On the side of the Angels: The Co-Creation of Value in Social Marketing

Dr. Christine Domegan, April 2011.

“The Dark Side of the Marketplace”

The history of marketing thought shows Marketing’s interface with society is nebulous; was, is and will be positive & negative, (Andreasen, 2005, Hastings, 2007; Wilkie & Moore, 2003; Palazzo, 2010).
The Dark Side and the Devil

Society

Marketing

Dark Bright

In some cases, individual harm and society harm is innate in the commercial marketing system. Social & environmental challenges are not met. (Hastings 2007; Wilkie & Moore, 2003; Palazzo, 2010)

From Darkness to Brightness

Customer Co-creation of Value

Customers Active; Customers Participation;
The Co-Creation of Value
Value Co-creation Processes

Sources: Piercy, 2009; Payne, Storbacks & Frow, 2008; Penaloza & Venkatesh, 2006;

1. Value cannot, doesn’t have a single meaning

2. Value migration
   - different people, different values
   - individualization of value
   - within and across levels of society
   - different stakeholders, sometimes conflicting

3. Value is complex but it is what matters.

4. The key issue is value co-creation in the customer’s & society terms

5. Complex exchange

#1 Value Definition

- Market Sensing and Deep Dive Learning
- Highest value in the customer's eyes.

Getting the right fit with their life, their behaviour

Understanding the customer and their context

#1 Value Definition

- Co-identifying
- Co-contextualisation
- Co-sensing
- Co-prioritising
- Co-creation of meaning
- Co-experiencing

Insights
Empathy
Inequalities
Solution focus
Empowerment

SELF INTEREST
CHOICE

Sources: Payne, Storbucks & Frow, 2008; Penaloza & Venkatesh, 2006; Frow et al, 2010;
Crutchfield & McLeod Grant, 2008; Zainuddin et al, 2011; Lusch, Vargo, & Tanniru, 2010.

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#1 Value Definition

- Market definition, beware Marketing Myopia
- Market choices
- Up, Mid or Downstream
- Broader, more complex, dynamic, multimodality, multi-dimensional, unstable and idiosyncratic.

Sources: Levitt, 1975, Piercy, 2009; Lefebvre, 2009
#2 Value Capture

- **Experiential** view essential, customers are “feelers”, “doers” and “thinkers”

- Customer learning to go beyond remembering/internalization to “double-loop learning” – critical reflection

- Mutuality/Sociality, We vs I mode

- Flexibility, adaptive, modify abilities

Sources: Bagozzi, 2010; Frow et al, 2010; Crutchfield & McLeod Grant, 2008; Zainuddin et al, 2011; Lusch, Vargo, & Tanniru, 2010.

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#2 Value Capture

- With experiential view comes engagement

- Customer active & participating pre, during and post exchange = Co-production; Co-promotion; Co-pricing; Co-distribution; Co-consumption

Sources: Bagozzi, 2010; Frow et al, 2010; Crutchfield & McLeod Grant, 2008; Zainuddin et al, 2011; Lusch, Vargo, & Tanniru, 2010.
#2 Value Capture

- Creation is with other players as well as customers
- Processes and systems, strong communities
- Holistic, recursive, non-linear nature
- Individual vs organizational knowledge

Sources: Morgan & Hunt, 1997; Hastings, 2007; Marques, 2011; Duane, 2011

#3 Value Delivery

- Creation is with other players as well as customers
- Processes and systems, strong communities
- Holistic, recursive, non-linear nature
- Individual vs organizational knowledge

Sources: Layton, 2008; Lusch, Vargo, & Tanniru, 2010.
#3 Value Delivery

- Inter and intra system partnerships & networks
- Simultaneously within and across levels in society
- Strategic co-ordination = resource integration
- Results/outcome focus

Conclusion: On the side of the angels

- Market sensing and learning = high knowledge-intensity
- Understanding and defining market is significant value issue
- Customer is the PRIME driver of value co-creation
- Behavioural Change = active VALUE co-creation
- Process-based perspective
- Strategic “structurer/facilitator”
- Collaborative partnerships and networks
- Co-ordination = resource integration
Further info:-

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