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SOLUTION SELLING AND VALUE CO-CREATION: DIFFERENT FORMS AND CONTEXTS

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Creating customer solutions is said to embody the new service-dominant logic (Sharma, Iyer, & Evanschitzky, 2008; Tuli, Kohli, & Bharadwaj, 2007); the elaboration of solutions is likely to result from a value co-creation process involving actors from both the supply network and the customer network (Cova & Salle, 2007). Value co-creation addresses the growing importance of customer involvement in an organization; service-dominant logic states that the customer is always a co-creator of value (Vargo & Lusch, 2008) but the extent to which customers co-create value and facilitate the creation of solutions in a range of Business-to-Business and Business-to-Consumer contexts is, as yet, undetermined. This conceptual, exploratory research investigates value co-creation through a set of four encounters between firm, customer, and other networks based on a solution selling model (Tuli, et al., 2007). Using a pre-determined sample of service firms a set of expert ratings was gathered to analyze the level of value co-creation during the encounters. The results of the ratings suggest that firms create solutions and co-create in different ways during the 4 stages of the encounter process. A series of semi-structured interviews suggested that firms would benefit from a greater understanding of the forms of value co-creation, and the contexts where they can best be applied to a solution selling model. The research concludes by suggesting a conceptual framework for analyzing value co-creation in service firms and its potential impact on firm activity and performance.

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