

# Value Co-Creation: A Literature Review

Xiaonan Fan, Yuting Luo

School of Economics and Commerce, South China University of Technology, Guangzhou, China

Email: fanxiaonan1995@163.com

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## Abstract

The theory of value co-creation is getting more and more attention. Scholars have begun to re-examine business philosophy and value creation methods, and found that customers are no longer just users of products. They have become not only an important innovation force for enterprises, but also a source of corporate competitive advantage. This paper first combs the mainstream definition of value co creation, and finds that there are three research perspectives, including service science perspective, consumer culture perspective and innovation perspective. Based on a systematic review method, this paper uses citespace software to sort out the research literature on value co-creation, determine the main research stay of value co-creation, and uses visual charts to show the relationship between various types of representative literature. Co-citation technology is used to select the representative literature and categorize it, the main clustering literature is 14 knowledge groups, including service-led logic, customer participation, co-creation concepts, customer experience, process research, business network, social marketing, operation model, sharing economy, viewer experience, ecosystem, etc. This study finds that in the advancement of value co-creation research, it can be roughly classified into three types of research topics. First, the research theme of why customers participate in co-creation mainly involves the psychological motivation and personal characteristics of customers' participation in value co-creation and related research. Second, how to carry out value co-creation is a relatively concentrated topic in the research of value co-creation. The research content can be further divided into role research in value co-creation, process research in value co-creation, and management problem research. Finally, in the impact results of value co-creation, more studies have shown that value co-creation has effect on new products. Performance, loyalty and other aspects will have a positive impact. This article provides a variety of options for subsequent value co-creation research.

## Keywords

Value Co-Creation, Cite Space, Systematic Literature Review

## 1. Introduction

American management scientists Prahalad and Ramaswamy (2003) first define value creation, create for specific customers, they think the value is the profound connotation of personalized interaction, its core is to create personalized experience. For the enterprise, Pfitzer (2013) believes that multi-stakeholder participation of creation can understand the demand, conducive to the realization of the enterprise strategy. Since then, about the connotation of value creating, attracted the attention of many scholars and research specialists in different areas from the perspective of service innovation of science and consumer culture. The research shows that the process of value co-creation must always focus on customers, employees, enterprises and other stakeholders. However, the main body of the concept of value co-creation has been discussed abstractly in the existing research, and few literatures have systematically combed the various research directions of value co-creation, which is not conducive to the development of value co-creation theory and practice. Therefore, based on the combining of its mainstream concepts, we can further study values. It is the common need of academic research and industry practice to create all kinds of research and summarize.

## 2. Literature Review

The concept of value co-creation comes from service dominant logic. Vargo et al. (2008) proposed the definition of value co-creation from the perspective of service science, pointing out that value co-creation is the integration of the existing resources of the service system and the resources of other service systems under certain circumstances, which is beneficial to the welfare of all parties. It is believed that enterprises should start from the market exchange process rather than products, and pay more attention to operational resources such as knowledge and capabilities. Enterprises should look at the market exchange process and individuals involved in market exchange from a systematic and dynamic perspective, and it is proposed that value co-creation is an important component of service innovation. The value co-creation research from this perspective is closely related to the service-oriented logic. For more than ten years since the service-oriented logic was first proposed in 2004, Vargo and Lusch have conducted continuous follow-up research on value co-creation with this logic.

Many researchers from the perspective of consumer culture have set off a wave of research on value co-creation. When products and services have a subjective meaning to consumers, consumption becomes a cultural symbolic activity. In this context, consumers and companies are responsible for creating the value of products and services. The cultural and symbolic meanings of consumers' participation in value co-creation have given products and services attractiveness (Arnould, 2005). The research in this perspective has deepened and expanded the concept of value co-creation. Scholar Payne et al. (2008) believes that value co-creation is the interaction and deep integration of consumers and organizations with the organization in the stage of product design, production,

distribution and later consumption. Scholar Heinonen explained that companies provide opportunities for service value co-creation, and customers control value co-creation. In addition to visible interaction, they also focus on invisibility and mental activity, and co-creation takes place in the lives of customers. Gong et al. (2013) pointed out that customer value co-creation behavior is divided into two dimensions of customer participation behavior and customer citizenship behavior.

The research on value co-creation from the perspective of innovation mainly focuses on the process of cooperation and interaction between enterprises and customers. Zwass (2010) believes that value co-creation in a virtual environment is supported by a customer-engaged technology platform, a co-creation activity initiated by an enterprise or community, or an activity of creating value by customer resources. Ramirez and Garcia-Penalvo (2018) explained that value co-creation is an open innovation that integrates knowledge, information and related skills in different institutional environments, and promotes multi-agent participation, which is an important basis for enterprises to obtain sustainable competitive advantages.

In summary, according to scholars respective fields, they explore the definition of value co-creation so that their connotations are reflected in richness and diversity. Scholars' opinions have both commonalities and differences, so they need to be based on characteristics of different disciplines. Further clarification and definition.

### 3. Methodology

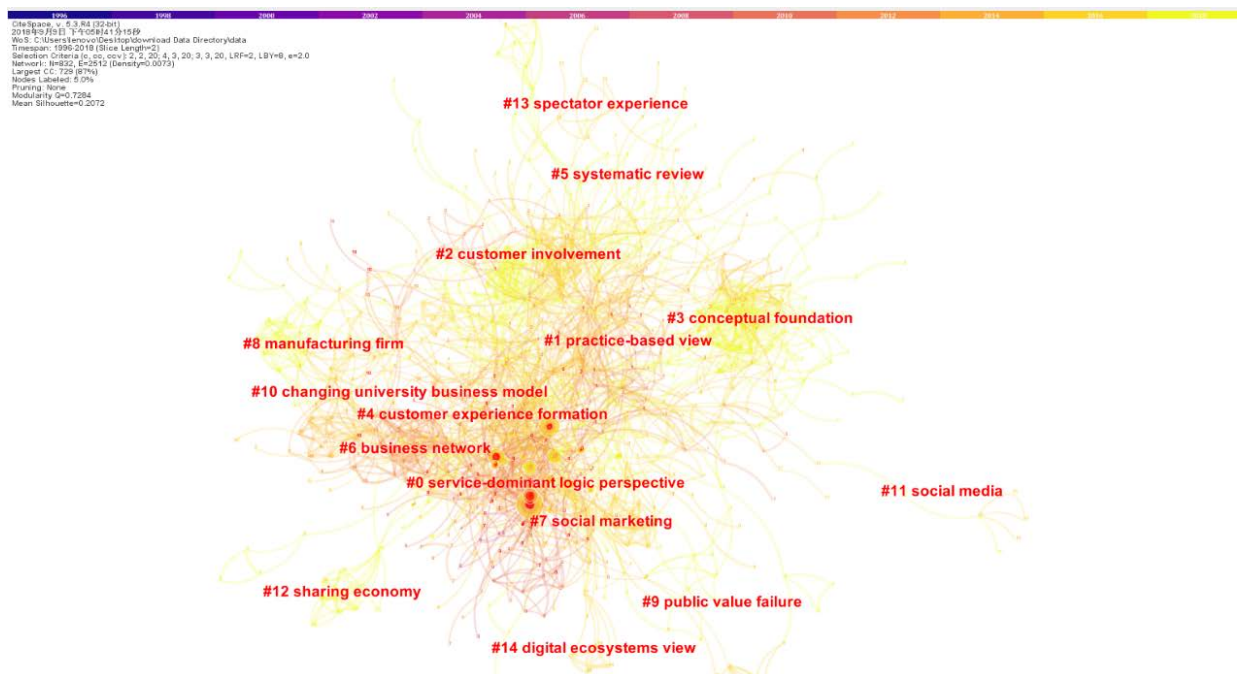
Citation analysis is a theory to identify and reveal the trends of scientific development through scientific literature research. In recent years, with city space as a tool, and with the support of authoritative database such as web of science, the visual analysis of literature information in a subject or field has also become a hot spot of domestic scholars, and has been applied in the field of natural science and social science. From the bibliometric point of view, if two documents are cited by a third document at the same time, the two documents will form a co citation relationship, and all the documents forming a co citation relationship will form a co citation cluster. The knowledge base is composed of CO citation clustering, and the literature cited by the same co citation clustering forms the research frontier. Knowledge of any subject is composed of knowledge base and research frontier. In order to divide the research frontier and knowledge base quantitatively, this paper attempts to introduce the city space information visualization analysis method into the field of value co creation research, to explore the current situation, trend and characteristics of the world value co creation research development, in order to provide reference and reference for related research.

The documents analyzed in this article are from the "Web of Science" core collection database (including the five major citation databases of SCI-Expanded, SSCI, A & HCI, CPCI-S, CPCI-SS & H, the time range is from 1986 to the present), which can basically cover tourism International academic journals for research papers. The search subject is "value co-creation, co-creating value, value co-production", the time span selects all years, and the document type selects

“article, proceeding paper, review” to search. There are 1815 documents in total, and the document year span is 1991-2018. In order to ensure the authoritative-ness and interpretability of the documents, the authors screened the “publication source” and “research direction” of the 1815 documents, and added the final eligible documents to the marked results list. At the same time, in order to prevent the omission of data, the search subject is positioned as “co-creation”, the time span is selected for all years, and the second search is performed. Among all the documents obtained, the representative 1628 articles (between 1996 to 2018), preliminary statistical results of annual distribution of the documents were obtained. Download the qualified standard literature collection data, and convert the literature title, author, abstract, keywords and reference information into the recognizable format of city space, and then import it. It involves the threshold setting of the specific operation of the software and other methods, which will not be described in detail.

#### 4. Findings and Discussion

The key words are the author’s high generalization of the main idea of the document. City space can start with thousands of key words in literature, and mark the words that are widely used by scholars of value co creation in the world. These words represent the hot spots in the field of value co creation. The research field can be conceptualized as a time mapping from the research front to the knowledge base. Clustering and evolution research in the knowledge base is the basis for exploring the research front. Therefore, this paper analyzes the data samples identified above, draws a literature co-citation network map, and identifies the knowledge groups of foreign value co-creation. Each node in **Figure 1**



**Figure 1.** Co-cited network atlas of value co-creation.

represents each analyzed document. The size of the node is directly proportional to the cited frequency of the document. The node connection represents the co-citation strength. The thicker the connection, the closer the documents are to each other. In addition, the more connections between a certain word and other words, the more complex the tourism phenomenon represented by this word, the more common scholars of different research directions pay attention to it, and the more interdisciplinary it is. There are 14 main clusters of the value co-creation and co-citation network. According to the total cited frequency of the citation data in the cluster and the key node information table (**Table 1**), the field of foreign co-creation research is divided into service-leading logic and applications. Research, customer participation, co-creation concepts, customer experience, process research, business networks, social marketing, manufacturing, public value, operational models, social media, sharing economy, viewer experience, and ecosystem are a total of 14 knowledge groups.

The research on value co-creation in foreign countries is relatively mature. The most frequent theme words are service dominant logic (381 times) and social marketing (305 times). Including these two words, there are 14 knowledge groups to classify the keywords more than 50 times. The following 14 groups are divided into research on the value co-creation process, research on value co-creation in the production field, value co-creation on consumer field, and value co-creation. The application of these four aspects, the following is a review of the four aspects of research.

#### 4.1. Research on Value Co-Creation Process

Prahalad and Ramaswamy (2004) described the four basic elements of value co-creation, namely dialogue, acquisition, risk assessment and transparency. Boyle (2007) constructed two driving forces, co-creation, driven by enterprises and consumers. Payne et al. (2008) constructed a model of value co-creation process, which is based on the perspective of suppliers, including customer value creation process, supplier value creation process and encounter process, and then the concept of co-creation of brand relationship experience was constructed. Gronröos (2011) studied the value creation process, which is divided into three stages of value promotion, value co-creation and separate creation. Schau et al. (2012) divide brand community value creation into four types of practical activities, including social networking, impression management, community engagement, and brand use.

#### 4.2. Research on Value Co-Creation in the Production Field

Wikstrom (1996) attributed the core link of the value creation process to value co-production. Bettencourt (1997) expounded the importance of customers among co-producers, and Ramirez [19] reconstructed the framework of co-production. Auh et al. (2017) studied the prerequisites for co-creation of corporate and customer value, and focused on analyzing these factors.

**Table 1.** The nodal documents of co-citation network.

Author	Time	Article Name	Journal
# C0 Knowledge Group		Service-dominant logic perspective	First cited in 2000
HEINONEN, K	2010	A customer-dominant logic of service.	JOURNAL OF SERVICE MANAGEMENT
# C1 Knowledge Group		Practice-based view	First cited in 2003
RUSSO-SPENA, T	2012	“five co-s” in innovating: a practice-based view.	JOURNAL OF SERVICE MANAGEMENT
# C2 Knowledge Group		Customer involvement	First cited in 2004
CUI, AS	2016	Utilizing customer knowledge in innovation: antecedents and impact of customer involvement on new product performance	JOURNAL OF THE ACADEMY OF MARKETING SCIENCE
#C3 Knowledge Group		Conceptual foundation	First cited in 2006
LI, LP	2018	Actor engagement valence: conceptual foundations, propositions and research directions	JOURNAL OF SERVICE MANAGEMENT
#C4 Knowledge Group		Customer experience	First cited in 2007
LIPKIN, M	2016	Customer experience formation in today’s service landscape.	JOURNAL OF SERVICE MANAGEMENT
#C5 Knowledge Group		Systematic review	First cited in 2008
MARASCO, A	2018	Collaborative innovation in tourism and hospitality: a systematic review of the literature	INTERNATIONAL JOURNAL OF CONTEMPORARY HOSPITALITY MANAGEMENT
#C6 Knowledge Group		Business network	First cited in 2003
HAKANEN, T	2012	Co-creating customer-focused solutions within business networks: a service perspective	JOURNAL OF SERVICE MANAGEMENT
#C7 Knowledge Group		Social marketing	First cited in 2006
LUCA, NR	2016	Towards a service-dominant approach to social marketing	MARKETING THEORY
#C8 Knowledge Group		Manufacturing firm	First cited in 2008
KOHTAMAKI, M	2016	Co-creating value from knowledge-intensive business services in manufacturing firms: the moderating role of relationship learning in supplier-customer interactions	JOURNAL OF BUSINESS RESEARCH
#C9 Knowledge Group		Public value failure	First cited in 2008
WILLIAMS, BN	2016	(co)contamination as the dark side of co-production public value failures in co-production processes	PUBLIC MANAGEMENT REVIEW
#C10 Knowledge Group		Changing university business model	First cited in 2005
MILLER, K	2014	The changing university business model: a stakeholder perspective	R & D MANAGEMENT
#C11 Knowledge Group		Social media	First cited in 2009
KETONEN-OKSI, S	2016	Social “media-based” value creation and business models	INDUSTRIAL MANAGEMENT & DATA SYSTEMS
#C12 Knowledge Group		Sharing economy	First cited in 2010
GEIGER, A	2018	“give and take”: how notions of sharing and context determine free peer-to-peer accommodation decisions.	JOURNAL OF TRAVEL & TOURISM MARKETING
#C13 Knowledge Group		Spectator experience	First cited in 2009
HORBEL, C	2016	How context shapes value co-creation: spectator experience of sport events	SERVICE INDUSTRIES JOURNAL
#C14 Knowledge Group		Digital ecosystems view	First cited in 1996
CAPUTO, F	2016	Beyond the digital ecosystems view: insights from smart communities.	INNOVATION, ENTREPRENEURSHIP AND DIGITAL ECOSYSTEMS



### 4.3. Research on Value Co-Creation in the Field of Consumption

Lanier and Hampton (2018) believe that the interaction between consumers and producers at all stages of the Easter life cycle is a real value co-creation. Pongsakornrungrungsilp and Schroeder (2015) believe that the brand community of common consumption is a platform for value co-creation among customers.

### 4.4. Applied Research on Value Co-Creation

Jayen Krisjanous and Robyn Maude (2017) classify the nature of customer engagement activities. Their research focuses on the New Zealand medical cooperation model framework to explore the phenomenon of customer participation in collaboration. Francesca Cabiddu, Tsz-Wai Lui, and Gabriele Piccoli (2016) Taking the tourism industry as the research object, based on the service-led logic, the method of co-creating value among members in the industry was discussed. Moses Golooba and Abd. Rahman Ahlan (2015) constructed the service system between higher education institutions and industries in Malaysia. Architecture is designed to build a platform that benefits everyone. In addition, Leena Aarikka-Stenroos and Elina Jaakkola (2017) also studied the application of value co-creation in service systems and other aspects.

By reviewing the literature on value co-creation, this study finds that in the advancement of value co-creation research, it can be roughly classified into three types of research topics: Why do customers participate in value co-creation? How to create value together? And the impact of value co-creation. First, the research theme of why customers participate in co-creation mainly involves the psychological motivation and personal characteristics of customers' participation in value co-creation and related research. Second, how to carry out value co-creation is a relatively concentrated topic in the research of value co-creation. The research content can be further divided into role research in value co-creation, process research in value co-creation, and management problem research. Finally, in the impact results of value co-creation, more studies have shown that value co-creation has effect on new products. Performance, loyalty and other aspects will have a positive impact. Different research perspectives believe that the value type of value co-creation output is different, and some literature studies have shown that value co-creation has a "double-edged sword" effect. There is some controversy.

In the first research topic, most of the related researches focus on the motivation of value co-creation from the perspective of customer participation, and the motivations are different in the performance of different value co-creation activities and in different situations. Merz et al. (2018) has studied the motivation of participating in value co-creation in the context of service innovation. Most of the researches on the motivation of participating in value co-creation focus on the virtual customer environment or virtual brand community (XIE et al., 2019). According to the performance of different value co-creation activities, it drives different motivations.

The content of the second research topic includes the division of processes and stages and the content it contains. The research in this area focuses on conceptual and qualitative research. For example, Payne (2016) incorporates the concepts of brand knowledge, consumer learning, and organizational learning from two perspectives: cognition, emotion, behavior, and experience. Taking the value co-creation ecosystem as the background, a map of the service contact process between consumers and producers was designed, a co-creation brand experience relationship model was constructed, and the process and management issues in value co-creation were answered. On the basis of previous studies, different scholars have different divisions of the value co-creation process and stage according to the research context and field.

The third research theme. The research on the impact of value co-creation is divided according to the direct impact objects, which can be divided into enterprises and customers. The enterprise level mainly involves the impact of economic benefits and comparative advantages brought about by value co-creation, and the customer level mainly involves the impact of value co-creation on loyalty, satisfaction and experience value. Wong et al. (2019) takes the exhibition industry as an empirical research object, and finds that value co creation has a positive correlation with perceived performance, and the scale of exhibitors has a regulatory role. Through value co-creation, both customers can be satisfied and the company can benefit. Economic benefits and comparative advantages are the direct effects that companies experience in the process of co-creation with customer value. Customers can help enterprises improve the quality of products or services, increase production efficiency, reduce risks, and reduce costs by participating in value-creation activities such as common production, common design, and common innovation. The continuous communication and interaction with customers in value co-creation activities can help companies better understand customer needs, improve value proposition, and better serve customers. Among them, the value generated by value co-creation is the focus of discussion in this field. Value co-creation in related theoretical research can bring use value, scenario value, and experience value. It is not accurate and scientific to measure the value of a certain dimension.

In a word, scholars have a wider and wider perspective on value co-creation. The research content has gradually deepened, and empirical research has begun to increase. From the perspective of research hotspots and frontiers of value co creation, its research focuses on service dominant logic and value co creation ecosystem, as well as customer participation behavior and sharing economy. These hotspots, on the one hand, reflect the importance of customer experience, on the other hand, highlight that people-oriented is the decisive factor to attract customers; in recent years, the important front of value co creation research Along the field, including competitive advantage, strategic management and method exploration, we should mainly solve two problems in the future value co creation research. On the macro level, we should explore what value co creation



brings to enterprises and other participants, and on the micro level, we should explore how to manage the main behavior of value co creation activities in various situations.

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## Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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