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Chen, Tom, [Drennan, Judy](#), & [Andrews, Lynda](#) (2012) Experience sharing. *Journal of Marketing Management*, 28(13-14), pp. 1535-1552.

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<http://dx.doi.org/10.1080/0267257X.2012.736876>

Experience Sharing

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Experience sharing

Abstract

This conceptual paper continues the dialogue advancing the understanding of co-creation of value aligned to the actor-to-actor worldview (Vargo & Lusch, 2011), and builds on the work of Ramaswamy (2011) and Grönroos (2011). We introduce an effort-centric lens that interprets value as embedded in experience that is derived from individual efforts expended in co-creation processes. We conceptualise ‘experience sharing’ as value creation effort for the direct benefit of others, ‘value-in-experience’ as an effort-based meaning of value creation, and ‘value initiators’ as actors who perform ‘experience sharing’. In turn, we put forward an integrated framework to expand our understanding of ‘co-creative’ interpretation of service provision.

Summary statement of contributions

This paper contributes to marketing theory by (1) expanding the value creation effort beyond ‘resource integration’ to ‘experience sharing’ to encompass both processes and motives of value creation; and (2) introducing an ‘experience co-creation’ framework to capture the dynamic interactions among active engaged actors within ecosystems. The work also has managerial implications in terms of facilitating the role of value initiators and their experience sharing efforts for the benefit of all actors in the firm’s ecosystem.

Keywords

Experience sharing, Value initiator, Value-in-experience, Actor-to-actor, Co-creation experience, Value fulfilment, Service-dominant logic

Introduction

The importance of service-dominant logic (S-D logic) can be seen through the logic's ongoing evolution by the authors (e.g. Vargo & Lusch, 2008a; 2011) and the intense academic discussion in a number of forums, (e.g. the Otago Forums in 2006, 2009 and 2011). Brodie, Saren and Pels (2011) call attention to this subject in a collection of papers edited by Lusch and Vargo (2006a), stating that S-D logic should be treated as 'open source', and that academics should continue to engage in further theorising. In this spirit, this conceptual paper elaborates further on the co-creation of value component of the logic.

Co-creation of value is receiving significant attention in the literature as it is 'emerging as the new frontier and leading edge in marketing thought and gaining currency as one of the most provocative, paradigm shifting, and practical ideas in the field' (Fisher & Smith, 2011, p. 326). This view is also evident in the work of others who discuss the importance of co-creation within S-D logic (e.g. Prahalad, 2004; Prahalad & Ramaswamy, 2004; Ramaswamy, 2011), and more recently, in the work of Cova, Dalli and Zwick (2011), Edvardsson, Tronvoll and Gruber (2011), Frow and Payne (2011), Karpen, Bove and Lukas (2012), Brodie, Hollebeek, Jurić and Ilić (2011), and McColl-Kennedy, Vargo, Dagger, Sweeney and van Kasteren (2012) who also maintain the focus on co-creation of value.

In terms of 'co-creation of value', our emphasis is on the role of a service provider. Although S-D logic does not exclude any actor from playing the role of service provider, the notion of service (provision) is strongly linked to value creation through resource integration (Vargo & Lusch, 2011). Under S-D logic, all actors are resource integrators and therefore active (Vargo & Lusch, 2008a). We raise the issue of what a resource integrator needs to do to be perceived as a service provider or to be qualified as a service provider. In this paper, we answer this question through the conceptualisation of value creation effort, namely 'experience sharing'. In the following sections, we first provide an overview of the literature underlying the current thinking of S-D logic on value creation, and then review two other schools of thought, which provide the supporting basis for the conceptualisation of 'experience sharing'.

Value creation through resource integration

S-D logic is a 'logic of and for the market (and society) and marketing' (Vargo & Lusch, 2011, p. 181), moving away from goods-dominant marketing thinking. This mindset builds upon three core foundations: service (Vargo & Lusch, 2004), value co-creation (Vargo & Lusch, 2008a) and the recent iteration of the actor-to-actor worldview (Vargo & Lusch,

2011), originating from services, relationship and business-to-business marketing. Under S-D logic, value is always co-created, and can be considered in two parts: co-production and co-creation of value (Lusch et al., 2007). Value creation is regarded as a relational process of ‘service-for-service exchange’, and a shift to a service-centred model is essential to address relational value creation in marketing (Lusch & Vargo, 2006b; Vargo, Maglio & Akaka, 2008). ‘Service [is] a process for the co-creation of reciprocal value, where the output of an entity is viewed as an input into a continuing process of resource integration’ (Vargo & Lusch, 2008b, p. 1). Regarding resource integration, the term ‘resources’ can be separated into two types: operand and operant resources. In separating the two, operand resources are those where an action can be performed, whereas operant resources are those used by a firm or individual to perform an act on an operand resource (Constantin & Lusch, 1994). It is of interest to our discussion that human operant resources refer to an individual’s skills and knowledge (Vargo & Lusch, 2004) or imagination, emotions and experiences (Arnould, Price & Malshe, 2006; Lusch et al., 2007).

Using this service-centric view, value creation refers to ‘value-in-context’ (Vargo & Lusch, 2008a) as outcomes, and resource integration (i.e. how an individual or firm combines available operant resources and operand resources) as a value creation process. Resource integration, a co-creative process by default, is a means of value creation (Chandler & Vargo, 2011). Such co-creation of value is carried out in a manner of reciprocal exchange (Vargo et al., 2008). An exchange of ‘service-for-service’ implies that all parties are both value creators and value beneficiaries (Lusch & Vargo, 2006c), and should be seen as resource integrators (Vargo & Lusch, 2008a; Vargo & Lusch, 2011).

Under S-D logic, value is always co-created, and customers are endogenous rather than exogenous entities to the value co-creation process (Lusch, Vargo & O’Brien, 2007). In more recent iterations of S-D logic, Vargo and Lusch (2008b) characterise all actors within service systems as resource integrators, as stated in the ninth foundational premise (FP9) (Vargo & Lusch, 2008a). This extended notion of all actors as resource integrators implies that value co-creation involves complex interactions among firms, customers and other value network partners (Lusch et al., 2007; Vargo & Lusch, 2008a). Vargo and Lusch (2011) introduce the actor-to-actor worldview into S-D logic when discussing co-creation of value and co-creators. Notably, this view removes some of the traditional marketing thinking about consumers and other stakeholders:

in an A2A world, the insights into context, language, meaning, signs, symbols, experiences, rituals, etc. apply not just to what has traditionally been thought of as the “consumers” world but equally to the “producers”. Likewise, what has been learned about relationship, partnering, networks, and value, as studied in B2B, apply to the consumers’ network. (Vargo & Lusch, 2011, p. 184)

They argue that any beneficiary has played some role in the value creation process, and that under this argument, the sixth foundational premise (FP6), that ‘*the customer is always a co-creator of value*’ (Vargo & Lusch, 2008a, p. 7) and that value is always co-created, is appropriate if, in this integration of resources, there is no self-sufficiency. Vargo and Lusch (2011, p. 184) maintain further that not only is the beneficiary a resource integrator in this co-creation of value, but so are ‘all of the external service providers, each creating its own service-providing resources through its own resource integrating activities’, thereby supporting FP9—that ‘*all social and economic actors are resource integrators*’ (Vargo & Lusch, 2008a, p. 7).

Value creation through interaction

To expand the picture of value creation, we draw attention to another perspective, known as the Nordic school of thought, namely ‘service logic’. Proposed by Grönroos and others, ‘service logic’ views value creation as interaction. Grönroos (2006) suggests that value creation is based on service-for-service interaction, and makes the case that interaction should be a substitute for exchange theory. He argues that service-for-service interaction emanates from a customer perspective, while service-for-service exchange emanates from a firm perspective.

Grönroos (2009, p. 14) refers to interaction as a ‘mutual or reciprocal action where two or more parties have an effect upon one another’, and that during this, ‘the customers’ and the firms’ value creation processes are simultaneously occurring’. ‘Direct interaction’ refers to ‘a process where the resources of the customer and firm interact through an ongoing coordinated dialogical process’ (Grönroos & Voima, 2012, p. 22). With a focus on (service) provider and customer relationships, three spheres of value creation are identified: a provider sphere, a joint value sphere and a customer sphere (Grönroos & Voima, 2012). As a result, value emerges for engaging stakeholders (Grönroos, 2011). Co-creation is regarded as a function of interaction and value creation as direct interactions between value-creating resources and a beneficiary (Grönroos & Voima, 2012). Value is not created and delivered by

the supplier, but emerges during usage in the customer's process of value creation (Ballantyne & Varey, 2006; Grönroos, 2008). Simply put, this concept, 'value-in-use', states that value for customers is created during the use of resources (Grönroos & Ravald, 2011). 'Co-creation of value' is defined as joint activities by parties involved in dyadic direct interactions aimed at contributing to the value that emerges for one or both parties, or all parties in a larger network (Grönroos & Ravald, 2011).

Grönroos (2009) also suggests that market interactions can extend beyond the parties who are in direct contact with each other. He points out that, through technological facilitation, there are new types of interactions where a customer can also interact with systems or infrastructure. These interactions encompass value creation phenomena where resources are integrated, with and for a beneficiary (e.g. the customer). This view that customers can be value creators differs from the S-D logic view that customers are always value co-creators, although both logics recognise 'resource integration' as the key activity for value creation.

Recognition of customers as value creators in the value creation process is important.

Grönroos and Ravald (2011, p. 11) criticise S-D logic on its 'all-encompassing use of the expression "value co-creation"' and suggest that the idea that customers are always value co-creators needs further clarification. While Grönroos (2006) recognises that actors perform 'resource integration' in the value creation process, he argues that customers can be the 'sole creator of value' (Grönroos, 2006, p. 324). While firms can actively engage in customers' value creation processes and create value for customers, customers can also create value for themselves (e.g. by initiating the development of new resources) (Grönroos, 2009). Baron and Harris (2008) support this view in outlining that consumers can be resource integrators through consumption and co-consumption.

In addition to discussing the process of value creation as interaction (Grönroos, 2006), service logic also recognises the importance of motive for value creation, where that motive is the notion of being better off (Grönroos, 2008). Apart from regarding other parties as resources (including interaction with physical resources), this concept explains how and why these 'value-generating resources' are presented to form a part of service. On a co-creational note, service logic indicates that value creation is an interactive process driven by all beneficiaries' intent to become 'better off' (Grönroos, 2008; Grönroos & Voima, 2012).

The third focus of the service logic is value fulfilment (i.e. customers' efforts to actualise and realise value) (Ballantyne & Varey, 2006; Grönroos, 2008; Grönroos & Ravald, 2011). Value

fulfilment represents value creation efforts made by the beneficiaries associated with their interaction processes. It is an ongoing process (Ballantyne & Varey, 2006; Grönroos, 2008), and we further iterate that value fulfilment is made up of two components that take place simultaneously—actualisation of value and realisation of value. Actualisation of value refers to an individual perceiving value and making value creation efforts toward actualising this value. Alternatively, realisation of value refers to an individual realising unexpected value by pursuing actualisation of value. Grönroos (2009) posits that marketing is about value fulfilment and not about marketing a promise of value. This view can be extended to suggest that the meaning of value co-creation is not only based on the value determination mindset of making a promise and evaluating that promise (Vargo & Lusch, 2006), but should also be associated with fulfilment and efforts made towards achieving the desired outcomes.

In short, ‘service logic’ sees value creation through interactions as an ongoing relational value creation loop instead of as a linear result (i.e. a direct interaction between beneficiary and value-generating resources leading to value creation). The experiences of direct interactions make it possible for beneficiaries to actualise and realise value. Importantly, such experiences can be accumulated and possibly shared during subsequent interactions.

Value creation through co-creation experience

The third perspective on value creation, one that is central to our conceptual development work, is that of Prahalad and Ramaswamy (2004), who posit that there is a move away from goods and services-centric models to models where value is embedded in experiences. They also identify that a move to an experience-centric view of co-creation creates new and exciting opportunities (Prahalad & Ramaswamy, 2004). That is, value is not derived from the consumption of goods and services, but is embedded in the actual personalised experiences created through engagement and involvement (Prahalad, 2004).

As with ‘service logic’, which recognises that experience comes from interaction, Ramaswamy (2011) extends this notion to include multidirectional interactions (Ramaswamy, 2009). He argues that value is not a function of service, as suggested in the logic, but is embedded within human experiences (Ramaswamy, 2011). Further, he asserts that there is a need for a ‘fresh frame of reference of value (human experience) and its creation (co-creation)’ (Ramaswamy, 2011, p. 196).

Co-creation experience becomes the central thesis of value creation (Prahalad & Ramaswamy, 2004; Ramaswamy, 2011). They argue that neither ‘value in exchange’ nor

‘value-in-use’ reflect the meaning of value creation. The key thinking is that as value is embedded within human experience, it is individual, and therefore cannot be predicted in advance (Prahalad & Ramaswamy, 2004; Ramaswamy, 2009). An actor co-constructs experience (i.e. co-creation experience) from an ‘experience environment’, which is an assembly of ‘the nodal firm, its products and services, employees, multiple channels, and consumer communities’ (Prahalad & Ramaswamy, 2004, p. 13). To deliver co-creation experiences where value can be drawn depending on the context and ‘experience environment’ requires engagement through deeper interaction (e.g. relationships).

After reviewing the literature, we form a view that some actors fulfil value and become better off through providing service to others. We propose that ‘experience sharing’ is a value creation effort that bridges service provision and value creation. ‘Experience sharing’ reflects our views that value creation interaction is broader than resource integration and that value is embedded within experience. We base our conceptual work on the following perspectives: (1) actor-to-actor world view, which suggests that ‘all actors are fundamentally doing the same things, co-creating value through “resource integration” and service provision’ (Vargo & Lusch, 2011, p2); (2) to fulfil value, actors can be sole value creators or co-creators; (3) engagement in a co-creation process is driven by the motive of becoming better off (Grönroos, 2008); and (4) co-created value is embedded within the ‘co-creation experience’ (Prahalad & Ramaswamy, 2004; Ramaswamy, 2011) through ‘resource integration’ and interaction (Grönroos, 2008; Grönroos & Voima, 2012; Vargo & Lusch, 2008a; Vargo & Lusch, 2011).

Understanding experience sharing

The concept, ‘experience sharing’, is aligned with discussions in Flint (2006) on value and symbolic interaction, which highlights the fact that our thinking originates from consumer-to-consumer interaction. Symbolic Interaction considers human actors as active creators of self and society (Flint, 2006), and is therefore all about human experience (Ramaswamy, 2011). In particular, a symbolic interaction lens can be used to inform realisation of value, where ‘experience sharing’ is a trigger to change engaged actors’ views on what is valuable to them. For example, when an engaged actor perceives that a particular value can be fulfilled through ‘experience sharing’, that is actualisation of value. Alternatively, ‘experience sharing’ can be a reflexive exercise (Flint, 2006), which is realisation of value. It is about new experience and how we make sense of it. During this process, interaction between engaged actors through

‘experience sharing’ may bring new experiences that result in either unexpected value or how this value initiator determines value.

Performing ‘experience sharing’ itself can also be valuable (Helkkula, Kelleher & Pihlström, 2012). As Flint (2006) points out from an S-D logic perspective, symbolic interaction can be applicable ‘wherever social interaction takes place within the consumption experience’ (p. 355). Experiences that emerge from interactions through ‘experience sharing’ can be seen as ‘social interaction experiences’ (Flint 2006, p. 354). The more this particular experience is shared, the more engaged actors realise value embedded within this particular experience.

Why experience sharing—experience sharing and service provision

We conceptualise ‘experience sharing’ to clarify what a resource integrator does to be qualified as a service provider. It forms part of the ongoing work to address Lusch and Vargo’s proposal (Lusch & Vargo, 2006c; Vargo & Lusch, 2008a) for further elaboration and refinement of FP9 (Vargo & Lusch, 2008a), where the roles of individuals contribute to marketing. Currently S-D logic thinking suggests that actors perform resource integration and interact through exchange as the dominant ways to create value. There is a subtle difference between the value creator (for the direct benefit of self) and the service provider (for the direct benefit of others). Value creators are those who make efforts with a focus on resource integration, and service providers are those who make efforts with a focus on ‘experience sharing’.

For those who see value creation as an ongoing relational loop, ‘experience sharing’ as service provision helps to clarify or draw attention to an actor’s willingness and competence as a service provider. While every actor is a resource integrator (Vargo, 2008), not every actor shares his or her experience of resource integration. Further, not all such experiences are worthwhile. Some customers, for example, use service as a resource and may not share their experience of how and why and in what context they integrate resources. Similarly, some firms objectify customers as resources and do not necessarily maintain further interaction or ongoing relationships with these contributors. Therefore, actors may not always intend to provide, or be capable of providing service for others.

Service provision, which is value creation with others for the benefit of others, is a special case of value creation. To provide service means to facilitate others becoming better off. In this case, an actor performs value creation efforts for the direct benefit of others, and such value creation effort is beyond resource integration. Conversely, an actor may integrate

resources for others, but not necessarily share experiences of resource integration desired by others, which leaves a gap between desired value and received value (Flint and Woodruff 2001). The conceptualisation of ‘experience sharing’ can be useful to draw attention to this issue. For example, we will be able to discuss types or levels of experience of resource integration shared by service providers. In short, the purposes of conceptualising ‘experience sharing’ are to underpin the role of service provider and to provide a co-creative interpretation of service provision.

What is experience sharing—experience sharing and value creation effort

‘Experience sharing’ is defined as a value creation effort for the direct benefit of others, and is tied to service provision. This distinction makes ‘experience sharing’ a key effort to qualify a resource integrator to play the role of a service provider. It takes part as a link between service provision and value creation. Specifically, ‘experience sharing’ is a value creation effort made by an actor or resource integrator towards sharing ‘co-creation experience’ (Prahalad & Ramaswamy, 2004), such as experience of resource integration.

Actors always perform resource integration and it is ‘multidirectional’ (all parties uniquely integrating multiple resources for their own benefit and for the benefit of others) but service-beneficiary centred (i.e. both parties in service-for-service exchange) (Vargo, 2008, p. 211). We argue that resource integration is a value creation effort for the direct benefit of self. While an actor always integrates resources, and resource integration may involve sharing, actors may not always share their experience of resource integration. Those who share are contributors in others’ value fulfilment processes and beneficiaries in their own value fulfilment processes. Therefore, ‘experience sharing’ is service-contributor centred. It is coupled with resource integration to represent effort made by active engaged actors toward their desired outcomes.

‘Experience sharing’ can be considered a type of consumer-to-consumer interaction (Martin & Pranter, 1989; Nicholls, 2010). However, in the context of S-D logic, the emphasis would be on interactions in a consumer value co-creation context, as suggested by Grönroos (2006), rather than on consumer encounters (e.g. Nicholls, 2010). Consumers often evaluate and enhance their consumption experiences, thereby engaging in co-creation behaviour as co-consumers (Baron & Harris, 2008). Moreover, they may continue to build upon these experiences, which could result in further co-creation experience.

Sharing

Sharing behaviour can exist apart from the notions of exchange (of resources) and the need for reciprocity (Belk, 2010). Simply put, it is recognised as interactions beyond exchange. Sharing becomes an increasing marketing phenomenon through the Internet, which facilitates extensive sharing and integration of resources, such as advice, help and information, in online communities by members to achieve better outcomes or to enhance wellbeing (e.g. Gruen, Osmonbekov & Czaplewski, 2006). In the literature, such activity is considered a pro-social and often non-reciprocal behaviour that facilitates ‘distributing what is ours to others for their use’ as well as taking ‘something from others for our own use’ (Belk, 2007, p. 126).

What is shared—value-in-experience

Literature related to ‘value-in-experience’ or value as experience is limited. Mele and Polese (2011) discuss value from a stakeholder-centric perspective in terms of balanced centrality. They explain that meaning of value creation refers to value-in-experience as resources to be shared and exchanged by all actors to achieve certain aims (Mele & Polese, 2011). More recently, Helkkula et al. (2012) conceptualise value in the experience to capture customers’ lived experiences beyond their current service use.

Conceptualisation of ‘experience sharing’ helps to recognise value derived beyond that which ‘resides ... in the experience of consumption’ (Frow & Payne 2007, p. 91), to experience derived from ‘experience sharing’ as interaction. We adopt the concept ‘co-creation experience’ (e.g. Prahalad & Ramaswamy, 2004) to understand how customers engage themselves in others’ value fulfilment process. Co-creation experience is thus a result of resource integration, ‘experience sharing’ and intertwined interactions. As value is embedded within co-creation experience (Ramaswamy, 2011), we refer to an experience that is shared as ‘value-in-experience’.

Value-in-experience is an effort-based meaning of value creation, and is defined as experience of ‘resource integration’ and ‘experience sharing’ throughout value fulfilment processes (i.e. actualisation and realisation of value). In other words, it is drawn from interactions associated with efforts made by engaged actors throughout their value fulfilment processes (Ballantyne & Varey 2006). In comparison, ‘value-in-use’ refers to value for customers that is created during the use of resources (Grönroos & Ravald, 2011). Value-in-experience captures value as a function of value co-creation efforts made by actors, including efforts of evaluation. It goes beyond a linear function where firms can only produce value

propositions, and that value is a function of value propositions in a service-for-service exchange process of value creation (Vargo & Lusch, 2008a). Similar to value-in-use, value-in-experience includes the outputs and inputs of all value creation effort, and reflects on value as outcomes and value creation processes (Gummerus, in press).

Flint (2006) suggests that previous literature on customer value focuses on the value of customers to the firm, and customer-perceived value. In terms of the focus on the value of the customer to the firm, objectifying consumers as resources was criticised for not going far enough to recognise consumers' active roles as resource integrators for themselves (Day et al. 2004; Peñaloza & Venkatesh, 2006). Research interest is growing on value derived from customer-to-customer interaction (Nicholls, 2010), such as that seen with online communities such as Facebook, or with contributing video replies on sites such as YouTube. Value-in-experience captures value embedded within these non-firm centred experiences. For example, value can be derived from outside an exchange process, as would be the case with value derived from customers' 'use initiation' (Szmigin & Foxall, 1998), which refers to creative ways of using an offering for a solution that is not intended or offered by service providers. Firms, however, need not necessarily advocate such value derived from the use experience.

The meaning of value creation should also go beyond how customers perceive value, and focus on value derived from co-creation experience through efforts made together between firms, customers and value network partners in their own value fulfilment processes. The current notion of the meaning of value creation only partially reflects the initiative efforts (i.e. evaluation efforts and resource integration) made by actors in their value-creating process. As an illustration, value-in-context (value is always determined by consumers depending on the context) implies evaluation efforts made by customers (Vargo & Lusch, 2008a). Value-in-experience is conceptualised to include both efforts made in value co-creation through interaction and evaluation of meaning.

In the business-to-business context, Flint and Woodruff (2001) propose that the concept of customer value change is a gap between desired and received value. Yet neither value-in-use nor value-in-context explicitly reflects higher order changes in customer-desired value. Value-in-experience, as the driver for an ongoing relational value creation, captures the notion regarding the efforts made by actors to close the gap between 'received value' and 'desired value' (Flint & Woodruff, 2001).

Who performs experience sharing—value initiators

Value creation takes place in a network of activities involving not just [the firm and the end consumer] but multiple stakeholders ... [such as] employees, shareholders, citizens, and society' (Gummesson, 2007, p. 24). Value creation becomes a complex exercise (Vargo, 2009) in complex value networks where value is always co-created by all actors through 'resource integration' and service provision (Vargo & Lusch, 2011). In particular, we propose the term 'value initiator' to represent actors who perform 'experience sharing'. The term 'value initiator' captures the notion that firms, customers and other actors can be service providers to each other, and create value with others for the benefit of others as a part of their own value fulfilment processes. Flint and Woodruff (2001) advocate that there are initiators within the value networks who make efforts to close the gap between desired and received value. Vargo and Lusch (2004) argue that firms take initiatives to provide service for their customers, while Grönroos (2006) suggests that customers initiate their value-generating process using their own skills and knowledge, and that in S-D logic, this is predominantly masked by firm initiations of value creation. As Gummesson (2007) indicates, market phenomena are more than firm initiated marketing phenomena (business-to-business and business to customer), and that customer-initiated marketing phenomena (customer-to-customer and customer-to-business) should also be taken into account. We argue that while all actors initiate value through resource integration, not all actors actually initiate value through 'experience sharing' in their interactions with other actors. The concept, value initiator, recognises that actors are at times motivated to perform 'experience sharing' as a part of their value fulfilment processes.

Experience sharing as a means of becoming better off

Sharing value-in-experience is about becoming better off. We extrapolate value-in-experience as 'customer-desired value'. 'Experience sharing' is sharing 'customer-desired value', which is defined as 'the value that customers want to receive from products/services and their providers' (Flint & Woodruff, 2001, p. 322). Therefore, value-in-experience is: (1) broader than merely desired attributes of service (c.f. value proposition); (2) beyond what customers actually experience through specific product customer interactions (c.f. offering); and (3) dynamic, and occurs in customers' use situations and use occasions (c.f. value) (Flint & Woodruff, 2001, p. 323). Value-in-experience can be seen as a transcending term representing value propositions, offerings and value emerged and encountered in our

‘lifeworld’ (Helkkula et al., 2012, p. 59). For example, an open source software code that an amateur programmer shared to fix an error can be seen as ‘value-in-experience’.

Through sharing ‘value-in-experience’, new experience may emerge. When individuals use an offering, they may or may not use all of the value propositions intended by the service provider. It could simply be because they have not learnt of some of the value propositions (the issue associated with marketing communication or educating users). They may or may not be capable of using some of the value propositions (the issue associated with facilitating users. e.g. customer support). They may or may not think all propositions are useful or appropriate in the context of their intended use (the issue with customer feedback). To address such issues, we apply the concept ‘experience timing’, which covers pre-experience, customer experience, and post-experience (Tynan & McKechnie, 2009). We point out that if shared, value-in-experience can lift experience at all three phases of experience timing.

According to Flint (2006), symbolic social interaction can take place during 1) pre-purchase processes, actual purchasing processes and post-purchase processes. We propose that ‘experience sharing’ can be seen as value propositions co-production (pre-experience) (Vargo & Lusch, 2004), offering co-consumption or co-participation (customer experience) (Baron & Harris, 2008; Pongsakornrungrasit & Schroeder, 2009), and value collaboration (post-experience) (Beckett & Nayak, 2008). Those are moments when value initiators engage to lift co-creation experience. In other words, ‘experience sharing’ can be a means to co-production, co-consumption and collaboration of value (in experience) to become better off.

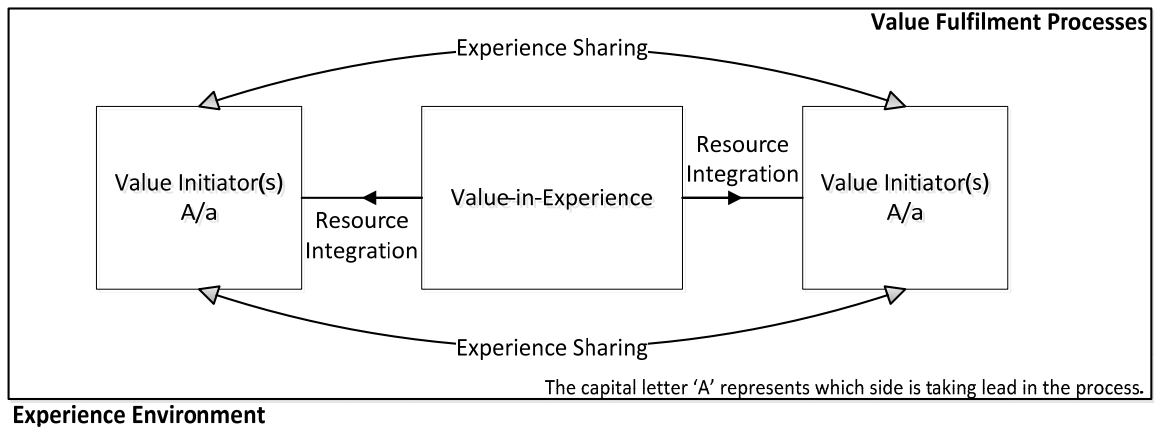
We use Grandma’s cooking recipe as an example to demonstrate where ‘experience sharing’ as interactions are performed by participating actors to lift the experience in three ways based on experiential timing. For pre-experience, Grandma alters her recipe by adding extra spice to better suit her guests’ taste (value proposition co-production). She cannot know what guests want unless guests share their experience (what they usually like when they cook similar food at home). She and her guests have a good conversation at the dinner table about the food she prepared and some guests give particular praise on particular dishes and particular tastes they like, and because of the good food, it makes everyone happy (offering co-consumption). After enjoying the meal, Grandma gives the guests her recipe and the guests give feedback after they use the recipe at home. Grandma improves the recipe and the guests enjoy the next dinner even more as a result (value collaboration).

In short, actors can initiate and engage through ‘experience sharing’ in the process of producing and bundling value propositions to form an offering. This can occur in the process of consuming the offering (e.g. other users bring in their own experience to lift the experience of consuming the offering by providing personalised insights). Actors can also share complementary experiences in the process of realising value.

Experience sharing to transform value creation as an ongoing relational loop

Notably, by including the concept of ‘experience sharing’, we are able to see value creation as a continuing and mutual beneficial loop, representing ongoing value creation relationships, rather than a linear co-creation relationship. This ongoing relational view is fundamental to the existence of all ecosystems including those in complex networked environments (e.g. Fisher & Smith, 2011; Ramaswamy, 2011). We introduce the ‘experience co-creation’ (ECo) framework to explain how ‘experience sharing’ helps to represent a view that value creation as ongoing relational loop. This framework is based on (1) ‘firm and consumer resource integration’ (Arnould, et al., 2006, p. 92), and (2) ‘the contextual nature of network-to-network exchange’ (Vargo, 2008, p. 214). Based on the Vargo and Lusch (2011) actor-to-actor view, we make no distinction between actor types as either firms or consumers. With a service-contributor focus, the ECo framework depicts interactions between active, engaged actors (i.e. value initiators) who potentially qualify as service providers, as discussed earlier. It describes the value creation process from a co-creation experience perspective, and depicts that value initiators provide service for each other through integrating and sharing ‘value-in-experience’ in an ‘experience environment’ (i.e. ecosystem or networked community), and value-in-experience as the currency for betterment (i.e. becoming better off). This framework (see Fig. 1) represents a broader view on actors’ interaction beyond exchange, and captures the value creation efforts made by ‘value initiators’ and the interactions among value initiators, which ultimately encompass all social, economic and cultural value creation phenomena.

Figure 1: The experience co-creation framework



In Figure 1, the frame represents an experience environment (i.e. service system and community). When a frame is drawn in solid line (as shown in Fig. 1), it represents a closed environment. When a frame is drawn in dotted line (not shown in Fig. 1), it represents an open environment. The space represents value fulfilment processes. These representations of A/a relate to any designation of engaged actors (i.e., value initiators). The capital letter 'A' represents which side is taking lead in the process. The different combinations of A and lower case 'a' represent dynamic relationships in an experience environment.

The left and right hand sides are value initiators who are engaging in an experience environment. They perform resource integration (for the direct benefit of self). The one-way arrow toward each side of value initiator depicts that value initiators integrate value-in-experience for the direct benefit of self as a part of value fulfilment processes. Value initiators also perform 'experience sharing' (for the direct benefit of others). The double arrows towards both sides of value initiator(s) demonstrate intertwined interactions through 'experience sharing', including (1) value-in-experience shared from left hand side to right hand side or vice versa (as actualisation of value), and (2) value-in-experience emerged from 'experience sharing' (as realisation of value) represents value fulfilment processes.

Theoretical contributions

This conceptual paper makes two key contributions to the 'co-creative' of value component of S-D logic. The first one relates to the concepts discussed. The notion of 'experience sharing' takes account of Grönroos' (2006; 2011) thinking of interaction beyond exchange and of Ramaswamy's (2011) observation that it is all about human experience. Experience sharing extends the current reciprocal-based, value-centric and process-driven position of S-D logic, which is tied to 'resource integration' and exchange-oriented value creation, to a relational-based, experience-centric and outcome-driven mindset underpinning relational value creation that can be both reciprocal and non-reciprocal.

Further, based on Vargo and Lusch's (2011) actor-to-actor worldview, 'experience sharing' is essential and complementary to resource integration owing to its focus on the actors' efforts involved. We proffer 'value-in-experience' as an effort-based meaning of value creation to capture value as a function of value co-creation efforts made by actors in their value fulfilment processes. Finally, S-D logic views value creation as a combination of resource integration and service provision. To create value, actors have always performed some form of resource integration, (e.g. Baron and Harris, 2008) but they do not always exercise

‘experience sharing’. In terms of value creation, therefore, ‘experience sharing’ emerges as a singular activity that qualifies resource integrators as service providers. In terms of service provision, not every actor will share their experiences of ‘resource integration’ either through exchange or sharing. This highlights the importance of conceptualising the value initiators who undertake ‘experience sharing’ as part of this worldview.

In summary, we anticipate that our conceptualising of ‘experience sharing’, ‘value-in-experience’ and ‘value initiators’ will provide new research avenues focusing on non-reciprocal co-creation phenomena and an effort-based notion of value creation. We recognise this conceptual work can potentially open new dialogue on reinterpreting S-D logic’s foundational premises. This is particularly relevant for FP6 ‘customers are always co-creators of value’ and FP9 ‘all actors are resource integrators’ (Vargo & Lusch, 2008a) through a stronger understanding of the roles of those actors who take initiatives to integrate resources for the direct benefit of others, as well as the implication of such effort to qualify as service providers.

The second contribution addresses Gummesson, Lusch and Vargo (2010) suggestion:

[to avoid] being too narrow or not matching the conditions of contemporary and expected future business and social reality ... [it is essential] to further develop a language and lexicon to describe the management of service and market economy mechanisms consistent with a service-centred mindset. (p. 18)

As a conceptual contribution, the ECo framework is drawn from a synthesis of perspectives regarding value creation. The components of the ECo framework are offered as a way to extend the language and lexicon of S-D logic to account for contemporary marketing realities, such as those mediated by advanced Internet technologies (e.g. Fisher & Smith, 2011) and a complex networked world (Ramaswamy, 2011). The framework encompasses all value creation phenomena and uses a transcending language and lexicon that denotes experience-centric value creation. It indicates that experience-for-experience interaction goes further to recognise actors’ efforts made in sharing value-in-experience in an ‘experience environment’. It embraces relational value creation views, which conceptualise interaction as being beyond exchange, and considers all value creation and service provision phenomena. Thus, not only exchange, but also sharing should be considered as a means of resource integration and ‘experience sharing’. Such interaction also suggests that value creation efforts do not necessarily occur in reciprocal exchange settings. They can be reciprocal or non-

reciprocal, or a combination of both. Such thinking also specifies that value creation is co-creational, and the success of service provision relies on ‘experience sharing’ to allow actors within the ecosystem to become better off, forming an ongoing relational value creation loop.

Managerial implications

This conceptual paper also makes a contribution to practice. As Belk (2010) observed, sharing-based marketing practices and business models are continuously growing. In terms of modelling sharing-based practices, our framework proffers an explanation for a sharing-based value creation phenomenon in addition to exchange-based value creation. We believe that ‘experience sharing’ aids those marketing managers who want to identify potential service providers in their value fulfilment process. We also call for marketers to make the sharing process easier for actors, and to focus on facilitating value initiators in sharing their experience of resource integration. To this end, marketing managers should employ different revenue models depending on actors’ willingness to co-create experience to nurture different value creation relationships. Specifically, different revenue models should be applied to foster different types of co-creation relationships accordingly.

We also suggest that marketing managers recognise that engaged customers, or ‘value initiators’ may take the lead in a co-creation process. They would benefit by paying attention to ownership of value initiation, especially in those non-reciprocal sharing phenomena. For example, when a firm asks their most engaged customers to interact with other loyal customers, they need to recognise that these customers are taking the lead in the co-creation process. This suggests facilitating the experience sharing process to make it easier for these engaged actors. Marketing managers should also acknowledge these most engaged customers as service providers, which highlights the need for a revenue model that recognises the efforts of the most engaged customer in providing service.

Future research directions

The ECo framework provides additional areas for elaboration for future conceptual work. First, work can be undertaken on the motive of co-creation, particularly in terms of betterment, as the driver for ‘experience sharing’ to benefit others, particularly in a non-reciprocal context. Second, work can be directed at the dynamic nature of co-creation; for example, the difference between initiation (as the motive to first enter the process) and lead (the motive to actively engage with the process) of value creation. Third, there is the

opportunity to explore effort-based meanings of value creation, particularly a typology of value creation efforts at all three phases of experience timing.

Such ongoing conceptual work will be of particular value in light of the increased complexity of the market place, where ownership of ‘value initiation’ will take a central place in the ongoing relational value creation process. This is exemplified in an open source community where co-creation relies on the autonomy of value initiators. Moreover, the ECo framework with its focus on ‘experience sharing’, can further inform the development of middle-range theories of the value creation paradigm, such as customer engagement and customer gratitude. Such middle-range theories can then be used to test its applicability empirically in relevant ecosystems.

Conclusions

This paper conceptualised ‘experience sharing’ as a ‘co-creative’ interpretation of service provision. It proposed that ‘experience sharing’, coupled with resource integration, acts as co-creative metaphors that represent two types of key value creation efforts to represent relational value creation as an ongoing loop. Value creators as resource integrators and as service providers were differentiated in that the former perform ‘resource integration’ for the direct benefit of self, while the latter perform ‘experience sharing’ for the direct benefit of others. Moreover, it was contended that experience is derived from the effort expended by value creators and can be accumulated within the ecosystem providing that the relationship is sustainable. To this end, ‘value initiator’ and ‘value-in-experience’ were terms employed in a transcending lexicon to denote the effort-based meaning of value creation. Finally, this paper developed the ECo framework that denotes a relational, ongoing loop for betterment of value creation.

In summary, our conceptual paper makes contributions to marketing theory by (1) expanding the value creation effort beyond ‘resource integration’ to ‘experience sharing’ that encompasses both processes and motives of value creation; and (2) developing an ECo framework to capture the dynamic interactions among active engaged actors within ecosystems. The work also has managerial implications in terms of facilitating the role of value initiators and their experience sharing efforts for the benefit of all actors in the firm’s ecosystem.

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