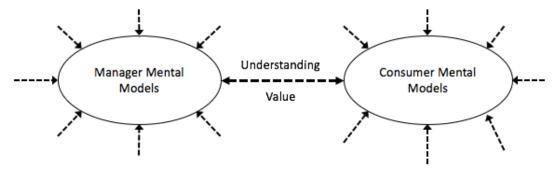


Figure 31: Conceptualise of Mental Model

Because co-creation requires the participation of one or more actors, the mental models of each of the actors should be align with the needs and have the sense of purpose. Therefore, in Figure 31, the study conceptualises of actors' mental model in the co-creation. In order for acquiring the value, some managers are using social media passively to go through what customers think about their brand. Considering that each co-creation engagement can be conducted online (online meetings, digital conference and others) or offline (face-to-face, group discussions, participation on projects, seminars or conference, etc..). Both online and offline is equally important in the study. This is because, before the managers can engage with the consumer (customer), the managers using the social co-creation to determine who will they engage with, then follow-up with the selected customer by inviting them to participate on co-creation projects.

"The first way is to apply mental model, what is value system what are the value, what are elements that matters to them, what are their main reason to satisfaction to the service or provider or any kind of initiative to take part to serve, I use creative method [...]". (M9, Senior Strategy)

"[...] the key values and the key of mental model, into sort of high level document - for the final stage is to find the industry value- competitive and you start begin to large organisational and the implementation is all about the compensation because when you work in digital domain, giving the simple requirement is not necessary always effective [...]" (M9, Senior Strategy)

"From mental model, not like in \_\_\_\_\_, it is very fast, it is nothing to use in conversation analysis, still we try to capture values. What are the key values (not monetary one) but what really matters to the people when they engage with the service/product, why is the reason they wanted, what is the job to be done, and then we arrive from there, of sort of value system when we implement to the products or services. this is kind of first level that we use in design phase. when we wanted to design an interface, or the existing one". (M9, Senior Strategy)

"So, in this way, we do is physically understand how they perceived the service, how they experience, what are the values. Because of we use capitalise metaphor, story telling you have nice data to work on to create and understand the

mental model". (M9, Senior Strategy)

So, yeah I think it is interesting, that is the problem that i had, how can i communicate these feedback on my findings in scalable ways, because now is kind of people have to come and conversation and mass amount of data and then mental model even that makes things kind get difficult. (MA15, Product Manager)

Overtime, managers are responsible not only engaging with the consumer for the cocreation, but also to critically evaluate, validate and verify the new values and interpret into a meaningful value. Levelling the way of thinking with the consumer is crucial. Nonetheless, the capability of capturing the value not only relies on the methods, approach or even the strategy, but the challenges of 'understanding' on transmitting the value from one actor to another actor is vital.

When you are creating about something, it is not really about end product. It is about learning the whole way, it is huge experience. We are learning in different ways, so some people can come out with blogs, videos, or might everything. So, you have that experience and then came back with education tools - to look at the design thinking (example) where to start, where is actually practical situation things, about learn do it. (MA16)

Furthermore, whilst engaging with the consumer, managers able to learn, explore and create a better view on the needs to make the organisation better. With regards to the co-creation, managers consider it as 'mode of operation and different definition of value' (M11, Managing Director). It has become a central for the organisation on determining distinctive conditions for capturing the values in social co-creation. These findings are however consistent with internal analysis of ACT theory by Lane et al. (2006) where the capability for the managers to learn and explore of the new knowledge (new value), assimilate through transformative learning and the ability to create a new value from external organisation (Lane, Peter J. et al. 2006, Sun and Anderson 2008).

In the next section, the study summarised the research findings of the fourth condition of value capture.

### 6.4.2.4 Reviewing and Extracting Value of Experience

The last condition of the value capture framework discusses the vital components on answering the research questions. The study explored more in-depth steps by steps on how the organisation capabilities on capturing the values from consumer in social co-creation. Figure 32 is based on the themes and sub-themes that leading to the value in context.

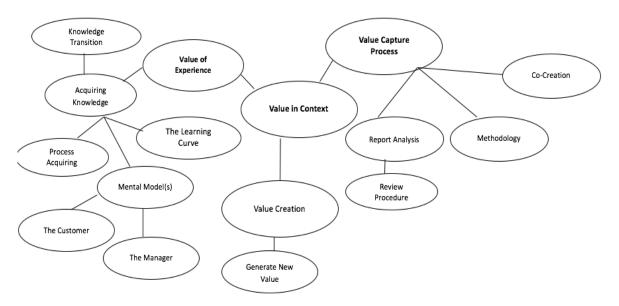


Figure 32: Value in Context Themes and Sub-Themes

In Figure 32, the value in context as the themes, followed by three sub-themes, value of experience, value capture process and value creation. First, the study explored the VoE as the main subject of the thesis by discussing on how the organisation acquire the values and assimilate from data to knowledge. Then, it includes the mental model's discussions where it focuses on the managerial actions to ensure the co-creation is active. Second sub-theme, the value creation questioning what and how the organisation generates the value. Lastly, the process of value involves the methodology, documentation, reporting and reviewing procedure.

### 6.5 Refining the Value Capture Framework (F3)

Overall, formulating a value capture strategy within social media environment has brought an interesting discussion. Therefore, the study refined the current value capture framework (F2) to valuation value capture framework (F3) as presented in Figure 33.

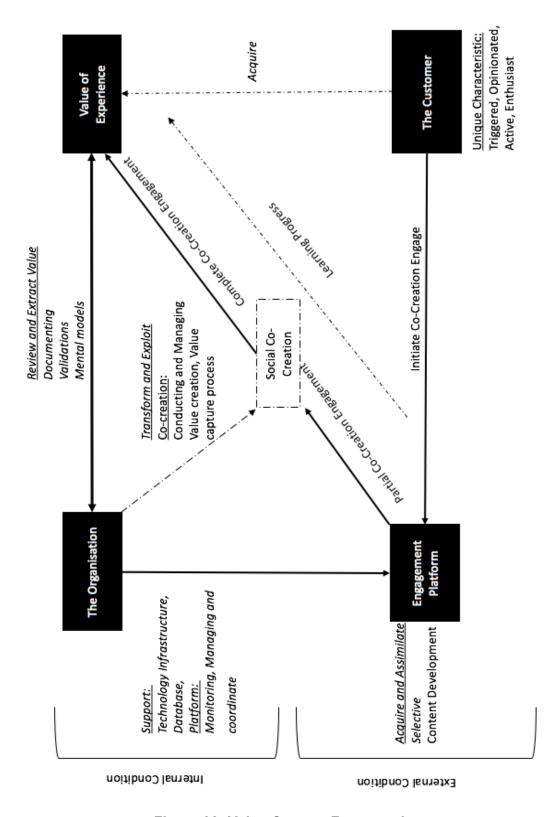


Figure 33: Value Capture Framework

From the findings, first, the study can identify the unique character of the consumer based on a managerial perspective. It includes triggers, opinions, activity and enthusiasm. The study then refined the customer engagement types by introducing three distinctive stages of engagement. These are participative, partial and complete co-creation engagement. Each of the engagement types carries a different role in social co-creation. However, it is determined that value capture begins when there has complete co-creation engagement. These conditions derived from the selection process on the engagement platform. Secondly, the study is continuously clarifying that the capability of the organisation ACT in capturing the value begins at the engagement platform. ACT plays an essential role in understanding each stage of value capture in our framework. Following the ACT literature, the study recognise that each stage of the value capture carries the potential for value absorption. Thirdly, the framework not only capable to identifies the relationship between the organisation and the customer, but also, able to granulate the internal process how the organisation processes the new value. Besides the discussion on the engagement, the study reveals that continuous validation is needed to ensure that the value is in 'pure form'. Within the ACT, ultimately, the organisation is continuously learning throughout the value capture process.

### 6.5.1 Validating the Valuation Value Capture Framework

The research framework is validated to ensure it is relevant to the current organisation. The discussion in this chapter confirms that the four conditions play an essential role in the value capture mechanism. Specifically, each condition carries factors that were leading to a successful value capture process. The theoretical aspects of the study allow us to explore and identify the organisation capability for capturing the value of experience.

The validation process took placed after all the semi-structured interviews were collected and analysed. The study managed to have an extend discussion with a strategy manager who is experts in both social media and co-creation as validation process. The manager who has vast experience on practicality and experience of conducting co-creation in the organisation validate the framework. With a thorough discussion with the manager, the study able to address the four conditions of the framework (refer Figure 33) and how it able to reflect organisational value capture strategy for co-creation. The validation is conducted with interviews for one hour and thirty minutes. The validation findings were addressed as follows.

#### Criteria for Conditions Were Determined

The criteria of each of the conditions was determined in the findings chapter. We verified these factors to ensure that each condition plays an important role for an organisation in capturing value. Because of the conditions, the study propose each condition is interlined with each other and vital for the organisation to understand the process for the overall value capture mechanism. The idea generated within the framework is to introduce to the organisation the pre-conditions they need to focus on. For example, if the organisation intended to use the social media application as a tool to support the co-creation projects, thus, a strong content development is needed to ensure that the engaging platform allows the customer to understand the needs for participating on the co-creation.

During the validation process, the manager added that "Co-creation is very good, it need actionable, how to make it, how I execute the co-creation, a lot of companies at the moment scared about engaging with the customer". Engaging with the consumer especially through social media requires effort and support from all aspects in the organisation. This includes the decision makers, the technical management and other respective managers. With the co-creation, the priority is to engage with the actors (or in our case would be the customer). One of the main factors for integrating the co-creation with the social media is because the opportunity to reach more potential collaborators enable the enrichment of the experience.

This has proven that the conditions of the value capture framework are required on ensuring the externalisation and internalisation is considered. The researcher addresses the pre-conditions as part of determining the VoE in most significant way of which the organisation could able to understand the contribution made by the customers. In a way to justifying the framework more thoroughly, the manager was asked the practicality if this may have the potential to be implemented in an actual process of the co-creation. However, at this point, addressing the framework used and its capability and the potential is discussed.

## Assessing of the Value Capture Conditions

Assessing and evaluating the social co-creation requires more than conducting the co-creation itself. The issue of value capture tends to address a quantitative approach and signifies the need to present the results as percentages. Through the validation discussion with the manager, it is suggested that "The four (4) dimensions factor to analyse and create different scenarios to assess the impact of either 100

percent, 50 percent or zero percent does not matter how does it affect the value creation, which could be interesting". In addition, having "The right measure, if we are able create a co-creation score, where it may (lead) have a long-term score, it may powerful- just thinking how they can measure and value, they will be happy". In the research framework, the study provides a qualitative measure for the organisation to recognise the potential of each of the conditions which later may work for quantitative evaluations. The framework provides a meaningful contribution on how the internal managerial perspective considering the social co-creation as a functioning platform for co-creation.

Through the validation process, it is argued the actual role of engagement platform which impacts on all four conditions of the framework. This is because, with earlier understanding, social media has been used as part of communication tools and techniques to reach the right people (customer) to engage with. However, the manager remains argue if the platform plays a single role (as co-creation engagement) or dynamic communication tools which represent the organisation. However, although in the study mainly focuses on capturing the value of experience which later consider as subjective, validating the value of consumer experience only can be retained if the organisation is capable to recognise the source of value – the customer. Therefore, a strategy on approaching the right group of customer does need to consider despite with the impact from the social platform as an alternative to reach 'global' audiences.

From an analytical perspective, the manager considered the key performance indicator or KPI on ensuring that the value can be quantitatively measured. The KPI of value capture may involve how many times the consumer engages with the social co-creation platform on a weekly basis, or how many ideas are eligible for the consumer to be selected for the co-creation workshop.

## Increase Participation of Decision Makers in Co-Creation

On the third part of the validation discussion, the researcher aimed to addressed the role of decision makers (high level management) in the co-creation. Based on the study findings, documentation and reporting the result from the co-creation activities it is evidently challenging for managers. This is because, the findings demonstrate that when it reaches decision makers it is likely their interpretation is different.

"The leadership or senior manager don't tend to have the opportunity to listen, experience on the first hand. The problem is the resistance- to relies on the report, rather than relies on the co-creation itself. They are actually the one who decide, listen to the stories, their (the customer) voices, if they go to 100% on report, their interpretation is different. But if they with the same room with me, they be able to validate to enrich and push forward. they can be a part of the. It is part of culture evolution. Quantitative and qualitative can provides such results to the organisation". Validation Interview

As a result, it may impact on overall co-creation performance in the organisation. Currently, our evidence showed that co-creation practically involves managers who are related to customer engagement and social media. Considering the decision-makers participation in the co-creation first-hand is therefore a worthy activity. Experience develops in engagement which creates not only value but also an understanding of the real condition of what their customer needs. The practicality of the value capture framework depends on the overall organisation capability in ensuring that each of these conditions is met.

Thus, the role of organisation to capture value not only depends on the managerial to conduct or engage such activities (co-creation) but also participation low level to high level management is needed. Addressing the level of management also signifies much higher level of involvement to reach maximum VoE. With a thorough understanding of each conditions in the research framework, impact on the internal 'work' of the organisation. Despite in the service organisation recognise the need to have a constant new innovation and challenging, it is encourage to have support from high level engagement of management.

# 6.6 Conclusion

Overall, the practicality of the conceptual framework, if implemented in the organisation, has demonstrated to be insightful and useful if combined with a quantitative measurement approach. The discussions with senior managers alluded to several suggestions. First, our value capture framework provides a significant contribution to an understanding of social co-creation. It includes how the organisation can identify and recognise potential consumers to collaborate, which factors lead to an effective collaboration and how social media influences the managerial learning process. Secondly, an evaluation of the value capture framework also justifies the need for the organisation to utilise social media applications to support competitive advantage and service delivery improvement.

The reported external and internal conditions of value capture enables managers to understand the holistic process of social co-creation.

CHAPTER 7: CONCLUSION, CONTRIBUTION, LIMITATIONS AND FURTHER RESEARCH

# CHAPTER 7: CONCLUSION, CONTRIBUTION, LIMITATIONS AND FURTHER RESEARCH

#### 7.1 Introduction

This thesis set out to develop a value capture framework for organisations through a consideration of a social co-creation perspective. The conceptual framework was developed and validated accordingly. Four conditions were analysed and investigated which enable organisations to capture the value of experience. These are customer engagement, engagement platform, the focal organisation and value in context. The conditions have been identified as relevant to the needs of a social co-creation concept. In reviewing the literature, limited attention was found on the association between value capture and social co-creation. Consequently, through qualitative and exploratory research, the study conducts twenty-eight semi-structured interviews with senior managers who are highly experienced in social media, co-creation and customer engagement.

The empirical findings presented in this study significantly contribute to a further understanding of value capture in social co-creation. The study is consistent with previous research where the nature of engagement between the organisation (through managers) and the consumer (as stakeholders) on becoming a co-creative organisation (Venkat 2009).

Through a focus on customer experience, as value of experience (VoE), managers imposed unique characteristics based on their own individual service experience. In respect of Absorptive Capacity Theory, the study denotes that the organisation's capability to recognise, acquire, assimilate, transform and exploit the VoE has been established.

With regard to customer participation in co-creation, the study acknowledge that the organisation realises the importance of their involvement and contribution in creating new value. Four types of characteristics were determined (triggered, opinionated, enthusiast and active) which categorises them as active players. However, the study posits that in terms of co-creation, the condition on becoming an active player is by participating and engaging within the online community and creating content (Heinonen 2011). Several other studies also provide a similar understanding on the

customer role in the co-creation (Jensen et al. 2014, Terblanche 2006, Margaret A. Morrison, Hyuk Jun Chepng 2013, Rokka et al. 2014, Shamim and Ghazali 2014, Fountain 2008, Prahalad and Ramaswamy 2004).

In this final chapter, the study discusses the overall conclusions based on the research findings, research aims and objectives, research contribution, limitations and suggestions for further research.

# 7.1.1 Research Aimed, Questions and Objectives

The study aimed to develop a **value capture framework** from a social co-creation perspective by enacting the organisation and consumer value capture. The value capture framework was designed based on four internal and external conditions of value capture. The conceptual framework proposed is interlined with customer engagement, engagement platform, the organisation and the value in context (as value capture). The study carefully formulated and developed the framework phase by phase initially derived (F1) from the literature review. Then, the study refined the framework by including the theoretical discussion on Absorptive Capacity Theory and designed the second framework through additional fieldwork analysis (F2). The final framework (F3), claimed to be a major contribution from the research, was progressively developed through learning and exploring each of the value capture conditions.

Based on a qualitative study the study fulfilled three research objectives. Firstly, to explore manager's knowledge on social co-creation definition, concept and purpose in the organisation within the online engagement platforms. Secondly, to specifically recognise factors (conditions) on formulating the value capture process. Thirdly, to formulate the external and internal factor of organisational Absorptive Capacity Theory (ACT).

The question on how the organisation captures value in social media has been of interest for some time among marketing, strategic and service management scholars (see examples: Wamba and Carter 2013, Harvard Business School n.d., Gans and Ryall 2017, Chesbrough et al. 2017, Agafonow 2015, Priem 2007, Cliff Bowman Véronique Ambrosini and Ambrosini 2010). The study then follows this discussion by designing a value capture framework that can contribute to an emerging literature

regarding the conditions associated with the organisation and customer value capture in a social co-creation context.

The **first research question** is to design a value capture framework in order to explore manager's knowledge on social co-creation definition, concept and purpose in organisations in relation to customer engagement from online engagement platforms.

# Research Question 1:

How does the organisation design a value capture framework in web-based cocreation content?

How does the organisation identify value in Social Co-Creation?

How does the organisation recognise the value of co-experience in social cocreation?

With respect to the first research question, it was found that the organisation designed a value capture framework in social co-creation by considering four main conditions. Accordingly, it was suggested by Mahr et al. (2014) to identify the conditions for customer co-creation. The study fulfilled the need for how the organisation conducted customer co-creation stage by stage as suggested by Gemser and Perks (2015). Also, the research framework provides the opportunity for the managers to made decisions based on customer engagement in the engagement platforms (Mokter Hossain 2015). In-depth interviews were conducted to explore the organisation capability on identifying the value in social co-creation.

The **second research question**, considered factors which enable the organisation to absorb value from customer participation in the online engagement platform. The strategy to answer the question is by implementing the theoretical notions of Absorptive Capacity Theory (ACT) where organisations acquire, assimilate, transform and exploit the value of experience.

# **Research Question 2:**

What are the factors which determine how the manager absorbs new value from customer participation in the online engagement platform?

What does the process involve in assimilating this value from social cocreation?

How does the organisation gain from the value of co-experience?

Taken the views and experience from the findings the data was sought to critically justify the customer characteristics and types of engagement that influence the efficiency of the value capture. With this regard, the thesis fulfils the needs of exploring the role of engagement platforms in the organisation to capture value. The study formulated the value capture framework by determining customer roles as value co-creators, the engagement platform as medium for communication and interaction, the focal organisation on managing, monitoring and coordinating co-creation activities.

The literature review from marketing and strategic management identified the integration of social media and co-creation in the organisation requires the consumer (as an actor), the engagement platform (medium to reach out the potential actor) and the co-creation (as a process to create and capture value). The development of the conceptual framework was progressed, as noted, through F1 to F3. The F1 conceptual framework was designed based on the literature review and F2 by considering aspects of Absorptive Capacity Theory.

Figure 34, illustrates a summary of all of the research objectives and research questions in a single diagram.

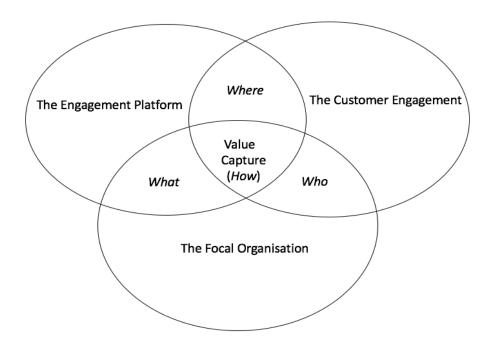


Figure 34: The Value Capture Spectrum

The value capture 'spectrum' considers four main questions, i.e. who participated in value creation and value capture, the role of organisations as central to the value capture on the engagement platform, and the extent the customer participated with the engagement platform. By recognising the participant, the study then discusses the role of the organisation as the focal point on managing, coordinating, monitoring and evaluating the engagement platform. The engagement platform role acts as the medium for interaction, communication where social co-creation is conducted. As for customer engagement, the question on 'How value is captured' is centred and achieved through recognising these necessary conditions. As a result, the study is able to determine how the organisation captures value.

#### 7.1.2 The Value Capture Framework

The study formulated the framework by validating and continuously engaging with co-creation experts and practitioners in the United Kingdom. Value capture is an interesting topic which covers different areas of the organisation. Specifically, the study offers an in-depth understanding on realising the potential of social media with conditions to conduct and support co-creation. Understanding both fields allows to determine the practicality of the framework and its potential for value co-creation. In addition, the contribution not only focuses on developing an understanding of social

co-creation but also considers actual co-creation in organisations. The study also emphasise the mechanism to conduct co-creation virtually where physical interaction remains valid (Hargittai and Hsieh 2010, Barraket 2006). This would add value to social interaction (Mesch and Talmud 2010) with consumers in social media.

The prospect of becoming a co-creative organisation does not necessary require an existing social media platform to promote such activity. Social technologies present value to the current needs for the organisation to remain competitive, transparent and, in current context, improve service delivery (John C. Bertot, Paul T.Jaeger 2010, Hatch and Schultz 2010) and thus encourage customers to engage (Jo Roberts 2011; Salanova et al. 2005; Cabiddu et al. 2014; C.M. Sashi 2012; Choudhury and Harrigan 2014) through social media platforms (Piller et al. 2012; Li et al. 2013; Choudhury and Harrigan 2014; Porter, 1996) Thus, implementing social media is possible for value creation. Francis (2002) stated that one of the key aspects of customer's value creation is to involve a series of activities through information, knowledge, skills and other accessible resources that customers use.

To the point where the social co-creation enhanced the organisation capability to reach the right consumers for the right purpose, the study then designed a flow diagram as illustrated in Figure 35. Based on the value capture framework, the four conditions are included. Initially, customer or consumer participation on top of the diagram, the consumer triggers, active, opinionated and enthusiast characteristics to participate in the engagement platform. Next, consumer registration takes place. Then, in the engagement platform, the consumer can participate in the topic of discussion (like forums) to share their ideas, experience and generate content with online communities. The engagement platform was designed by the organisation to monitor, manage, coordinate and provide assistance. Similar with other ideas and co-creation engagement platforms, the consumer is rank based on their active participation – ideas generation, responses, likes, feedback and others. However, the concept of idea creation and co-creation engagement platform is well established in the literature.

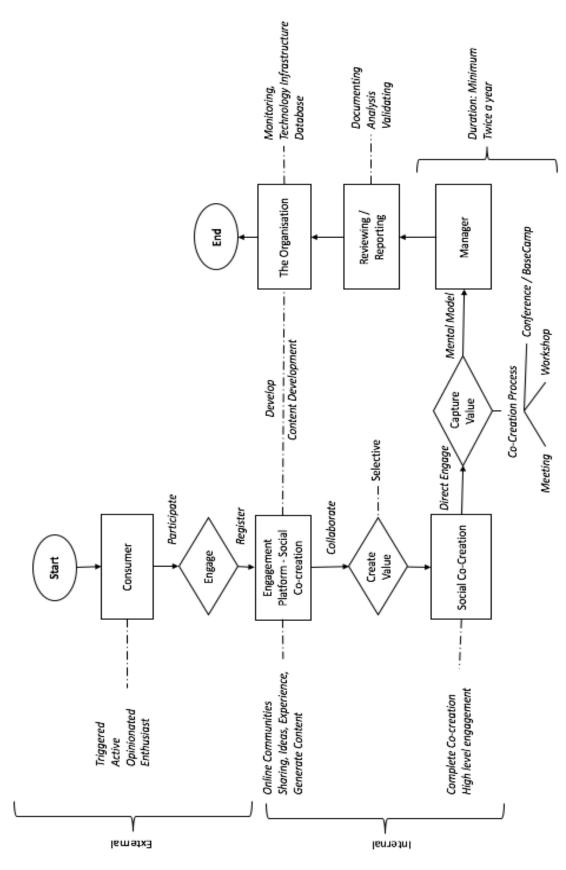


Figure 35: Value Capture Flow Diagram

In order for the customer or consumer to be considered as collaborators for cocreation, managers careful select the right consumer. At this stage, the consumer
has reached a high level of engagement for co-creation engagement. The manager
has the opportunity to have a direct conversation (offline or online) using mental
model to understand consumer value. However, the co-creation method is varied.
Some organisations conduct a series of workshop (brainstorming session), organise
conferences or conduct a meeting where the manager facilitates co-creation
activities. Based on research evidence, at least, co-creation may be undertaken
twice a year, depending on need. During a co-creation session, the manager is able
to learn, explore and evaluate the ideas accordingly to match the organisation vision
and mission. The last stage is where the manager documents, reports and reviews
the new value which is consistently validated. Finally, the decision makers will make
further evaluations and justifications according to the documented results.

## 7.2 Contribution of the Research

Although the direction of the study does not emphasise either innovation or new product development, which is common within co-creation literatures, however, the study argue that understanding the essentials of value capture in a social co-creation context enabled the development of a strong foundation for co-creation. Primarily, it is essential for organisations to recognise that the value capture mechanism is equally important as value creation. The research contribution not only focuses on the understanding of social co-creation, but also, the opportunity to explore first-hand the managerial response to the actual conditions required for value capture. The study paid particular attention to social co-creation as the 'heart' of value creation, value development and value outcome as a result for value capture. The study offers a balanced understanding of both social media and co-creation studies through a qualitative methodology.

The study clearly brings a new perspective from current managers who have experience with co-creation. Ultimately, by fill the research gap between social media and co-creation to create another range of ideas on the relevancy, practicality and challenge to organisations. Furthermore, the current study claim that internal social media can accommodate the organisation's sense of empowerment to control, manipulate and fully maximising the potential for the organisation to create new value. However, the capability of the organisation in capturing the value is balanced

between external and internal aspects. This study propose that the internal condition of the organisation is capability to provide a technology infrastructure, strong database and is able to coordinate and manage high volumes of communication. Furthermore, the role of managers in co-creation are not only responsible for becoming the 'eyes and the ears' for the organisation, but also participating, facilitating, reporting and guiding the consumer as a collaborator to create the new value.

The study verifies social co-creation in terms of its definition, practicality, concept and reports important factors for the organisation to implement as such by considering managerial feedback. The concept of the study has been well received from experts and senior managers in service organisations. It is viewed that the value capture framework allows future organisations to consider important conditions when engaging with the consumers in social media. While many studies relate the social media to the marketing purposes, it is possible now that having an effective social co-creation process in order to remain competitive.

# 7.2.1 The Conceptualise of Social Co-Creation

The first contribution of the thesis is to increase the understanding of social co-creation. This also reflects on first research objectives where to understand the social co-creation based on managerial knowledge and experience through its definition, concept, and factors. The study then critically presented a deeper insight into value capture strategy in the organisation. It provides additional evidence for the organisation in using social co-creation as medium to allow the customer or consumer to communicate, collaborate and to co-create with the managers. Based on conceptual framework, it is added to a growing body of social co-creation literature. Then, the current study confirmed, Rathore et al (2016) describe the term social co-creation as collaboration between actors in social media.

Conceptually, social co-creation is an online engagement platform (a website) that aims to achieve co-creation activities. The Think Lab platform for example, has been widely implemented by several well-recognise brands. However, there is no study which explored how these platforms would establish the idea proposed, how value is created and captured internally. The current study compliments, as noted, the need for the organisation to capture value from a qualitative research approach.

Furthermore, existing studies provide evidence through consumer analytical data (see examples related with customer analytic on Mokter Hossain 2015, Ramaswamy and Ozcan 2016, Grönroos 2012). The organisation should develop social cocreation and not depend on available standards within social media. By having the right content, the organisation is capable of reaching the right group of consumers to co-create. Establishing an effective communication with consumers is a priority for the organisation.

The implementation of an internal engagement platform in the organisation is only possible if they carefully integrate all the conditions suggested in this research. In addition, with social co-creation, the organisation has exclusive control over the engagement activities, thus, empowering the organisation to manage accordingly. However, at some point, ignoring other forms of social media platforms may limit organisations to encourage their consumer to participate and to co-create. Therefore, social media remains as promotional tools mainly for marketing purposes.

In terms of customer engagement, we determine different types of consumer that managers may consider collaborating and co-create new value. With social active characteristics, the customer is enthusiast to engage and collaborate. The study also made a further contribution on the types of engagement. The evidence presented in this study confirms that a complete co-creation engagement is the stage where the consumer is committed and 'ready' to co-create.

## 7.2.2 Managerial Implications for Capturing Value

The Second contribution is where the research on the internal conditions consider the managerial implications for capturing value. The evidence on current study reveals that managers are the key to conduct and support the value capture process. They responsible for selecting customers to participate (for co-creation) until the process of documenting (reporting) the actual result of the value is complete as value capture is a technical process. Cohen and Levinthal's (1990) report that the managers may not be able to process such technical information. However, the evidence presented in this study notes that the manager (experts in social media, customer engagement and co-creation) is capable as long as they have been supported by a technical team. It is all about the dynamic capability of the manager to assess the value condition. Also, it reveals that with the manager's mental model to understand the details of the new value, the individual absorptive capacity is

subsequently improved. Positioning managers with expertise, knowledge, experience and appropriate training increases the potential for co-creation.

The findings also reveal that the role of managers is paramount to the value capture process. As Lane et al (1996) describe Cohen and Levinthal's (1990) work on the logic of absorptive capacity theory, the capability of the organisation is beyond the role of individuals. Lane et al (1996) reported that it is fundamentally for the 'matching process' (Lane et al 1996) where "X amount of absorptive capacity in Y and then your firm can learn Z". Consider the X as value co-created, Y as social co-creation platform and Z as the result of value capture (outcome).

# 7.2.3 The Organisation Absorptive Capacity

The third contribution is from the perspective enabled through Absorptive Capacity theory. Based on the literature gathered from 1990 until 2017, there is little change made to the part where the theory remains echoing each other works. Because of that, in on finding analysis, the study added reviewing and extracting value to the point where it is suitable with the needs of value capture conditions. It applied all the ACT main constructs (acquiring, assimilate, transform and exploit) from external to internal organisation. The study carefully placed the ACT components according to the needs and following Lane et al (1998, 2001), Zahrah and George (2002) and Gergana (2007) in research framework (F3). Although Zahrah and George (2002) suggested the acquisition as the first phase for organisational absorptive capacity, apparently, the recognising stage propose by Cohen and Levinthal's (1990) is the most suitable for the conceptual framework.

Capturing value involves a chain of processes where each component is correlated to another. Each process is similar to any managerial chain that focuses on developing and capturing value. Although the study may not emphasis technically an overall managerial discussion in the literature, we note that by critically understanding and not taking for granted the 'chain of value' remains of interest to other scholars. The contribution of this study is not only using the ACT as the main theoretical aspect, but also to see the relevance and to test each of the components suggested by other scholars from a social co-creation perspective. Apparently, current technology such as social media has an influence in realising changes which are compatible with the current needs of the organisation.

Based on the research findings, it supports the review and extraction for the final stage of determining the organisational Absorptive Capacity and is applicable for current needs. The study made this suggestion because, it enable to extend ACT as a more conducive and practical management literature. The empirical evidence presented in this study provides a clear justification of organisational capability to 'absorb' the value or experience in social co-creation perspective. The study approach in using the absorptive capacity is different compared with R&D related contexts in ACT. As Gergana (2007) suggests, ACT may provide a different justification if it is in a different field of research. The value posits as a contextual content in which can be understood if there is merely continuous engagement and validation of the outcome through ACT. The findings also contribute to Dyer and Singh (1998), Gans and Ryall (2017), Ryall (2013), Ramaswamy and Ozcan (2016), Peters and Johnston (2009) where the organisation capability is based on the social co-creation.

# 7.2.4 Customer Engagement in Co-Creation

Prior to research on customer engagement (Bowden 2009), the current study acknowledges the needs for the organisation to capture value. The study provide evidence on how the organisation captures value by considering social co-creation and expand example work from Kumar (2010) (the customer knowledge value) and Fernandes and Remelhe (2016) (consumers drivers in engagement). It is vital for the organisation to realise that the brand online community has extensive benefits based on their experience. Capturing customer value is applicable only if the right platform is adopted to maximise the value of experience. Our study supports Sawhney et al. (2005) noting that with social co-creation, the customer or consumer is able to connect directly with the organisation. The study address the importance of a social co-creation platform not only to encourage the consumer to produce ideas, feedback and share new knowledge, but also to strengthening consumer communication.

In addition, value capture reveals that low-level engagement and a high level of engagement makes a difference to co-creation activities. Based on the analysis, the organisation only caters for co-creation if it constantly receives high level engagement from the consumer. Furthermore, the study believes that through constant communication and interaction with the organisation, value can be derived (Ranjan 2014). It is most prevalent and practical for the organisation to acquire value especially in a social co-creation context.

# 7.2.5 The Value Capture Framework

The fifth contribution of this study was to produce a value capture conceptual framework with attention to exploring organisational capability in capturing value. The study fulfils Gans and Ryall (2017) studied formulating a value capture strategy based on managerial feedback. They propose conditions in the framework to enable the organisation to understand from where the value is created, who is eligible to participate and what medium is potential to consume the value. Internal and external conditions were addressed accordingly. As Gans and Ryall (2017), Ryan (2013), and Venkat and Ozcan (2016) reported that it is now relevant for social media to be integrated with co-creation. The study then believe that it promotes trust, commitment and effort from both the organisation and the consumer. Also, the contribution not only focuses on the external condition of value capture but also combined the internal condition. The conceptual framework enables, as noted, to strengthening of organisation-consumer relationships. Another significant of contribution of the framework is that the study combined all the relevant conditions into a single form so that the organisation understands where to begin in capturing value and what would they expect when the value is reach internally. This is because, many previous studies separately address the conditions. Thus, it is difficult to provide an overview of the (overall) value capture process. In addition, the framework was validated and has the potential to be implemented within real organisations. It was developed based on senior managers, experts and practitioners who are expert on co-creation. The contribution of this value capture framework is not limited to the value of experience, but also may be applicable to other types of value depending on the organisations capability.

## 7.3 Research Limitations

In this research, as stated, the study adopts Absorptive Capacity Theory from a social co-creation perspective. This empirical study contributes largely to both social media and co-creation, however, the study has several limitations.

Enacting Organisational and Consumer Value Capture The first limitation is the study focused heavily between organisations and the consumer relationship for social co-creation. However, the study is unable to address other potential stakeholders that may be relevant to the needs of the current study, i.e. suppliers, etc. Social co-creation was proposed mainly as a medium to increase the opportunity

to engage with the customer or consumer. The role of consumers was discussed in detail, which includes the unique characteristics and the organisational consideration on types of engagement to co-create.

Value Capture Framework Scale and Measure The second limitation relates to a scalable measure on the value capture framework. There are four conditions addressed in the study (the customer engagement, engagement platform, the focal organisation and the value in context) through an ACT 'lens'. Each one has the potential to be measured separately. However, because the current study remains on the qualitative side of investigations, the study is unable to provide how each of the conditions is measured although offer four types of consumer engagement (enthusiast and opinionated) and types of engagement which specifically works in a social co-creation context.

# Social Co-Creation in Customer Relationship Management (CRM)

Prior studies that have also noted the importance of customer engagement in the cocreation and how the customer relationship management may be relevant to the value capture. In current study, the study is unable to recognise the CRM managers who may be capable of explaining the overall condition as propose. This is because, their knowledge and expertise was limited to the customer engagement and they have general understanding of social media and not co-creation. Therefore, it is worthy to consider the CRM perspective since it involves customer management in the sense of participation within a social media context. if necessary the conceptual framework may be expanded according to a CRM perspective. Also, since the study promotes the 'social' paradigm into this research, it also fruitful to consider the social customer relationship management factors which may extend the conceptualise of the current service organisation.

**Expanding Value Capture Conditions** A further limitation relates to the context of the study. The process of value capture relies on four conditions. The customer engagement, the engagement platform, the focal organisation and the value capture process. Mainly, the analysis addresses the internal and external aspects which focus on organisational capability for capturing value. These conditions also need to be expanded in future research. For example, how far the organisation can rely on customer engagement (commitment or trust). This also capable on other types of conditions.

Capturing Value through Social Co-Creation Analytics The study has limited the study to the customer or consumer value of experience. It would be useful to see other types of value that may have the potential for extending the value capture framework. Whilst the study is offer qualitative and post-positivism research in this study, however the study unable to fulfil the needs on quantifying the analytical social co-creation procedure of the organisation - quantitatively. The study did not undertake an in-depth analytical process for the social co-creation. Although there are studies on consumer analytic on social media, to the current knowledge, the study is unable to identify studies relating value capture from a social co-creation perspective. The study understand, in many social media studies the analytical factor is considered as favour to producing quantifying results.

#### 7.4 Further Research Work

While the value capture framework has an emphasises on the needs of the organisation to utilise the engagement platform to reach potential collaborators, the study recognises that by evaluating and identifying the conditions of the value capture would be almost impossible. In other words, the study does not mean to argue the significance of using social media that should focus on the co-creation but, at a minimum, the study believed that the conditions of the value capture should set a perimeter. Therefore, other boundaries also suggest an opportunity for future research.

Manager's Mental Model Future research could also address the managerial mental model in social co-creation. Value capture should consider managerial insights which have currently received less attention among co-creation scholars. Based on research evidence, in many cases, managers are relying on their self-interpretation to understand what their customer is trying to tell them. It is rather a complex but yet very interesting to discover the managerial view on managing their mental model in a co-creation setting. With mental models, aligning their thoughts to adopt quickly with the consumer is definitely a challenge. This is because, the evidence has shown that in most co-creation projects undertaken by these managers are by direct communication and do not rely too much on virtual communication (i.e. Video Conference, Skype Meeting). The majority of the managers dealing with different types of consumer provides them with actual and honest conversations. However, it also note that not every value creation ends to value capture. Filtering value into what the organisation needs align with the business vision and mission

does impact on the managers. Therefore, it is worth to explore further the managerial mental model perspective on conducting actual social co-creation. Furthermore, a comparative study on the conditions of value capture in a virtual or physical setting would give a better view on the current needs for an organisation competitive advantage or service delivery improvement (see mental model discussion on co-creation: (Lisle 2011, Johannessen and Olsen 2010, Macgregor and Tosheff 2007).

# Managerial Capability to Assess and Evaluate Value

The study relies heavily on the evidence from the managers. This is because, capturing the value of experience requires a complex interpretation of value through experience, sets of skills, knowledge and a high understanding of the directions that lead to the result. In line with the internal process within the framework, it was determined that there are small particles of factors that concern managers. For example, characterising the consumer unique characteristics does give impact on how well the co-creation is progressed. From a social co-creation perspective, experts and senior managers do not consider using social media platforms just to co-create and capture value. Although it may provide a certain level of potential for the organisation to collaborate with the consumer. However, with a small sample size, caution must be applied, as the findings may be limited

# **Practicality of Value Capture Framework in the Organisation**

Secondly, more research is needed to test the value capture framework to be used. It then was useful to see if implemented in the organisation if it is practical and how it may impact on the organisation. Although the study had value capture validated (in the findings analysis), there is a potential to add this into the value framework. This is because, the framework provides a foundation for the organisation to realise that the conditions as key 'ingredients' in having a successful value capture. In addition, there is potential for the organisation to implement this framework if several considerations on the limitations are fulfil. With regard to the customer engagement, a 'real-world' customer co-creation was studied as suggested by Gemser and Helen (2015). Kaplan and Heinlein (2006) explained in co-creation, customer is involved from the early stage of value creation until value is captured. It also has an influence as Kumar et al. (2010) studied customer knowledge value. Assessing the valuation value capture framework is valid but of course may also be further improved.

On the other hand, social media promotes customer to engage, post discussions and forming a community (Finin et al. 2008), produce, distribute and consume content

(Howard and Parks 2012). Managers found that it is a lot easier for them to identify customers who had most interest in their products or services. A fast communication channel helps manager to gain further details by a personalise message to these customers.

# **Proposition of Social Co-Creation**

The study reconceptualises an understanding of social co-creation and the capability for the organisation to conduct such activities. Social co-creation is expected to be conducted internally while offering minimal risk. Although it is not offering a specific propose a social co-creation proposition, but, it remains interested in seeking each of the conditions which reflect the needs of the organisation in capturing value. The capability of the organisation to capture and absorb value varies. In this study, most of the social co-creation discussion involved the managers effort on narrowing the consumer perspective based on individual characteristics.

# **High-Level Decision Makers to Verify and Validate**

Future research should consider the decision makers approach to value capture in additional social co-creation contexts. However, the study was unable to collect any further evidence from top level management because of logistical restrictions at the outset of this research. The participants in this study involve senior manager which limited research findings on the final phase of the value capture framework. Therefore, it is suggested that an important avenue for further investigation is to undertake longitudinal case study research (Frow 2015). It would be interesting to see how decision makers behave in the organisation. Researchers may consider evaluating a single case study of social co-creation on a large scale. Thus, with these suggestion, the study emphasise that the novelty of the study is on the managerial implications and important considerations for improving the value capture framework.

#### 7.5 Conclusion

Overall, the thesis provides seven chapters from introducing the research gap, reviewing the relevant literature, overview of the theory of absorptive capacity, implementing the qualitative research methodology, analysing the findings and presenting the results. This research has provided a continuous and interesting discussion relating to social co-creation. The study develops a validated value capture conceptual framework which has its own potential for implementation in the

organisation. It is significantly relevant to managerial on understanding of how to assess value, capture value and absorb value. Managers hold an important role for the organisation to absorb important value as a result of engagement with consumers. It is predicted that some organisations realise the importance of social media but there are a lot of issues which need to be considered.

While social media is known for its potential to reach global markets and the opportunity to expand the operational in larger context, we offer much more flexibility in social co-creation. The managers of course have provided much more effort to understand these notions in context. However, there is a need to 'tighten' organisation policies for managers to engage and collaborate with customers. Although some organisations open their opportunity doors for customers to be a part of the social 'system', it is often limited because of getting the right customer for the right value is crucial. Apparently, through social co-creation, many of these efforts have shown some significant progress in terms of how well the organisation practically uses to develop own community and thus increases value as a resource.

The research reports that co-creation is more effective and may have further potential on becoming the 'selling-point' for service organisations to accomplish a good business reputation. In this respect, the study uncovered some real-challenges that may arise within the co-creation context. Practitioners and managers may have different ideas on social co-creation particularly and how it can be conducted in organisations. However, to enact organisation and consumer value capture, was justified by selecting certain key conditions. Furthermore, co-creation is not just to create value but to continuously strengthen the weak-ties between consumers and the organisation. This is achieved by putting more trust, commitment and providing equal opportunities for the consumer to contribute to the service. On strategy, it is important for the organisation to implement social co-creation by asking the right questions to the right consumers. It should be the embodied of the organisations vision and mission. With the right strategy, objective and content, it is possible for the organisation to create and sustain value capture. Internally, for the organisation, it is important to have the right team to support co-creation activities. This is essential because it enables an increase in the organisations capability to remain competitive. In terms of practicality, facilitating the relationship from the beginning of the social cocreation until end of the process would benefit both parties. This research has demonstrated how the structuring and management of 'new' value is possible through continuously controlling, monitoring and reviewing the co-creation process.

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#### **APPENDICES**

#### **APPENDIX 1: INTERVIEW PROTOCOL**



Nisrin Alyani Binti Ishak Brunel University London, Kingston Lane, Uxbridge, UB8 3PH United Kingdom Nisrinalyani.bintiishak@brunel.ac.uk

#### **Interview Protocol**

Theme/Title: Valuation of Value Capture – Process/Methods/Strategy

Time Frame: 30 minutes - 45 minutes

Introduction (2-3 minutes)

-Entry Phase - 'Thank you for agreeing to meet / teleconference with me today' -Purpose: This study aims to explore and identify organisational strategy collaboration with customers through social media and identify method used to capture value through active engagement. Previously, studies have shown that there is a need to identify how organisations capture value through co-creation. Co-creation defines as active collaboration between organisation and customer. Here, I wish to explore this in terms of social media usage because using online platform increases the chances of active engagement. This study allows an understanding of how an organisation is able to capture value through customer collaboration. The problem is, the lack of exploration on how organisations are able to capture value and what strategy should be imposed in order to have a successful collaboration. My interest is to look manager roles become a part of the co-creation process by managing the value and what method has been used to support the co-creation Conversation Record

'Do you mind before we begin this chat/interview, to record our conversation?' - Audio Recording Check – (Permission is required before start the interview)-Devices/ Software- iPhone application / QuickTime Player (MAC) application

(Each section runs 5-10 minutes)

#### **Section 1- General**

# Co-Creation Internal/External- Process (Business to Consumer / Business to Business)

- 1. In general, would you mind explain to me the co-creation initiatives that has been done in your organisation / probably based on your experience, please?
  - How co-creation use within your department?
  - Why using co-creation? -
  - How you describe co-creation (based on your experience/personal perspective)
  - When do you use co-creation?
- 2. How co-creation works in your organisation/department?
- 3. Would you explain on organisation involve with social media systems?

4. Can you explain to me how do you collaborate/co-create with customer?

#### Section 2- External

### Organisation Strategy in Social Media Context

How do you describe social media?

Is social media relevant to co-creation initiatives

What do you think using social media in co-creation?

What/ How do you see organisation use social media to engage with customers and collaborate with them?

- What are the strategy use to collect new information from customer when collaborate with them?
- What are the methods/ strategy you applies?
- Can you explain further the process of capturing these new values?

#### Section 3 – Internal

# Absorptive Capacity Theory in Organisation (The ability of organisation to capture value)

Note: Definition of ACT – "firm's ability to recognize the value of new information, assimilate it, and apply it for commercial purposes (Cohen and Letthial, 1990)

ACT is a dynamic capability that influences the nature and sustainability of a firm's competitive advantage.

Acquire, Assimilate, transform and exploit knowledge

- 1. How do you acquire the new knowledge/new value created from the users (participant/consumer/customer) Organisation capability to identify and acquire new external value (new knowledge)
- 2. What are the process (steps/strategy) to analyse, process, interpret and understand the new information?
- 3. How do you transform this new information/new knowledge that has been created early to be employed within your organisation/department? How you get exploit this new knowledge?
- 4. What are the strategy that your department/organisation used to refine, extend and leverage these new values?

#### Section 4 - Summarise

- 1. Do you want to add anything?
- 2. Based on your experience in collaborate/co-create with customer, how do you find it the whole process co-creation?
- 3. In general, how do you find organisation collaborate with customer i.e. competitive advantage?
- 4. How would you summarize the capturing value process? (Difficult/Challenge/Other method should be propose/valuation of value capture model is needed?
- 5. How social media co-creation enable organisation increase business value? Why?
- 6. In terms of practicality, is social media relevant to co-creation (social co-creation)?

# Closing

Appreciation

#### **APPENDIX 2: INTERVIEW QUESTIONS**

INTERVIEW SCHEDULE **ENTRY PHASE** 

'Thank you for agreeing to meet / teleconference with me today'

'The purpose of this interview is to explore customer engagement in value creation through social media context'

'Do you mind before we begin this chat/interview, to record our conversation?' - Audio Recording Check – (Permission is required before start the interview)- Devices/ SoftwareiPhone application / QuickTime Player application

#### Section 1- Introduction / Profiles / Background

Before we begin with questions related with this research, would you mind sharing your working experience as \_\_\_\_\_ manager/senior executives in your field?

Do you engage with your customers as collaborator? (Directly/Indirectly) Tell me your experience. (Social media, customer engagement,

> Follow-up: Why / How / When / What / Who? Examples of co-creation study

- In general, would you mind explain to me the co-creation initiatives that has heen done in your organisation / probably based on your experience, please?
  - How co-creation use within your department?
  - Why using co-creation? -
  - How you describe co-creation (based on your experience/personal perspective)
  - When do you use co-creation?
  - How co-creation works in your organisation/department?
  - Would you explain on organisation involve with social media systems?
  - Can you explain to me how do you collaborate/co-create with customer?

#### Section 2 - External

Organisation Strategy in Social Media Context

Social media can deliver many benefits to companies no matter what sector - benefits such as increasing customer insight and engagement is becoming fundamental to driving business performance.

Question 1: How do you describe social media? What/ How do you see organisation use

social media to engage with customers and collaborate with them?				
Question 2: What drives companies to engage with customer?  Advantages of company engage with customer?				
Question 3: How do you respond with today's active customers through social media?  What do you think the role of customer today?  Can you describe their (customer) level participation / collaboration in service industry?  Communication / Online Communities				

Question 4: Can you explain further the process of capturing these new values?
Co-Creation: To your understanding, how to describe co-creation?
Value Creation / Generate knowledge / social process / joint activities / direct
interactions / pro-active strategy / contribution various elements
Section 3 – Internal (Absorptive Capacity Theory) The ability of organisation to capture
value.
Question 5: How do you acquire value of experience created from the users
(participant/consumer/customer)- Do you mind explain to me any methods or strategy that
has been used to acquire such value?
Question 6: How do you transform this new information/new knowledge that has
been created early to be employed within your organisation/department? – Specifically, how it
can be achieved?
Question 7: Can you please refined any strategy that you mention earlier?
Question 7. Can you please refined any strategy that you mention earlier:
Section 4- Summaries / Discussions
This costion allows further alpharation and further discussion on callaborating with systemar
This section allows further elaboration and further discussion on collaborating with customer through online engagement platform.
through online engagement platform.
Question 8: Based on your overall experience in collaborate/co-create with customer, how do
you find the whole process co-creation?
Question 9: In general, how do you find organisation collaborate with customer – i.e.
competitive advantage?
What you can suggest to improve? (i.e., method of approach)
Question 10: What are the strategy that your department/organization used to refine extend
Question 10: What are the strategy that your department/organisation used to refine, extend and leverage these new values?
Question 10: What are the strategy that your department/organisation used to refine, extend and leverage these new values?
and leverage these new values?
and leverage these new values?

# Closing

How would you summarize the capturing value process? (Difficult/Challenge/Other method should be propose/valuation of value capture model is needed?

Thank you very much for your time. Do you have any questions?

#### **APPENDIX 3: FORMAL LETTER**



Brunel University London, Uxbridge, Middlesex, UB8 3PH, UK Tel: +44(0) 1895 274 000 Fax: +44(0) 1895 232306

Email:

nisrinalyani.bintiishak@brunel.ac.uk

Web: www.brunel.ac.uk

Address	
Date: 3 <sup>rd</sup> November 2016	6
Dear	

#### REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a senior researcher in the Business School, Brunel University London, and I am seeking your permission to engage in data collection fieldwork within your organization. My proposed research intends to explore organisation strategy in social media systems to capture value through collaboration with customers - known as 'cocreation'. The objectives of the study are:

- (a) To understand social media and co-creation practice in the organisation
- (b) To identify organisational strategy in value capture

#### E.ON has been incorporated co-creatin practices

It is intended that the study will conducted through several interviews with your managers in relevant departments. Therefore, I am seeking your consent to conduct this study in your organization and I can also assure you all the information gathered from this study will remain completely anonymous. Should you require any further information, please do not hesitate to contact me on:

Nisrin Alyani Binti Ishak

Email: nisrinalyani.bintiishak@brunel.ac.uk

Phone: +44(0) 7341 331070

I would be happy to share my preliminary research findings on request

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

**NISRIN ALYANI ISHAK** 

#### **APPENDIX 4: PARTICIPANT INFORMATION LETTER**



RESEARCH PARTICIPANT INFORMATION SHEET

Nisrin Alyani Binti Ishak Brunel University London, Kingston Lane, Uxbridge, UB8 3PH United Kingdom Nisrinalyani.bintiishak@brune l.ac.uk

# Title: Social Media and Co-Creation: Exploring Value Capture Strategy in Organisation

You are being invited to take part in a research study. Before you decide, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask me/us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

Thank you for reading this.

#### What is the purpose of this study?

This study aims to explore and identify organisational strategy to capture value when collaborate with customers in social media systems. This collaboration is known as 'social co-creation'. In this study, I am exploring, understand and identify organisation strategy to manage value shared by the customer.

At present, there are fewer discussions on value capture strategy in social media particularly in service industry. Developing and examine a strategy in capturing value of ideas from active customer engagement in social media is needed. It is believe that value dedicate for the organisation is dependent on value that customer can create. Therefore, it is my interest to look upon how manager roles to be a part of cocreation process by managing the value and what method has been used to support the co-creation of value. This study helps me to obtain a comprehensive understanding of co-creation within organisation, guide me to further research, and ultimately to explore organisation's strategy to remain in competitive digital environment and increase business value.

#### Why have I been invited to take part?

I have invited you for your extensive knowledge on strategy in social media application in your organisation (or department). Your valuable feedback will ensure to produce a comprehensive strategy model in the study. The study also invites other senior managers or managers in varies positions (examples: sales manager, account manager, marketing manager, market analyst, product manager, digital manager, channel manager, campaign manager, market manager, segment manager, customer relationship manager, customer insight manager, and customer service manager) to take part in this study.

#### Do I have to take part?

You do not have to participate in this study. Participation is completely voluntary. If you decide to participate in the study you can withdraw at any time without giving a reason for your withdrawal. If you decide not to participate in the study, or if you withdraw from the study, you will not be disadvantaged in any way and you will not give up any benefits that you had before entering the study.

### What do I have to do if I take part?

If you agree to take part in this study, you will be asked to participate in the interview. The interview will conduct according to your time and venue that you comfortable with. The interview is mainly through face-to-face interaction, however, in any circumstances, I an available to conduct the interviews through Skype call and phone. The process of the interview is as follows: (1) I will provide an introduction by describing the study to undertake, purpose, objective and research problem. To ensure the accuracy of this interview, I will record using digital recorder / software application (i.e.: QuickTime Player) and I also take note during this interview. This recording transcript will be used as analysis in my research. A copy of transcription will send to you (upon request) and if you wish any alteration in the transcription, please do not hesitate, as your information is valuable to my research.

The interview is structured as follows:

- 1. At the beginning of the interview, the researcher (as interviewer) will address the current issue related with the study. These include:
- a. Organisation use social media to collaborate with customer (i.e.: How do you find social media today? How you would describe organisation use social media platform to engage with customers?)
- b. Strategy to capture value from the co-creation. (i.e.: How importance does value capture in your organisation? How do you collect new information from the collaboration with customer? What are the methods you apply? What are the process involved?
- c. Impacts and challenges engaging with customer. (i.e.: Can you describe the challenges you have to deal with? What are the implications from the challenges?)
- 2. The second part will discuss further on co-creation process –which comprise of in what way your firm handling co-creation (includes: process of collaboration, innovation process, the factors need to consider when capture value) (i.e.: Could you explain further the method/strategy that you have chosen?)
- 3. Other possible topics may contains:
  - Challenges of firm collaborate with customer
  - Strategy to have a successful collaboration

Potential of organisation to increase business value through social media

#### How long is the interview?

The interview will be start on June 2016 and end on February 2017. Each interview session will be in 30minutes up to 45minutes. You can take part any time between now and then.

- What are the possible benefits of taking part?
- There are no direct benefits to taking part in this study.
- What are the possible disadvantages and risks of taking part?

The interview may cause you distress as it require you to explain in details certain process within you organisation. If you feel uncomfortable answering the question

you may chose not to answer it of any particular question or a particular section or withdraw your participation from the study at any time. If you wish to discuss any issues raised by the questionnaire after you have completed it then I have included information about sources of support below.

### Will be my participation in this interview be kept confidential?

Your participation in this study, your contact details (if you give them to me), and the information you give me will be strictly confidential and not shared outside the study team. All study findings will be presented in anonymised form so that no individual participant can be recognised. We have strict procedures for handling study data to ensure all information remains confidential, for instance study data are held on secure servers, participants' contact details are held separately from the main dataset that we use for our analysis, and participants in our main dataset are identified by a code only. All paper copies of study data will be held securely. When the study is completed we will destroy all identifiable data.

# Will there be further research as part of this study?

At the end of the interview I will asks if you would be interested in taking part in future research as part of this study. This research may involve, for instance, a further interview about some aspect of organisation strategy involve in co-creation process (i.e. understand and explore specific method your organisation choose). What exactly I do next in the study depends on my findings in this stage of the study and our success in gaining funding for future data collection, however I would provide you with full information of my research plans when we re-contact you so that you can make an informed choice about whether or not you want to take part. We are likely to contact you only a few times (e.g. no more than once or twice a year) in the next two years. If, at any stage, you wish to remove your contact details from our study database, you can do this by emailing or telephoning us at any time (see my contact details below).

# Can I take part in the study without giving my contact details?

Yes, you can complete the questionnaire without giving your contact details if you wish. Consequently, we will not be able to ask you if you wish to take part in any further research as part of this study.

#### What will happen to the results of the research study?

The results of this research will be published in an academic journal. The journal will be 'open-access' so that the study findings are freely available. We will also share the study results with parents, professionals, and researchers at conferences.

#### Who is organizing and funding the research?

The research is being carried out at Brunel University London and funded by them. What are the indemnity arrangements?

This study is covered by standard institutional indemnity insurance. Nothing in this document restricts or curtails your rights.

# Who has reviewed the study?

This study has been approved by the Research Ethics Committee of the Department Business Schools College of Business, Art and Social Science.

#### Passage on Research Integrity

Brunel University is committed to compliance with the Universities UK <u>Research Integrity Concordat</u>. You are entitled to expect the highest level of integrity from our researchers during the course of their research.

For further information please contact:

Nisrin Alyani Binti Ishak Brunel Business School Brunel University of London, UB8 3PH, Kingston Lane, Uxbridge, London. nisrinalyani.bintiishak@brunel.ac.uk

Thank you for taking part in this research

#### **APPENDIX 5: THE ORGANISATION PROFILES**

#### Introduction

This section overview organisational profiles and summaries two organisation; Organisation A and Organisation B. Both organisations are participated by six managers each. However, it is noted that the participant is not represent the organisation (formally) but carries individual expertise and sharing experience on customer engagement, co-creation and social media. Other participants in this study work in different organisation but remain in the service and technology (ICT) industry. Due to some confidentiality of organisation profiles and background, the researcher only provides key information that relevant to the study.

# Organisation A

Organisation A is listed as Fortune 500 companies. They manufactured and experts in both hardware and software, and also hosting several consulting services in technology industry. Organisation A continuously accommodating the service market industry through higher value and profitable. This global organisation also practising co-creation within the organisation. Some of the division promotes internal co-creation concept that aimed for innovation and continuously engage with employees. Organisation A is relevant to the study because they prove successfully on conducting social co-creation (internally). Specifically, involving social media into the organisation, managing and controlling active participant from the employees around the globe.

# Organisation B

One of the largest service provider organisation in the United Kingdom. In particularly, the research, development and Innovation strategic division of Organisation B responsible to expand the organisation strategy towards transformation of the digital content- social media. Within the current needs of users in social media, Organisation B took an initiative to use the online platform and integrate with other expertise, consultants and professionals to participate in community of practice. This large organisation sets their objectives primary to enhanced their social care service into implementing the 'co-creational' approach'. Build upon a co-creation network (as example) allows them to increase communication, continuously engage with the needs, and accomplish the digital transformation – social platform.

#### **APPENDIX 6: THE PARTICIPANT PROFILES**

#### Introduction

There are twenty-eight participants participant in the semi-structure interviews including validation sessions. In this section, the researcher provides summary of their background or profiles. All the profiles were collected during interview session and some of them need to be refer to their company's profile or LinkedIn. However, it is noted that their position and their background is valid from the time the study is undertook (valid from 2015 until 2017). The researcher has no knowledge for any changes to date.

Note (\*): The study not able to retrieve any relevant information some of the participant because of the consent and confidential.

Code	Position	Profiles / Background
M1	Module Leader, Advanced Product Creation	As an experienced, motivated and reliable product engineering manager, lead to an extensive worked in product development, telecommunications for over 35 years. He is an expert in product design development, project management and managing people. Passionate about customer focus detailed in design. Responsible for product design and development in supporting companies brand. His primary role is within product development include introduction of new research technologies and innovation.
M2	Social Media Manager (Transformation and Change Management)	Managing the organisation to element of function. Support the organisation and also to leadership
M3	Managing Director (Innovation)	Facilitating communication in communication and technology communication- moderating, maintenances, moderating sites
M4	Director of Management	Actively engaging with customer, conduct research and development
M5	FabLab Manager	Managing co-creation projects, facilitating customer/consumer engagement
M6	Planning Director (Brand Development)	Not Available*
M7	Insights, Innovation and Strategy Lead	Gathering and disseminating insights & trends producing connecting with their audience the design, sale & implementation of innovative, co-creative approaches to gathering insights from, and reaching, target audiences
M8	Research Community Manager	Organising, administrative the community, my role is gaining trust by integrity, I kind of said of way commenting, encourage participation, organise multiple
M9	Senior Strategy	Focuses on defining visions and strategies that improves organisations' business and customers experience through a holistic approach to CX and social media. Through the analysis of digital ecosystems, organizational practices, user insights, analytics, and industry trends, I deliver plans to support digital transformation and the implementation of successful CX practices and define KPIs and actionable roadmaps
M10	Managing Director Customer Strategy	Head of research on customer goodwill and facilitating (active) communication with customers, developing a strategy on 'co-creational' methodology, highly experience on customer active participation
M11	Managing Director	Experts in managing customer insights, goodwill, publish work on research (co-creation)
M12	Director of Customer Experience Management	Not Available*
M13	Director of Co-Creation and Innovation	Not Available*
MA14	Global Market Manager	Focused on responsibilities, driven and dedicated to the task in hand. Used to working under own initiative to deliver on business requirements. Also, strong leading or as well as part of a broader team, building strong working relationships. Areas expertise cover but are not

	T	
		limited to market management, marketing segment planning , marketing execution and analysis for Country, Regional and Global markets.
MA15	Product Manager (Senior Developer)	Focused on developer and technical decision-making users and combined user and analytics data to guide my decision-making along with the overall strategy and vision of the portfolio. This involved managing a backlog, enabling teams to test and speak with users, gathering feedback from internal stakeholders, and managing the product development.
MA16	Social Media Manager & Developer Influencer Relations, European Brand & Communications	Proven experience to manage a variety of projects simultaneously with multiple stakeholders across internal and external audiences, focused primarily on social business and communications. Developed a reputation of pushing the boundaries of communications, taking calculated risks and being self-motivated.
MA17	Digital Marketing Manager	Not Available*
MA18	Global Marketing Leader	Provides original approach to marketing and business development and a track record of devising and implementing creative solutions. Many of his initiatives have been adopted on a global basis. He has shown his ability to execute creative solutions targeting board-level executives in a wide range of areas – from consultancy services to technical products.
MA19	UX Design Director, Marketing Platforms	Not Available*
MB20	Community Manager	People practice at work, within the community, where research about the community, contraction (communication) within community, from where has been establish, is reaching geographically. Establish community of practice – connecting groups
MB21	Content Engagement Officer (Platform)	Managing community and hosting of practice platform, facilitating communication within community, engage and collaborate (co-create),
MB22	Executive Coach	Develop and facilitate within (co-create) a community practice and more diverse membership and bring together. Remains contact with the network, social media on sharing in community network, people are passion and their interest and develop growth.
MB23	Founder and Director	Hosted organisation, specialise in supporting digital innovation. We particularly focus on co-design and participant processes. Discovery from digital, design tools and services.
MB24	Leadership Administration	Managing and administrating co-creation (community of practice) platform, develop policies, 'crowd' control, promotes and encourage participation among communities, facilitate active communication
MB25	Senior Executive	Not Available*
M26	Community Manager	Not Available*
M27	Leadership Administrator	Administrating social media and integrate with the co-creation platform, building fast network with other group of communities, managing content (online, documents),
M28	Senior Strategy	Focuses on defining visions and strategies that improves organisations' business and customers experience through a holistic approach to CX and social media. Through the analysis of digital ecosystems, organizational practices, user insights, analytics, and industry trends, I deliver plans to support digital transformation and the implementation of successful CX practices and define KPIs and actionable roadmaps