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Editor's Introduction to Volume 2, Issue 2 of Expert Journal of Marketing

Simona VINEREAN*

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The second issue of the second volume of *Expert Journal of Marketing* publishes various interesting studies that advance marketing knowledge in terms of analyzing consumer behavior in tourism and its underlying influencers in the decision making process, service quality of a higher education institution and the measures that need to be taken in order to increase student satisfaction, value co-creation process and how it influences business and consumers in business environment that is driven by technology developments. Further, I present a short description of each article that is published in *Expert Journal of Marketing*, vol. 2, issue 2.

In *Motivators that Intervene in the Decision Making Process in Tourism*, Vinerean (2014) discusses the importance of staying current with different segmentation techniques in the tourism industry in order to gain a competitive edge in a very competitive business and to provide the best services possible for tourists. Her research examines how certain motivators have a higher impact on the tourist's behavior or predisposition to buy a certain tourism services package. Also, the author sheds light on the complexity of the decision-making process in tourism and her insights can easily be used by tourism managers for an improved value chain for their customers.

Jorge Mongay (2014), in his paper *Service Quality Measurement Using Servqual. An Applied Comparative Study on Customer Perceptions and Expectations Under an International Approach*, uses the Servqual methodology to examine the quality of service provided by a public university in Barcelona (Spain) as it is perceived by its study abroad students. The findings of the research exhibit useful perspectives related to future strategies for improving satisfaction and service at the host institution. Therefore, the results could be used by the university presented in the study, but also by other higher education institutions that are interested in broadening their marketing and management practices.

The article entitled *Value Co-Creation Process: Effects on the Consumer and the Company* written by García Haro et al. (2014) examines the concept of co-creation in terms of its foundations and its repercussions on the new business model companies are currently operating in, a business model that is ever-changing due to the technological advances. Technology has led the way for businesses towards open innovation and the inclusion of customers in their value creation chain. The authors also explore the effects on the companies and how certain moderators, related to both companies and consumers, can actually enhance consumers' interaction with the company. This work outlines the co-creation value and its associated variables and provides insights on how to use this concept as a competitive strategy in a business environment that is expanding in complexity.

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- Mongay, J., 2014. Service Quality Measurement Using SERVQUAL. An Applied Comparative Study on Customer Perceptions and Expectations under an International Approach. *Expert Journal of Marketing*, 2(2), pp. 82-85



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Motivators That Intervene in the Decision Making Process in Tourism

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Being part of the tourism industries involves many researches and analyses in different periods of time, regarding different segments of consumers. Therefore, it is important to be aware of all the factors and motivators that influence a tourist to purchase a particular tourism services. These complex variables are crucial for the final purchase decision of an offer with emotional value for customers. This paper presents the principals motivators which intervene in the decision making process that should be acknowledged by marketers in order to provide the ideal tourism package.

Keywords: consumer behavior, motivators, consumer buying behavior, influences, tourism process, decision making process

JEL Classification M31, M21

1. Introduction

The field consumer behavior has its roots in the concept of marketing, a business orientation that has evolved over time, from several alternative approaches. Firstly, there was the concept of production based on the product and the presumption that consumers are usually interested in the availability of products at the lowest price, and the marketing goals in the first case is limited to a cheap and efficient production with an extensive distribution. Then, the product concept was established, according to which the consumer buys the product that will offer the best performance. The next development was known as the concept of sale, in which the main focus of the marketer was to sell the product that was decided to be sold, without taking into account consumer satisfaction (Schiffman and Kanuk, 2009).

However, the marketing concept emerged to challenge the three business orientations described above. In the vision of Philip Kotler "the marketing concept holds the key of achieving the organizational goals of a company with a higher efficiency in terms of creating, delivering and communicating the value to a targeted market in comparison to its competitors".

Theodore Levitt drew an instructive contrast between the concept of sales and marketing: "The sale concentrates on the needs of the seller and the activities related with marketing is focused on satisfying the needs of the consumer. Selling is preoccupied with the seller's need to convert his product in cash; marketing is concerned with meeting consumer needs through the product put at his disposal, and with all things associated with creating, delivering and finally, his consumption.

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Given these synthesized aspects, one can say with certainty that the study of consumer behavior means understanding how buyers choose their goods and services to satisfy multiple needs that are stimulus, more precisely factors affecting their choice.

On the other hand, currently, there is a large diversity among the existing members of a society, therefore it is easy to appreciate that there may exist substantial differences among the citizens of different countries that have cultures, values, ways of thinking different. Therefore, the task of international marketers is to understand directions for action, regarding the purchase or lack of purchase on the targeted international market, which is becoming more and more difficult to analyze.

According to Williams (2006), tourism and hospitality have become principal key global economic activities as expectations with regard to our use of leisure time have evolved, attributing greater meaning to our free time. These results in marketing have potentially bigger importance in tourism than in other industries but unfortunately this potential is not always fulfilled (Morgan and Pritchard, 2002). Also, a major reason for such unfulfilled potential lies in most tourism marketing focusing on the destination or outlet (in other words, the products or services which are offered) and lacking focus on the consumer (Williams, 2006).

Furthermore, Urry (1990) claims that the tourist gaze is '... constructed and sustained through a variety of non-tourist practices, such as film, TV, literature, magazines, records and videos'. What Urry (1990) was advocating was that the image consumers have of a destination in today's modern world is strongly formed and influenced by such media forms as film and television. The role of image in promotion within a service industry such as tourism is an important key in today's competitive market place. Consumers may make purchase decisions based on the influence of image, as a marketing construct. As Morgan et al. (2003) state "the need for destinations to portray a unique identity is more crucial than ever". Films (especially if they have a high profile and are commercially successful) can help establish such an identity (a new brand image in a sense) and provide a platform to attract interest to a tourist destination from a wide market base. If consumers are firmly influenced by image, this becomes a strong argument to focus more on such forms of media that impact their purchase decisions.

In conclusion, all the knowledge regarding the field of consumer behavior in tourism provides the basis on marketing strategies: product positioning, market segmentation, the launch of new products, making decisions related to the marketing mix; providing them with greater efficiency. Studying this field allows a more extensive and complex characterization of all market phenomena, the elaboration of more realistic strategies and the effective development of some efficient marketing actions.

2. Motivators in the Decision Making Process in Tourism

A wide range of variables motivates consumers to buy tourism products and make some particular purchase decisions. Therefore, there are two main categories of motivators (Swarbrooke and Horner, 2007): those which motivate a person to take a holiday and those which motivate a person to take a particular trip to a specific destination at a particular time.

The motivators can be divided into different categories, such as (Swarbrooke and Horner, 2007): cultural (sightseeing, experience new cultures), physical (relaxation, suntan, health), emotional (nostalgia, romance, adventure, fantasy), personal (visiting friends and relatives, make new friends, need to satisfy others), personal development (increasing knowledge, learning new skills), status (exclusivity, obtaining a great deal).

A motive is simply a reason for carrying out a particular behavior; it is not an automatic response to a stimulus. Motives should be distinguished from instincts. Instincts are pre-programmed responses which are involuntary and inborn in the individual (Blythe, 1997).

Blythe (1997) presented a classification of motives meant to help marketers to improve their activities, such as:

- primary motives: the reason that leads to the purchase of a product class (for example, a consumer may need to buy a car to replace an old one);
- secondary motives: they are the reasons behind buying a particular brand (for instance, the consumer may have reasons for purchasing a BMW rather than a Mercedes, or a Peugeot rather than a Ford);
- rational motives: based on reasoning, or logical assessment of the consumer's situation (for example, a client will buy a car for the main reason to be able to carry his four kids and a tent; his decision will be based strictly on this aim);
- emotional motives: these motives have to do with the consumer's feeling about the brand (a client may end up purchasing a sports car despite his need for a family car);

- conscious motives: motives of which the consumer is aware of (a consumer is aware of the need that he has to satisfy- this is a conscious motive);
- dormant motives: motives operating below the conscious level (the client who ends up buying a sports car may not realize that his desire for the sports car is linked to the fact that he is approaching middle age).

When talking about motivators, it is vital to take into consideration the fact that every tourist is different and so are the variables that motivate him. The factors which determine an individual tourist's motivations are: their personality (friendly, loner, adventurous, careful, secure, shy); their lifestyle – depends directly to their interests and concerns; their likes and dislikes; their past experiences as tourists and particular types of holidays; their weaknesses or strengths - whether these depends to their health, wealth or the desire to escape from the monotony of their daily working life. Also, these types of motivators could be modified as a response to some changes that appear in a consumer's personal life, such as: having a child, getting married, a modification of income, changing expectations or experiences as a tourist, health issues.

In conclusion, when considering a holiday, it is relevant to take into account the big influences the travel companions can have on how a vacation is perceived. For example, a housewife will choose a romantic destination when celebrating her wedding anniversary with her husband, but will choose another destination when planning to leave with her children, case in which the main motivation will be to make them happy. And when she goes on holiday with her churchgoers, she will pursue a spiritual accomplishment.

3. Research Methodology

In the light of the research problem and proposed hypotheses, this research investigates touristic behavior of respondents from Romania. An online consumer survey was used for the data collection. The measurement items included in the online survey were newly formed and were aimed at studying different dimensions of tourists and reactions towards purchasing holiday packages within the next year. Also, all the measurements used 5-point Likert scales ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) and a semantic differential. The survey was accompanied by a brief description of the purpose of the research and a URL address.

The research instrument consisted of a survey of 2 questions that will be analyzed (in addition to three socio-demographic questions). Constructs used in the model are presented in Table 1 in terms of their conceptual and operational definition. All the scales are newly formed and have not been used in other research.

Table 1. Conceptual and operational definition of variables used in research

Question no. and dimension explored	Conceptual definition	Operational definition
Q1. Buying intention (Propensity to purchase a travel package)	Planned action of an individual to buy a travel package in the next year.	Not likely 1 – 2 – 3 – 4 – 5 Definitely
Q2. Motivation (Tourism purposes)	The reasons underlying the choice of a particular type of travel	Q2a. City breaks (escapades in the city); Q2b. Shopping; Q2c. Sports activities; Q2d. Internships / Education (Educational Travel); Q2e. Business; Q2f. Visiting friends and family; Q2g. Different events (concerts, festivals).

The data collection technique implied using the social networking sites such as Twitter and Facebook to attract information from relevant tourists from Romania who tend to purchase travel packages. By using the social networks, we generated 154 usable responses. Table 2 presents the profile of the respondents, as well as the psychometric properties of the measures.

Table 3. Respondents' profile

Sex	Age	Status	Frequency	Percentage (%)	Cumulative Percentage (%)
Male	< 20 years	Pupils	2	100.0	100.0
	Between 20-25 years	Students	10	37.0	37.0
		Employee full-time	11	40.7	77.8
		Employee part-time	1	3.7	81.5
		Free independent	4	14.8	96.3
		Unemployed	1	3.7	100.0
		Total	27	100.0	
	Between 25-30 years	Employee full-time	9	100.0	100.0
	Between 30-35 years	Employee part-time	4	66.7	66.7
		Free independent	2	33.3	100.0
		Total	6	100.0	
	Over 40 years	Employee full-time	1	100.0	100.0
	Total male respondents		45	29.2	
Female	< 20 years	Pupils	4	100.0	100.0
	Between 20-25 years	Students	63	69.2	69.2
		Employee full-time	23	25.3	94.5
		Employee part-time	2	2.2	96.7
		Free independent	3	3.3	100.0
		Total	91	100.0	
	Between 25-30 years	Students	1	12.5	12.5
		Employee full-time	6	75.0	87.5
		Free independent	1	12.5	100.0
		Total	8	100.0	
	Between 30-35 years	Employee full-time	3	60.0	60.0
		Free independent	1	20.0	80.0
		Unemployed	1	20.0	100.0
		Total	5	100.0	
	Over 40 years	Full-time employee	1	100.0	100.0
	Total female respondents		109	70.8	

4. Empirical Analysis and Results

4.1. Descriptive Statistics

For a better comprehension of the data we will be examining, we present the descriptive statistics for the questions used in this research that focused on consumer behavior in tourism. Table 3 and 4 offer a summary of the responses of tourists from Romania.

Table 3. Descriptive statistics for the propensity to purchase a travel package, in the next year

Q1.	Statistic	1 (Not likely)	2	3	4	5 (Definitely)	Total
Propensity to buy a holiday package in the next year	Frequency	18	35	33	29	39	154.0
	Percent	11.7	22.7	21.4	18.8	25.3	100
	Mean	3.23					

Table 4. Descriptive statistics for tourism purposes

Q2.	Statistic	1 (Strongly disagree)	2	3	4	5 (Strongly agree)	Total
Q2a. City breaks (escapades in the city);	Frequency	15	26	35	39	39	154
	Percent	9.7	16.9	22.7	25.3	25.3	100.0
	Mean	3.4					
Q2b. Shopping;	Frequency	29	48	31	30	16	154
	Percent	18.8	31.2	20.1	19.5	10.4	100.0
	Mean	2.71					

Q2c. Sports activities;	Frequency	46	48	26	19	15	154
	Percent	29.9	31.2	16.9	12.3	9.7	100.0
	Mean	2.41					
Q2d. Internships / Education (Educational Travel);	Frequency	46	36	29	28	15	154
	Percent	29.9	23.4	18.8	18.2	9.7	100.0
	Mean	2.55					
Q2e. Business tourism;	Frequency	61	31	25	21	16	154
	Percent	39.6	20.0	16.2	13.6	10.4	100.0
	Mean	2.35					
Q2f. Visiting friends and family;	Frequency	6	18	38	38	54	154
	Percent	3.9	11.7	24.7	24.7	35.1	100.0
	Mean	3.75					
Q2g. Different events (concerts, festivals).	Frequency	43	37	42	30	2	154
	Percent	27.9	24.0	27.3	19.5	1.2	100.0
	Mean	2.41					

4.2. Multiple regressions on the propensity to purchase a travel package in relation to tourism purposes

Further, we will explore a widely used analysis technique. Regression analysis is a powerful and flexible procedure that used to study the association relationship between a dependent variable and one or more independent variables. This analysis technique can be used in various ways:

- to determine if the independent variable explains a signifying variance with regard to the dependent variables (if there is a relationship).
- to determine how much of the variation in the dependent variables can be explained by the independent variable (strength relationship).
- to determine the structure or form of the relationship: mathematical equation which is correlated with the independent and dependent variables.
- to predict values of the dependent variables.
- to control for other independent variables when evaluating the contribution of a variable or set of variables.

In this section I will apply a multiple regression which involve a single dependent variable (probability of buying a tourist package) and several independent variables that examined the reasons for traveling. Thus, the dependent variable (propensity to purchase a tourism package) for the multiple regression will be studied with seven independent variables representing possible answers to question 2 of the questionnaire that measured seven semantic differential scales. The scales examined the reasons for traveling, such as: City breaks (escapades in the city); Shopping; Sports activities; Internships / Education (Educational Travel); Business; Visiting friends and family; Different events (concerts, festivals).

In table 5, the coefficient of determination (R^2) shows that almost half (43.4%) of the variance in the dependent variable that examined the susceptibility of buying a holiday package in the following period is explained by the proposed model, namely through the various tourism purposes.

Table 5. Regression model for the predisposition to purchase a travel package and tourism purpose

Model	R	R^2	Std. Error of the Estimate
1	0.659	0.434	0.978

In table 6, the ANOVA reports a significant F statistic (13.53) indicating that the use of the model is better than average approximation. The total variance of the model is divided into variation that can be explained by the independent variable of the model (the value of the regression line: 120.60) and the variation that cannot be explained by the independent variable (residual value: 160.33).

Table 6. ANOVA for the regression model for the predisposition to purchase a travel package and tourism purposes

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	120.06	41	2.928	13.531	0.001
Residual	160.335	110	1.457		
Total	280.395	151			

In the table 7, the predictors of the regression model and the constant are presented. The constant variable (0.323) is the value predicted for the predisposition of buying a tourism service package, when all other independent variables denoting different purposes of tourism are 0.

Table 7. The coefficients of the regression model for the predisposition to purchase a travel package and tourism purposes

Model	Unstandardized coefficients		Standardized coefficients	t statistic	Sig.
	B	Std. Error	B		
(Constant)	3.235	0.559		5.787	0.00
Q2a. City breaks (escapades in the city);	0.25	0.095	0.324	2.268	0.005
Q2b. Shopping;	0.307	0.099	0.504	3.578	0.00
Q2c. Sports activities;	-0.033	0.093	-0.032	0.359	0.72
Q2d. Internships / Education (Educational Travel);	0.008	0.096	0.008	0.083	0.334
Q2e. Business tourism;	-0.042	0.095	-0.043	-0.445	0.657
Q2f. Visiting friends and family;	0.445	0.103	0.475	-1.405	0.002
Q2g. Different events (concerts, festivals).	0.12	0.104	0.299	1.153	0.01

In this regression, we examine the predispositions of consumers who seek to purchase a travel package and the reasons behind this choice, given the dependent variables (propensity to purchase a tourism services package). Based on table 7, we may determine the overall multiple regression equation to predict the dependent variable from the independent variables, as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_k X_k + E$$

Which can be estimated by the following equation:

$$Y' = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + \dots + b_k X_k$$

And, in this case, it becomes:

$$Y' = 0.3235 + 0.250 * \text{City breaks} + 0.307 * \text{Shopping} + (-0.33) * \text{Sports activities} + 0.008 * \text{Internships / Education} + (-0.042) * \text{Business tourism} + 0.445 * \text{Visiting friends and family} + 0.120 * \text{Different events}$$

The coefficient of 0.250 for 'City breaks' shows that an increase of one unit of this variable implies a projected increase of 0.250 in the predisposition to purchase a tourism package, while the other variables remain constant. Similarly, the other unstandardized coefficients can be interpreted. On the other hand, the standardized coefficients are the coefficients obtained by standardizing all variables in the regression model (both the dependent and independent ones).

We studied the t statistical test and the associated level of significance using a standard level of significance of 0.05. The regression model is suitable; however Table 7 shows that there are too many predictors for the model. There are certain insignificant coefficients that indicate that these variables do not contribute much to the model, namely: sports activities, education or business.

Thus, we can observe a tendency of tourists for city breaks, shopping weekends, visiting friends or family, and various events that are held abroad. For the most part, the reasons for the choice of tourism is related to the segment of tourists who responded to this questionnaire, namely the respondents are generally

students, aged 20-25 years, who do not participate in many sporting activities abroad and have yet the age to practice business tourism.

5. Conclusions

Consumer buying behavior, as an important field of marketing research, refers to the behavior of the final consumer who buys goods and services for personal consumption - individuals and households - for fulfilling their current requirements or indicating their role in society. There are also organizational consumers who buy goods or services on behalf of the organization for which they work, in order to produce other goods and services.

Consumer behavior is a fascinating subject, but difficult to research. This affirmation is more relevant in tourism, where the decision of buying has a strong emotional value. The acquisition of a holiday implies a significant expense, that will be the most important and relaxing period of the year for the consumer.

Furthermore, the decision-making process in tourism is complex and it is often considered an unconscious process (Zaltman, 2003); thus this process is a process not fully developed theoretically. Decision making researchers face the difficult task of measuring and understanding a process that is unconscious and different for every consumer and for which they are only partially aware. The goal of decision research is to understand how decisions are made consciously as well as unconsciously (Carroll and Johnson, 1990). Carroll and Johnson (1990) argue that "if decision making were easy to understand (or easy to do), there would be no need for such elaborate research efforts".

It is important for any travel marketers and destination developers to understand the tourist decision process, in order to develop effective marketing strategies because decision behavior (buyer behavior) in this particular field is the structure upon which marketing must hold. Therefore, the development of tourist decision models that incorporate complex patterns of real world influences and link the gap between behavioral and choice-set ways using the probability theory will remain critical in tourism consumer behavior research (Sirakaya and Woodside, 2005).

In conclusion, it is crucial for researchers and tourism managers to examine and understand the way in which consumers make decisions, the most powerful variables that influenced them and the factors that motivate and stimulate tourists to make particular purchases. Also, when analyzing a tourist's consumer behavior, companies must take into account: the needs and habits of the consumers, consumer preferences and requirements, tourism market segmentation, and motivational factors such as cultural, personal, emotional, status, personal development, physical, etc.

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The Effects of the Value Co-Creation Process on the Consumer and the Company

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This article analyzes the concept of value co-creation, which has arisen due to the combination of various modern influences - including economic globalization, changes in consumers' buying habits, and the emergence of the Internet and social media - that have changed the way companies innovate. These factors also have transformed the traditional marketing paradigm, such that companies must continually innovate to create and maintain long-term relationships with their consumers and thus competitive advantages. This study analyzes practices of co-creation and seeks to establish a theoretical research framework; the authors also identify the key effects and results of co-creation activities for both companies and consumers. By integrating situational and moderating variables, the proposed theoretical model covers multiple dimensions and offers a comprehensive approach to the topic.

Keywords: co-creation, open innovation, competitive advantage, social media, consumer, collaboration, technology, customization.

JEL Classification: M30

1. Introduction

Continuous advances in technology have altered the way users communicate, make decisions, relate, learn, interact with other users, and even buy, because they have modified the structure of market power and prompted a shift in power, from the producing agents or distributors to customers (Constantinides and Fountain, 2008). That is, in a traditional value creation model, providers sell inputs to producers, which then develop products and services for consumers. Value gets created by the company or manufacturer, in the form of the product being distributed in the market, through exchanges of monetary compensation (Vargo et al., 2008). Thus, companies focus on the interaction and seek to extract economic value (Prahalad and Ramaswamy, 2004a). Furthermore, the traditional paradigm regards customers as passive buyers and users (O'Hern and Rindfleisch, 2010), leaving companies with a limited understanding of their experiences or knowledge. Little or no interactive dialog takes place between the company and consumers (Sawhney et al., 2005), and communication instead is unidirectional, from the company to the consumer.

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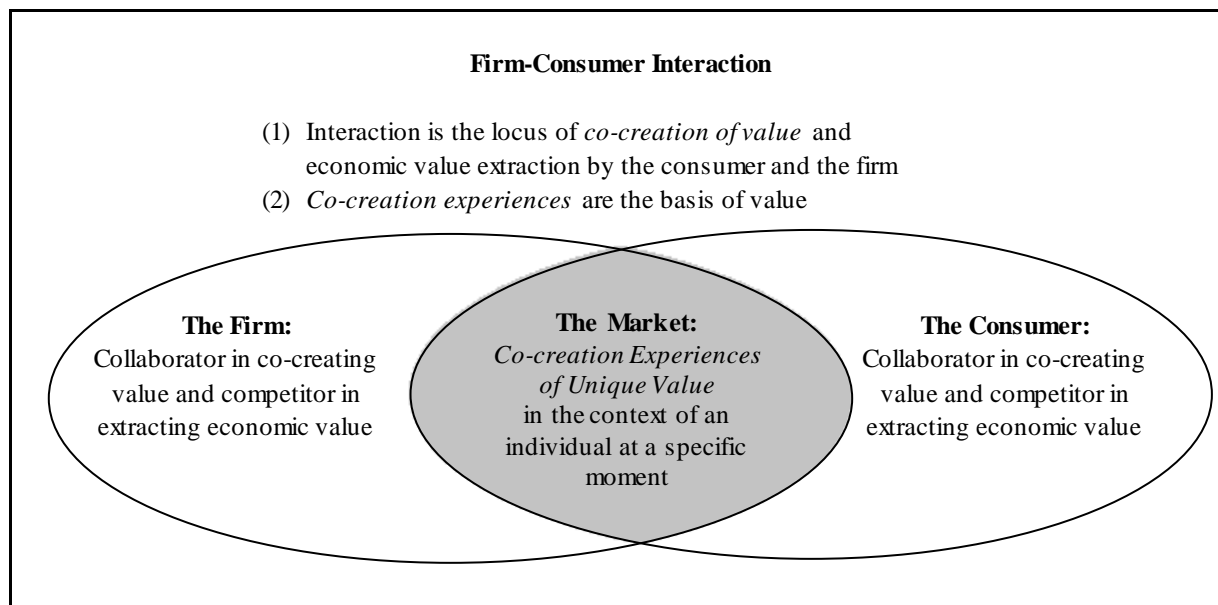
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In contrast, continuous advances in technology, linked to globalization, changes in buying habits, and consumers' revised behaviors, have made it more difficult for firms to differentiate themselves from competitors in saturated markets. This new economic and social framework demands a rethinking of the role of marketing in value creation process (Kotler et al., 2010). As a result of this paradigm shift, companies must stop focusing solely on increasing their internal efficiency and instead seek to develop external resources in their search for value co-creation with consumers (Prahalad and Ramaswamy, 2004a). In the resulting personalized interactions, the roles of the company and the consumer converge (see Figure 1); both actors become competitors and collaborators simultaneously—partners in the creation of value and competitors for the removal of economic value (Prahalad and Ramaswamy, 2004b).



The market is integral to the value creation process

Figure 1. *The Emerging Concept of the Market*
 Source: Prahalad and Ramaswamy (2004a)

Because the Internet and social media grant modern consumers access to vast amounts of information and content, they feel more qualified to exert power and are willing to participate substantially in the value-creation processes (Ernst et al., 2010). That is, consumers have become active co-creators of the products and services they buy and use (O'Hern and Rindfleisch, 2010), and they create value through offers that they co-produce and customize with the company (Payne et al., 2008). In this new value-creation process, companies cannot regard users as passive recipients of value, to which they deliver goods, services, and experiences (Ramaswamy, 2009). Instead, consumers and users now constitute the core of any business and serve different roles in innovation processes that create value (Edvarsson et al., 2010). The objective of the company is to customize offerings and achieve maximum participation by customers in this customization process, to better suit customer needs (Vargo and Lusch, 2004).

Unlike the traditional value-creation process, in which communication moved solely from the company to the customer, interactions between companies and consumers increasingly entail continuous dialogues, in which both parties are active and engaged in the learning process (Ballantyne, 2004), so they co-create joint value for both parties (Grönroos, 2008). If these interactions enable consumers to co-create unique experiences, companies likely enjoy a new competitive advantage, which explains why the value must be created jointly (Prahalad and Ramaswamy, 2004b). That is, the co-creation of value is a desirable goal for both companies and consumers, to help companies understand the needs and preferences of consumers (Lusch and Vargo, 2006). It also supports fast learning and decision making by the committed enterprise, because customer experiences represent efficient means to create value (Prahalad and Ramaswamy, 2004b).

The aim of this study is thus fourfold: We first seek to identify the process of value co-creation as it emerges through co-creation activities, market testing, open innovation, and product customization; second, we study the effect of these co-creation activities on outcome variables associated with the consumer and the

company; third, we analyze whether company, environmental, and consumer variables affect the relationship between co-creation activities and their outcomes; and fourth, we propose a general theoretical model that encompasses all these dimensions.

2. Literature Review

2.1. Co-Creation Activities

The term co-creation initially was used by Kambil et al. (1999) to refer to co-creating value for consumers, in which context they propose that co-creation activities give rise to a new dynamic in the relationship between the company and the customer, because customers participate in the production process and the distribution of value. Because customers can participate in every stage of the value chain, they become partial "employees" of the organization. Prahalad and Ramaswamy (2000) then adopted the term to refer to those activities in which both the consumer and the company are involved together in the creation of value.

Although marketing literature provides different definitions for co-creation, the concept sometimes has been used incorrectly and synonymously with other concepts, such as co-production (Auh et al., 2007, Lengnick-Hall et al., 2000, Soltanzadeh, 2014) or consumer participation (Dong et al., 2012; Fang et al., 2008). Because these terms do not necessarily equate with co-creation, a lack of clarity about the specific meaning of the term "co-creation" remains (Rajah et al., 2008). However, an exhaustive literature review reveals some central, relevant definitions of co-creation. For example, Piller et al. (2012) consider co-creation as an active, creative, social partnership process between producers (retailers) and customers (users), facilitated by the company. For O' Hern and Rindfleisch (2009), co-creation stems from collaborations to develop new products, such that consumers actively contribute and select elements of the new product being offered. Rajah et al. (2008) assert that co-creation happens when the consumer and the company work together to create a consumer experience that adds value to the buying process; Zwass (2010) defines co-creation as the participation of consumers with producers in the creation of value in the market. Thus, these definitions share several features:

- Co-creation is an activity or process between the company and the consumer.
- It requires the joint collaboration of both sides.
- The objective is to create value for both sides.

Therefore, we propose that co-creation refers to any activity in which the consumer participates in an active and direct way with the company to design and develop new products, services, or processes.

Although marketing literature acknowledges the participation of customers in innovation processes (Auh et al., 2007; Piller et al., 2012), empirical studies of co-creation are scarce (Zhang and Chen, 2008), leaving gaps in our knowledge about the nature of this phenomenon (O' Hern and Rindfleisch, 2010). Accordingly, the Marketing Science Institute declared co-creation activities as a priority topic for investigation for 2014–2016. Interest in co-creation results from its potential strategic use for both theoretical study and practice (Ehrenthal et al., 2012).

Prior studies analyze co-creation activities on the basis of different theoretical frameworks, including the theory of user participation (Fang et al., 2008), the user-centered approach (Karahasanović et al., 2009), user-generated content (Banks and Humphreys, 2008), and the service-dominant logic (SDL; Vargo and Lusch, 2004). The SDL in particular shifts the perspective to company–consumer communication (Lusch et al., 2008; Vargo and Lusch, 2004) and regards consumers as proactive co-creators rather than passive recipients of value, while companies are agents that facilitate this process, instead of merely producers of a standardized value. In a goods-dominant logic, communication moves in a single direction, but in the SDL, a continuous dialogue between the company and consumer seeks to create the service on a joint basis (Payne et al., 2008).

Most research into co-creation focuses on distinct aspects, such as the commitment or role of the consumer in the co-creation process (Bogers et al., 2010; Hoyer et al. 2010; Prahalad and Ramaswamy, 2004a), the typology of co-creation (O'Hern and Rindfleisch, 2010; Piller et al., 2012; Zwass, 2010), the role of the Internet and social media in the co-creation process (Banks and Humphreys, 2014; Dvorak, 2013; Fuller et al., 2009; Hoyer et al. 2010), motivations for consumers to co-create (Dvorak, 2013; Vernet and Hamdi-Kidar, 2013; Xia and Suri, 2014), or co-creation as an engine of innovation and new product development (Orcik et al., 2013; Westerlund and Leminen, 2011). As a recent trend in marketing and brand development, co-creation also represents the latest way to get products and services into saturated markets, such that it constitutes a powerful tool for product branding, packaging, promotion, and advertising (Sanders and Stappers, 2008). This emerging trend therefore offers an excellent opportunity for researchers and

marketing professionals to extend the traditional paradigm for developing new products (O'Hern and Rindfleisch, 2010).

2.2. Open Innovation

With continuous technology advances, company–customer interactions take on new forms, moving beyond the sale of goods and services in exchange for money (Saarijärvi, 2014). Organizations innovate using customers that innovate for them and therefore using their knowledge and ideas for the development of new products, services and processes.

In tradition new product development strategies, companies innovated and introduced new products to the market that failed to meet customers' expectations (Henard and Szymanski, 2001), because the firms were relying solely on internal ideas, generated through their R&D activities, to develop, manufacture, market, and distribute the innovative product (Chesbrough, 2003). Only large companies with substantial resources and long-term research programs could compete effectively, but even these well-funded research programs could not always cope with the rapid release of new products into the market as product lifetimes grew shorter (Chesbrough, 2003). In response, the model of closed innovation, in which ideas were generated and developed internally (Chesbrough, 2006), shifted to a model of open innovation that sought to include the ideas of other agents, external to the organization.

Open innovation reflects the general premise that more potential knowledge and ideas for creating new products and processes exist outside a company than within it (Zwass, 2010); this external knowledge complements internal knowledge to accelerate innovation (Chesbrough, 2006). In addition, open innovation can offer insights into how consumers use products, which can lead to creative ideas about how to meet their needs and create a brand identity (Zwass, 2010).

Continued technological improvements in hardware and software enable expanded development of innovation tools that require less effort and less cost (von Hippel, 2005). Technology and social media development supports open access, such that companies can establish mechanisms to integrate innovation with the customer into their internal processes (Nambisan and Nambisan, 2009) while also encouraging greater customer participation. Technologically supported concepts such as open source, crowdsourcing, and mass customization thus are central to competitive strategies (Rayna and Striukova, 2014). This paradigm shift is what von Hippel (2005) calls the *democratization of innovation*, such that consumers take a prevailing role in creating new products and processes.

In an open innovation model, companies turn to R&D that takes place beyond their boundaries (Chesbrough, 2003), with the recognition that they cannot complete the whole innovation process on their own but instead require external ideas to move forward and develop new strategies for innovation. With open innovation, companies have gone from using their knowledge of the customer to co-creating knowledge with the customer (Sawhney and Prandelli, 2000). Consumers help companies become knowledgeable about their tastes and preferences, so companies often provide consumers with virtual tools to enable their design, prototyping, and product testing efforts (von Hippel, 2005).

In parallel, companies increasingly support the development of personalized new products and services. Concepts such as mass customization have gained popularity as means to meet consumers' demand more accurately (Zhang and Chen, 2008). Mass customization requires that consumers choose among a range of default options, according to their preferences (Rayna and Striukova, 2014). However, mass customization cannot secure a sustainable competitive advantage, which instead requires the continual delivery of maximum value to each individual customer (Pine, 1993). As organizations proactively searched for new ideas and solutions to make the innovation process more effective (Rayna and Striukova, 2014), they began to involve the consumer more in the design and development of new products and services. In the mass customization process, customers were limited to making suggestions about a prototype product at the end of the innovation phase; in a co-creation process, customers actively collaborate in the very first stages of innovation and share their experiences, thus forcing the company to alter its portfolio of products and services (Kristensson et al., 2008). The key is the experience gained by the consumer through using the product or service (Vargo and Lusch, 2004).

In digital environments, customers increasingly collaborate with companies for not only the generation of ideas but also to co-create and test products and improve their final delivery (Nambisan, 2002). Enterprises thus encourage customers to interact with them to improve and generate new ideas or even design products according to their own preferences, using virtual design tools. Then these users can support others by sharing their knowledge and experience with the product, through discussions and dialogue (Nambisan and Nambisan, 2009). In the co-creation process, consumers become active participants in open innovation and participate in the development of new products and services (Piller et al., 2012).

3. Outcomes of Co-Creation

To study the effects or outcomes of implementing co-creation activities, we consider both consumers and the company. We start with the effects of co-creation on consumers and consider how customer satisfaction, trust, and loyalty might be affected by their participation in co-creation activities.

3.1. Satisfaction, Trust, and Consumer Loyalty

Engaging customers in production processes helps companies develop new products and services, but it also enables them to establish long-term relationships with their customers. Customer satisfaction has long been established as a primary determinant of consumers' long-term behavior (Oliver, 1980). Accordingly, companies need to understand the impact of co-creation on customer satisfaction, trust, relationships, and loyalty (Rajah et al., 2008). Despite the many studies focused on the relationships among these variables, empirical investigations of the impact of co-creation activities on levels of satisfaction, trust, and loyalty are limited (Dvorak, 2013; Grisseman and Stockburger-Sauer, 2012; Vázquez et al., 2014). According to Grisseman and Stockburger-Sauer (2012), a greater degree of co-creation should lead to higher satisfaction and loyalty and enable the company to charge higher prices. But for this relationship to be positive, the customer needs the support of the company. Vázquez et al. (2014) also suggest a positive relationship between co-creation behavior and consumer satisfaction with the service experience. Dvorak (2013) establishes a positive relationship between the level of consumer satisfaction and co-creation activities for product design and development, as well as to influence other customers' use of the product.

In co-creation processes, customers become fully involved in various stages. For these active users, the highest level of satisfaction should result from their participation (Grönroos, 2008), because then they obtain a product that fits their needs perfectly (Vázquez et al., 2014). When customers participate in the development of a new service, they also gain a sense of belonging to the firm, which increases their levels of satisfaction and loyalty (Grisseman and Stockburger-Sauer, 2012). Greater satisfaction stems from more positive experiences with the company; in turn, satisfied customers likely share their positive experiences with other users, which should improve the firm's reputation (Cronin and Taylor, 1992). When the product is co-created and fully consistent with their needs, customers perceive the effort they expended in the process positively, as a rewarding, pleasant experience that increases the subjective value that accompanies the product (Franke and Schreier, 2010).

According to Rajah et al. (2008), improving co-creation interactions has two potential effects for the customer: (1) It reduces transaction costs, risk, and uncertainty, and (2) it reduces the costs of the interaction for the consumer, which leads to greater satisfaction with and trust in the company (Vandenbosch and Dawer, 2002). In effect, more tailored, customized products, compared with standardized products (Franke et al., 2009), generate more value and increase customer satisfaction (Franke and von Hippel, 2003). The level of consumer satisfaction also depends on the degree of fun and entertainment that the customer experiences during the co-creation process. If a customer voluntarily participates and enjoys the process, she or he likely develops a positive attitude, which should lead to greater satisfaction (Hoyer et al., 2010). Consumers perceive greater value from their participation if they really enjoy it (Franke and Schreier, 2010), so they likely are willing to pay more for products they have designed than for standardized products (Franke and Piller, 2004).

3.2. Effects on the Company

Implementing co-creation activities has several effects for the company, including better product quality (Fuller et al. 2009); less business risk (Maklan et al., 2008), especially in the process of entering a new market or introducing a new offering; lower costs; greater productivity and revenue growth, but with a smaller capital base (Ramaswamy and Gouillart, 2010); new competitive skills (Whiteley and Hessian, 1996); wider product acceptance in the market, with greater commercial potential (Oldemaat, 2013); and reduced uncertainty (Pralhalad and Ramaswamy, 2004b).

In addition to internal benefits, external effects on companies result from co-creation, such as the influences on the company's image, its brand image, and its reputation. With increasing consumer power, the brand becomes subject to the user's influence, formed in the space established by the continuous dialogue between the organization and its stakeholders. The organization provides a brand product or service, which then gets used, adapted, and discussed by consumers (Ind et al., 2012). Moreover, co-creation facilitates more interpersonal communications among consumers, through web platforms and similar tools that grant

them access to information generated by other consumers. Thus, consumers focus more on the brand, which should increase the amount of positive discussions about the brand and its products, as well as the consumer's identification with these products and brands (Roser et al., 2009).

Thus the traditional brand model has changed, because consumers play more active roles (Pralhalad and Ramaswamy, 2004a). Consumers have access to vast amounts of information and share their experiences with other users. As a result, the power of advertising to create or maintain a particular image of a product or company has greatly declined (Pralhalad and Ramaswamy, 2004b). The brand is created by the experiences of consumers, such that the challenge for companies is to ensure consistent quality and personalized experiences for each individual consumer during the co-creation process (Pralhalad and Ramaswamy, 2004b). A unique product or brand value should increase customer loyalty and prompt greater trust in the brand (Chaudhuri and Holbrook, 2001). Then brand loyalty leads to greater market share, because consumers repeatedly buy the same brand (Chaudhuri and Holbrook, 2001). That is, a loyal consumer provides a continuous flow of benefits to the company, along with reduced marketing costs and higher barriers to change, because he or she is less likely to pay attention to promotions by competitors (Yi and La, 2004). Loyal brand consumers even are willing to pay a higher price for that product or brand, because they perceive the unique value of the brand (Chaudhuri and Holbrook, 2001).

4. Moderator and Situational Variables of the Relationship

On the basis of an extensive literature review, we chose four situational variables pertaining to the company: (1) technology, (2) activity sector, (3) adoption of social media, and (4) organizational structure. The identified consumer variables involved (1) habits/buying preferences, (2) values and ethical dimensions, (3) incentives or reasons to co-create (intrinsic vs. extrinsic), and (4) social and subjective norms, related to environmental pressures on the consumer.

4.1. Company-Related Situational Variables

4.1.1. Technology

Continuous changes in technology have altered the way businesses operate. Information and communication technologies (ICT) now represent one of the most important elements for product innovation and marketing processes, providing routes to strengthen cooperation and communication, reduce barriers to innovation, and enhance the development of differentiated products (Requena et al., 2007). The ICT advances also enable customers to be more active, better informed, more aware at a global level, and more willing to use virtual environments to interact with companies to obtain new products and services (Seppä and Tanev, 2011).

The use of ICT in turn might offer an important source of competitive advantage (Roberts, 2000), because it brings the company closer to its surroundings, such that it can acquire knowledge and up-to-date information about the different agents in a quick, easy, relatively inexpensive way (Requena et al., 2007). In addition, ICT allows companies to communicate with different agents quickly and smoothly, by eliminating the barriers of space and time, such that it supports an effective transfer of knowledge (Grönroos, 2000). Leenders and Wierenga (2002) further suggest that the use of ICT in communications influences the degree of cooperation among agents. In closed relations, members share the same principles and values; thus, they are willing to devote more effort to achieve a common, strategic goal. When the company establishes connections with external agents, ICT can stimulate collaboration and the transfer and use of knowledge among members (Smith and Blanck, 2002), which makes the construction of virtual working groups throughout the world possible (Roberts, 2000). Therefore, ICT improves the development of new products, while saving time and monetary costs; facilitates the transmission of information; and encourages collaborative behaviors that improve decision-making quality (Sorensen and Lundh-Snis, 2001).

4.1.2. Social Media

The open innovation model has been supported by the emergence of social media, which facilitate new Internet services that rely on the exchange of content and the resulting interactions (Westerlund and Leminen, 2011). Developments in ICT, particularly the Web 2.0 and social media, create highly interactive platforms through which consumers share, co-create, interact, and modify user-generated content (Kaplan and Haenlein, 2010). Since their inception, social media have prompted the creation of several tools, platforms, and online applications that have transformed the way businesses operate in markets. For example, by using the Internet, companies can interact with vast numbers of customers, and virtual platforms

allow them to access information about how customers use their products and services, as well as how customers perceive their offers (Eloranta and Matveinen, 2014).

Currently, many social media applications (e.g., blogs, open collaborative projects, social networking sites, content communities, virtual worlds, games) enable individual consumers, communities, and businesses to connect and exchange information (Kaplan and Haenlein, 2010). These social media also enable companies to interact in real time and more frequently with users, which accordingly increases customers' participation (Sawhney et al., 2005). With these tools, companies monitor the content that gets shared, deal with potential problems, obtain new ideas, and use this information as a basis for value creation. To establish such continuous interactions, companies also need to provide tools that help consumers exchange their views and solutions with other users. This provision should lead to a dynamic environment, marked by creative and social partnerships between the company and its customers in a new product development context (Kang and Young, 2014).

4.1.3. Activity Sector

Quick and unpredictable changes in the environment make innovation a key element for achieving competitiveness and success in markets (Lee et al., 2012). Organizations rely on innovations to adapt to changes in their internal and external environments, though the external factors mean that outcomes of these innovation processes differ for each organization, depending on its industry sector (Van de Ven, 1986). Accordingly, co-creation processes have been analyzed in various sectors, including financial services (Auh et al., 2007), beauty and personal care (Vázquez et al., 2014), retailing (Shamim and Ghazali, 2014), tourism (Binkhorst and Dekker, 2009), the public sector (Wise et al., 2012), furniture (Andreu et al., 2010), luxury (Tynan et al., 2010), construction (Ordanini and Pasini, 2008), video games (Banks and Potts, 2010), health (Kantola et al., 2014), and education (Fagerstrøm and Ghinea, 2013).

4.1.4. Organizational Structure

To facilitate external collaborations, an organization needs a culture of internal collaboration (Lee et al., 2012) and innovation (Griffin, 1997; Menor and Roth, 2007), because such a culture determines if the organization can support the development of innovations, exceed customers' expectations, and gain a competitive advantage (Hult et al., 2004). Organizational characteristics have been widely studied in terms of their effects on innovation in general, but few studies address the specific effects of organizational characteristics on particular stages of the innovation process (Troy et al., 2001). For example, open mindedness and open communication likely are moderators of the relationship between the amount of information available on the market and the generation of ideas for new product development. When organizational members are encouraged to think in different ways, previously undetected patterns in the market become evident, and the range of market opportunities increases (Senge, 1990), which is crucial for generating new product ideas (Slater and Narver, 1995). Open communication also implies greater exchanges of information, which can facilitate the creation of new ideas (Aiken et al., 1980). The implementation of these new ideas then largely depends on characteristics of the organizational structure, such as formalization, centralization, and specialization (Aiken et al. 1980). In particular, a high degree of formalization and strict hierarchies tend to hinder the generation of new product ideas (Johnes and Storey, 1998). An organization with strict rules and procedures likely responds with routine solutions (Harvey and Mills, 1970), though some studies also suggest that a more centralized structure can disperse information more widely and thus facilitate the creation of ideas (Troy et al., 2001) and the development of new products (Froehle et al., 2000).

Figure 2 depicts our proposed model, in which co-creation activities (market testing, open innovation, customization) affect the creation of value at the consumer level (satisfaction, confidence, loyalty) and the company level (brand image, company image, prestige, company reputation). In Figure 2, value is contingent on situational variables pertaining to the company and the consumer.

4.2. Variables Associated with the Consumer

4.2.1. Purchase Habits and Preferences

Companies increasingly recognize the need to incorporate consumers in their R&D activities, especially because approximately 80% of the new products launched on the market fail (Zaltmann, 2003). Users' preferences are not homogeneous but instead differ greatly, requiring companies to segment their markets and develop superior products for each group, then allow customers to choose among different options and functional characteristics (Kotler et al., 2010). To satisfy consumers' needs, companies must

look for new methods to develop new products and services, such as by involving users in the early stages of new product development, namely, in the idea generation stage (Kristensson et al., 2008). If they plan to invite customers to suggest ideas for innovative products and services, companies also must understand the customer needs intended to be met with the new product or service and know if it adds value. To comprehend current customer needs, companies must grant those customers a more active innovation role (von Hippel, 2005).

The consumer's ability to take such an active role in new product development has increased greatly with the arrival of recent technological advances, especially the development and growth of the Internet (O'Hern and Rindfleisch, 2010). Users can access virtually unlimited amounts of information and share it in real time with other users and companies all around the world. If consumers want a greater role in their interactions with the companies, they can take it, which should increase the value of the process for them (Hoyer et al, 2010).

4.2.2. Values and Ethical Dimensions

The continuous advance of technology and the globalization of the economy together have generated new economic and social frameworks, making it necessary to rethink marketing. Organizations, consumers, and economies are connected and interdependent (Lee et al., 2012), in such a way that companies cannot focus solely on their domestic rivals but also must compete effectively with companies all over the world, to achieve unique competitive advantages. When the macroeconomic environment changes, so do the conduct and attitudes of consumers, which requires a change to marketing practices too (Kotler et al., 2010). In particular, recent changes have induced a new era of marketing that Kotler et al. (2010) call *the era of society and creative collaborative marketing*. That is, marketing 1.0 focused on the product; marketing 2.0 focused on the consumer; marketing 3.0 is based on values. Products and services thus are generated to account for what the consumer thinks, feels, and needs, such that the offerings address those wishes and needs. Marketing 3.0 also regards consumers as human beings, with intelligence, heart, and spirit (Kotler et al., 2010), and emphasizes activities that result from bidirectional communication between company and consumer. Increasingly, customers seek solutions that improve the world, as well as companies that meet their deep needs and contribute to social development, economic security, and environmental protection (Kotler et al., 2010).

4.2.3. Incentives to Co-Create

Despite the importance of co-creation, companies still struggle to find customers who are willing to collaborate and share their knowledge and ideas (O'Hern and Rindfleisch, 2010). Consumers vary in their interest and ability to participate in co-creation activities, such that relatively few consumers fully collaborate to develop and launch products (O'Hern and Rindfleisch, 2009).

Participating in co-creation activities requires consumers to use their time and knowledge to generate new ideas for products and services (Brunink, 2013). Some consumers compare the costs and benefits of participating (O'Hern and Rindfleisch, 2009), such that they might be more motivated to participate if they receive some financial reward (Boudreau et al., 2011) through an innovation lottery, prize, special offer, or sweepstakes (Fuller, 2010). Beyond monetary rewards, other reasons that drive consumers to collaborate include social benefits, such as reconnaissance of the environment or strengthening links with others. Some consumers are motivated by learning and the knowledge acquired about a technology-based product or service (Nambisan and Baron, 2009) or by recognition, thanks, or feedback (Fuller, 2010). Finally, some consumers might collaborate for altruistic reasons (believe strongly in the goals achieved as a result of this effort) or their enjoyment of psychic involvement (Hoyer et al., 2010).

According to Fuller (2010), motives that drive consumers to cooperate consist of two categories: intrinsic and extrinsic. Consumers are motivated intrinsically if they assess the activity as valuable (e.g., fun, entertainment). They are extrinsically motivated if their focus is on the results of the activity (e.g., rewards). If companies simply assume that consumers will offer their ideas in co-creation processes, the co-creation process is likely to fail (Nambisan, 2002), because not all consumers are intrinsically motivated to participate (Xia and Suri, 2014). Rather, co-creation requires a flexible network of experiences that enable consumers to co-create and personalize the results (Pralahad and Ramaswamy, 2004a); companies should take these motivational factors into account when they search for new potential customers (Dvorak, 2013).

4.2.4. Social and Subjective Norms

Social factors affect users' behaviors; the environment has important influences on the configuration of individual behavior (Hsu and Lu, 2007). Social norms comprise two types of influences: those that arise

when a user accepts information from other users as evidence of reality, and those that arise when the user seeks to meet the expectations of others to obtain a reward or avoid punishment (Deutsch and Gerard, 1955). If consumers have positive attitudes toward and the means to make a purchase, their reasons to act still might not be sufficient. Instead, subjective standards and pressures from the environment are influential.

To explicate the various influences on people's behavior, Ajzen and Fishbein (1980) propose the theory of reasoned action, based on the proposition that a person's behavior is determined by her or his intention to perform that behavior; this intention in turn depends on the person's attitude toward the behavior and subjective standards. Attitudes refer to the person's sense of whether the behavior is favorable or not; subjective standards are perceptions that others, whom the actor regards as important, believe the behavior is favorable (Ajzen and Fishbein, 1980). Social norms include subjective social pressures that reach consumers in their proximal environments (Descals, 2006). Thus people assess what they think about their own behavior according to the norms established by relevant other people, such as family or friends. These social norms are based on normative beliefs about what people in this environment expect the consumer to do, as well as the motivation to secure the good opinion of these influential others. Therefore, the actions, thoughts, and statements of others influence a user's purchase and collaboration behaviors. If friends, family, and coworkers participate in co-creation processes, a consumer likely is more interested in participating too, to feel integrated into this environment.

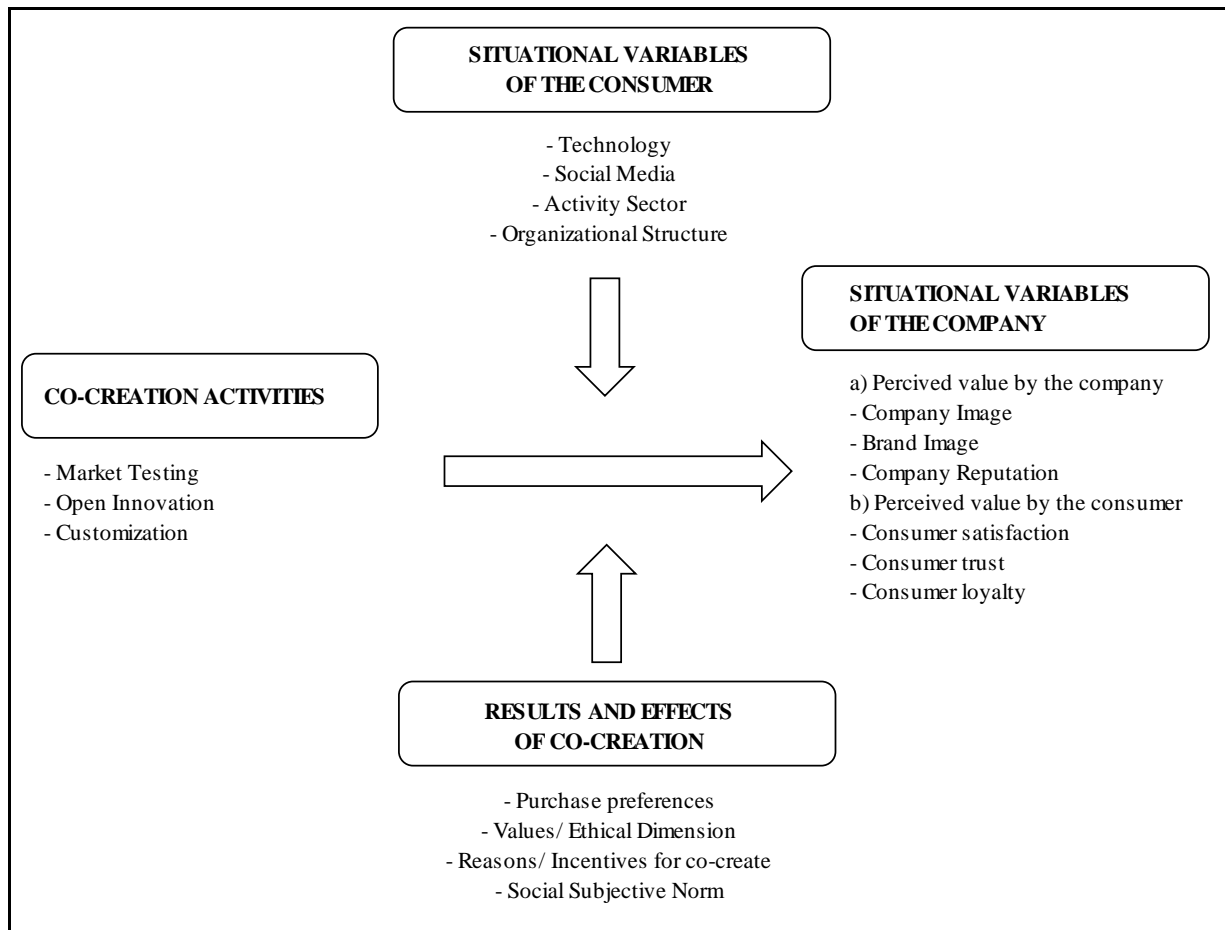


Figure 2: Proposed theoretical model

5. Conclusions, Limitations, and Research Directions

This article has analyzed value co-creation activities as an important business strategy, necessary to support innovation processes and the achievement of competitive advantages. The co-creation process has transformed the traditional functions of a company, in which the producer and the consumer had different roles. Today, the consumer also serves as a producer, and both of them combine their efforts to develop new products and services together. To establish a conceptual framework for analyzing this process of value co-creation and its implications for the company and the consumer, we first built the theoretical foundations

underlying the process of co-creation and defined and delimited the concept. From a review of existing literature, we also identified potential moderators and situational variables that likely influence the company–customer relationship. From these developments, we have derived a general theoretical model that encompasses all these relations.

In turn, our study contributes to extant research in several respects. First, it offers an initial conceptualization of value co-creation and its associated variables. Second, despite the importance of this topic for marketing and business strategy, few studies have investigated the process of value co-creation as a competitive strategy. Third, we provide a better understanding of the co-creation process, which should facilitate relevant actions and business policies. Our work is based on an extensive theoretical and empirical review, which supports the proposed model and reveals the direct and indirect effects of co-creation activities on companies and consumers.

Further research might undertake an empirical study to test the proposed model and identify real-world, direct and indirect co-creation activities that influence companies and consumers. Additional literature reviews could go into greater depth to identify other possible variables that might mediate the central relationship in our model. Research that identifies co-creation opportunities in emerging technologies, such as mobile phones, could help enhance company–customer relationships and clarify the effects for the firm's brand image. Finally, we call for further studies of social influences when peers engage in co-creation activities.

6. References

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Service Quality Measurement Using SERVQUAL. An Applied Comparative Study on Customer Perceptions and Expectations under an International Approach

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This research uses the methodology Servqual in order to measure the quality of service given by a public university in Barcelona (Spain) to its study abroad students. The analysis explores the results not only from traditional approach based in a expectations versus perceptions point of view but from a more specific approach offering profiles of study abroad students from 5 different nationalities. The research collects information from 622 questionnaires and it provides useful insights related to future strategies for improving satisfaction and service at the host institution.

Keywords: service quality, study abroad, education, international, marketing, customer satisfaction.

JEL Classification: M30, M31, M39

1. Service Quality Measurement

Several models of service quality are already explored from an academic and professional point of view. There are many ways to evaluate quality, see for example the “functional quality” which refers to dimensions that describe the process by which technical quality is delivered to the customer, others have been evaluating the measurement of service quality under the dynamics of asymmetry dimensions of service including technical and functional items versus person-based and organization-based (Grönroos, 1984). The Servqual approach to service quality method appears in more than 5500 academic articles, it goes beyond the Grönroos models due to the fact that identifies dimensions of the service. The 5 dimensions that Servqual uses called informally *RATER* (*reliability, assurance, tangibles, empathy and responsiveness*) are quite appropriate for this research due to the following reasons. 1. The method breaks down the evaluation of the service into 5 more specific dimensions and the conceptualization of quality can be done at different moments of time (before the service is received and after/once the service has been delivered).

The description of the dimensions is classified as follows:

- D1: Tangibles. This dimension of quality makes reference to the expected and perceived quality of the assets including buildings offices, computers, etc.
- D2: Reliability. Ability to perform the promised service dependably and accurately.
- D3: Responsiveness. Willingness to help customers and provide a quick service and answers.
- D4: Assurance. Knowledge and courtesy of employees and their ability to convey trust and confidence.

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D5: Empathy. Capacity to walk with someone else's shoes. Personal attention, capacity of understanding others.

2. The research done

The main goal of the research done in the paper is to evaluate the situation of the service quality delivered by the "Study abroad department of a public university in the city of Barcelona". This department receives almost 1900 students each year. Most of students come from different countries to spend one academic semester in Barcelona. This research has collected answers from students from 5 different nationalities. These are: United States, China, Germany, Korea and Belgium. The department actually uses traditional surveys once the semester is over. These surveys help managers to understand the perception of service delivered to students (never influenced by academic performance) but still lacks of deep analysis about, nationalities, expectations perceptions and different dimensions of the service given to the students.

The research is conducted under a convenience sample of 702 students with a response rate of 88.6% (622 questionnaires duly filled). The rest of the sample shows that 62 people rejected answering and 18 of the received questionnaires had to be discarded due to lack of data or errors in data. The Servqual questionnaire was adapted to the needs of the university although it fully respected its original format. Not only information about the dimensions which determine the service where collected but information of the nationality of the student as well.

3. The process of research and data collection

The research process has been duly completed in a time frame of 2 years. It was done in students of fall and spring semesters in the years 2011 and 2012. All students were enrolled in business related courses.

Part 1: The 1st Servqual questionnaire was given to students the first day in the institution understanding that the service was not delivered yet. This action was perceived by most students as a good intention to provide the service.

Part 2: The 2nd Servqual questionnaire was given to the same students (making sure that each student in the sample answered the first one) once the service is delivered. A total of 43 of the students did not participate in the second round discarding these questionnaires.

The total sample made my 622 respondents is split as follows: *Students from USA: 398, students from Germany: 190, students from Belgium: 18, students from Korea: 11, students from China: 5*

4. Results and findings

The tabulation and calculation of results shows that in general terms it exist a negative value in all 5 Servqual dimensions. This reflects the need in general of the department to proceed with changes which can improve the situation of the service. The most important change should be oriented to reduce the gap in the dimension number 1 (Tangibles) Here the negative gap is the highest with a value of -1.1 points. Most of the students perceive that buildings, printers and facilities in general can be improved. This is supported by a second observational analysis of a small group of teachers that agree that the building where classes are taken is too small and too limited. (Although the level of satisfaction is quite good due to its centric placement in the city). The second most important dimension is dimension 2 (Reliability), here it is understood that the department must create mechanisms oriented in order to improve the ability to perform the promised service dependably and accurately. Dimensions 3 and 4 need little adjustments (gaps are -0.15 and -0.29 only) while D5 almost meets the expectations of the students (-0.03). See Table 1 next.

Table 1. Overall results

	Perceptions	Expectations	Gap
D1	3.05	4.17	-1.10
D2	3.28	4.18	-0.90
D3	3.20	3.35	-0.15
D4	3.51	3.80	-0.29
D5	2.99	3.02	-0.03

Source: Own research

5. Specific findings split by expectations, perceptions, nationalities and dimensions

The first classification makes reference to the binomial expectations versus nationality. Here the results demonstrate that the most demanding nationality is China with a value of 3.89 followed by Belgium, (3.72) and the USA (3.75). The nationality less demanding is South Korea with a value only of 3.44 (See table 2).

The second binomial refers to the variables expectations versus dimensions. Here the research tries to identify the most important dimensions of quality before receiving the service. The findings show that the most important dimension is D2 (Reliability) with a value of 4.21 while the less important one is D5 (Empathy) with a value of 2.97 including a significant deviation in both dimensions. (See table 2).

The third binomial to analyze is the one of perceptions versus nationality. Here the results shows that the nationality which perceives better quality in the institution is Korea with a value of 3.25 followed by Belgium with a value of 3.23. The perception with smaller value here goes to China with a value of 3.07. (See table 3).

The fourth binomial to be analyzed is the one "Perceptions versus dimensions". Here the dimension with the biggest value perceived is D4 (Assurance) with a numerical value of 3.52 and on the contrary the dimension worst perceived is D5 (empathy) with a value of 2.95. (See table 3)

Table 2. Results of expectations split by nationalities and dimensions.

	USA	GER	CHINA	KOREA	BELG	AVERAGE
D1	4,18	4,16	4,05	4,13	4,25	4,154
D2	4,18	4,17	4,12	4,37	4,23	4,214
D3	3,54	3,35	3,9	2,84	3,48	3,422
D4	3,81	3,79	3,95	3,52	3,8	3,774
D5	3,04	3,03	3,46	2,34	3	2,974
AVERAGE	3,75	3,7	3,896	3,44	3,752	

Source: Own research

Table 3. Results of perceptions split by nationalities and dimensions

	USA	GER	CHINA	KOREA	BELG	AVERAGE
D1	3,05	3,03	2,95	2,93	3,23	3,038
D2	3,28	3,28	2,84	3,34	3,4	3,228
D3	3,19	3,2	3,3	3,3	3,11	3,22
D4	3,51	3,52	3,67	3,47	3,45	3,524
D5	2,98	2,99	2,6	3,21	3	2,956
AVERAGE	3,202	3,204	3,072	3,25	3,238	

Source: Own research

The gap analysis of Perceptions versus Expectations split by nationality shows that the nationality most unsatisfied is China with a -0.82 followed by USA and Germany with values of -0.55 and -0.50 (moderately unsatisfied). On the other side Korean students show much less dissatisfaction with a numerical value of -0.19(See table 4).

The gap analysis of Perceptions versus expectations split by dimensions shows that the most unsatisfied nationality is the USA with a value of -1.12 followed by Germany with -0.99. On the other side Belgium students look like almost satisfied showing a very small gap of only -0.02 in numerical value. (See table 5).

Table 4. Gap of Expectations – Perceptions per country

	USA	GER	CHINA	KOREA	BELGIUM
Gap 1	-0,55	-0,5	-0,82	-0,19	-0,52

Source: Own research

Table 5. Gap of Expectation – perceptions in dimensions

	USA	GER	CHINA	KOREA	BELGIUM
Gap 2	-1,12	-0,99	-0,2	-0,25	-0,02

Source: Own research

6. Limitations of the Research

Some of the results of this applied research present limitations as it follows: 1) It appears a lack of statistical representativity in the nationalities China, Korea and Belgium due to the low number of samples. Still the author decided to include them to explore some potential differences with other nationalities. 2) The classic limits of the Servqual questionnaire which measures satisfaction instead of quality, still due to the applied nature of the research the SQ method looks as the most appropriate. 3) Cultural influences appear in the perceptions of the dimensions and expectations. The predefined experiences of the students, the quality of their universities of origin and the country image can impact on both expectations and perceptions of the service quality.

7. Conclusions

Overall, the department of Study Abroad of this university needs to improve seriously areas related to tangibles and reliability allocating resources in this direction. The Responsiveness and Assurance dimensions still need to be improved but significantly less than in the other two mentioned before. The last dimension (empathy) looks quite well showing no problems initially due to the fact that offer numerical values very close to the expectations of most students.

Making references to nationalities China is the most dissatisfied nationality while the most satisfied is Korea. The others present quite moderate level of dissatisfaction.

According to the service dimensions of Servqual it is quite conclusive that the company must pay attention to the management of assets and tangibles. Still students perceive that the campus can be much better managed and can offer better facilities. It is important as well to improve issues related to the dimension "Reliability", improving the process to perform the promised service dependably and accurately.

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