

Co-Creating the Business-To-Business Service: A Network Perspective

ABSTRACT

The proposed study attempts to explore how business-to-business (B2B) service providers engage in co-creation with clients, taking into account the influence of other actors in the service network. Managing co-created service experiences is critical to organizational success (Ostrom *et al.*, 2010), especially in business-to-business service contexts where high interactivity exists (Wynstra *et al.*, 2006). In addition, the complexities of interaction and relationships within a business service network (Ford *et al.*, 1986; Håkansson and Snehota, 1989) mean that actors can impact the service experience in diverse ways. Incorporating a network view is important since understanding and managing the forces that are at work in the business service network is crucial to value creation (Zolkiewski, 2011).

A case study research method will be employed where multiple service provider-customer dyads in the same B2B service industry will be investigated and through them, the role of network actors in the co-creation of value will be explored. The study builds on theory from both services marketing and business-to-business marketing. The findings of this research would represent one of the few pieces of research on co-creation in a B2B context, offering a network view and where information from both sides of the supplier-customer dyad is present. Although grounded in the B2B service context, the study holds relevance in understanding business markets as a whole, as they increasingly take on the characteristics of service markets (Jacob and Ulaga, 2008).

Keywords: co-creation, business-to-business services, service networks, advertising

INTRODUCTION

Traditional marketing theory suggests that value creation occurs within the boundaries of the organization (Normann and Ramírez, 1993; Ramírez, 1999; Snehota and Tunisini, 2007). However, this view of value creation has expanded from being firm-centric to include the activities of various actors within the organization's business network (Prahalad and Ramaswamy, 2004b; Cova and Salle, 2008; Ramaswamy and Guillard, 2010). Co-creating unique service experiences with customers is considered to be an essential means of creating superior value and gaining competitive advantage (Payne *et al.*, 2008; Ramaswamy and Guillard, 2010). Although it is now acknowledged that value is co-created through

interactions with an organization's network partners (Cova and Salle, 2008), most models of the co-creation process (Payne *et al.*, 2008; Grönroos, 2011) have failed to incorporate the influence of network actors. In addition, empirical research on co-creation and how it can be managed is limited, with the focus being mainly on business-to-consumer offerings (Payne *et al.*, 2008). The proposed research attempts to study the nature and content of value-co-creation in business-to-business (B2B) services and a key research question involves investigating the role of network partners in co-creating the service offering. Another key research question in this research revolves around exploring whether there is a dark side to co-creation with network partners.

The present study seeks to study a professional service industry, advertising, in the context of an emerging market. Advertising is defined as a "co-creation service", where a high level of participation of the client is required to create the service (Bolton and Saxena-Iyer, 2009: p. 92). Thus, co-creation opportunities are high in this type of professional service. The majority of research on client-agency relationships has been undertaken in an American or British context (Zolkiewski *et al.*, 2008). In other words, much of the literature presents theories that are based on B2B marketing practices in mature markets. This body of knowledge may not accurately reflect the business practices in emerging B2B markets in developing nations, due to economic, cultural and institutional differences (Hofstede and Hofstede, 2005; Burgess and Steenkamp, 2006). Therefore, there is a need to investigate how agencies and clients engage in co-creation within a business service network in such emerging markets.

In the following sections, a literature review of key concepts is provided, followed by an overview of the research questions and a discussion of the research method.

LITERATURE REVIEW

VALUE CREATION IN BUSINESS NETWORKS

The shift in the analysis of value creation from the firm level to the network level is largely attributed to scholars working in the industrial network research tradition (Ford and

Håkansson, 2006; Lefaix-Durand and Kozak, 2010) who regard business networks as sets of connected relationships between firms (Anderson *et al.*, 1994). The ARA model of business networks builds on the Interaction Model (Håkansson, 1982) and expands the perspective from the dyadic relationship to the network. Håkansson and Snehota (1995) propose “activity links, resource ties and actor bonds” (ARA) as dimensions to analyse relationships within networks. Activity links are activities of a firm that can be connected in different ways to those of another firm. Resource ties connect various resource elements of organizations and actor bonds connect actors and are established through interaction. Järvensivu and Möller (2009) point out that any value creation system can be defined as a set of actors, resources, and activities (Håkansson & Snehota, 1995; Parolini, 1999). The elements outlined in the ARA framework are thus very much relevant in considering how value co-creation processes take place between network actors. Although scholars working in the industrial network research stream assert that networks cannot be managed (e.g. Ford and Håkansson, 2006), scholars such as Möller *et al.* (2005), Möller and Rajala (2007), Möller and Svahn (2006) argue that networks are being managed all the time, albeit at different degrees, and the underlying value creation logic determines network management tasks. In other words, the specificity of knowledge that actors have about the resources, activities, and actors forming the value-system is the key to understanding the managerial capabilities required to manage networks (Möller and Svahn, 2006).

It follows from the previous discussion that business networks consist of manifold actors, complex interactions as well as resource transformation processes (Håkansson and Snehota, 2006). This means that, in B2B professional services where multiple actors are responsible for important parts of the service offering, network actors can affect the service in diverse ways. Studying ways to optimize inter-organizational service network collaboration around customers’ experiences is mentioned as a key research priority by Ostrom *et al.* (2010). To address this research gap, the proposed research aims to study how organisations co-create value in the B2B service network. The present study attempts to move beyond the buyer-seller interface to recognize the rising importance of customer-to-customer interactions, supplier-to-supplier interactions and even supplier network-customer network interactions. In the following section, the importance of interactions in the co-creation of value in business networks is further emphasized through the comparison of different perspectives on co-creation.

CO-CREATION OF VALUE

The concept of value is the dominant criterion used by managers for decision-making (Corsaro and Snehota, 2010). Differentiation through value creation in business-to-business relationships has been found to be significantly more important than the offering itself and its price (Ulaga and Eggert, 2006b). Within the B2B literature, Ulaga (2003) and Ulaga and Eggert (2006a) studied customer perceptions of value, highlighting how suppliers can differentiate themselves from competitors with more value-added offerings. On the other hand, Walter *et al.* (2001) and Songailiene *et al.* (2011) examined supplier perceptions of value, seeking to address the need to include the potential benefits and costs for suppliers in providing customers better value offerings. However, in most of the research on value, the concept has been examined from the perspective of one party, either the supplier or customer (Möller, 2006; Zolkiewski, 2011).

While there has also been work on value from a network perspective (Möller and Svahn, 2003; Möller *et al.*, 2005), a key criticism is that this has tended to be written more from a strategic perspective rather than focusing on the interactive nature of value creation (Zolkiewski, 2011). In addition, Möller (2006) points out that research on value creation in B2B markets has given limited attention to the co-creation of value requiring combined activities of the buyer and seller. While previous research has tended to examine the influence of one actor over another in an isolated way (Cova and Salle, 2008), this study intends to look at what actors can do together in co-creating value. Moreover, Songailiene *et al.* (2011: p.407) recently found that ‘co-creation value’ is a critical dimension of supplier-perceived value in B2B service relationships, where the supplier perceives the customer’s co-operative capabilities to be important for ease of service delivery.

Service-dominant (S-D) logic (Vargo and Lusch, 2004) views value creation through a new lens and not only brings the supplier and customer into the process of co-creation of value, but also goes further by including the organization’s partners in the value network. S-D logic recognizes that each actor in a value network should collaborate with other actors and integrate resources with them. This view reflects Normann and Ramirez’s (1993: p.66) view on value constellations where “different economic actors - suppliers, business partners, allies,

customers- work together to co-produce value” and these actors originate both from the supplier’s network and from the customer’s network (Cova and Salle, 2008). The S-D logic view that all actors are resource integrators interconnected through networks also builds on Industrial Marketing and Purchasing (IMP) network theory regarding the relationship between activities, resources and actors (Håkansson and Ford, 2002) and strategic approaches to value creation (Wikström, 1996; Prahalad and Ramaswamy, 2004a).

In contrast to Vargo and Lusch’s (2008) proposition that customers are always co-creators of value (even when independent of the seller), Ballantyne and Varey (2006: p. 344) propose that co-creation of value involves:

“spontaneous, collaborative and dialogical interactions, where putting things together that others do not think go together achieves something new and unique in the process leading to competitive advantage.”

The aforementioned definition of value co-creation is used in the present study. It is acknowledged that based on empirical data on co-creation, the definition may need to be modified as the research proceeds. Ballantyne and Varey’s (2006) definition of value co-creation is also consistent with definitions of co-creation put forward by Prahalad and Ramaswamy (2004a) and Jaworski and Kohli (2006). In the same vein, Gummesson and Mele (2010) argue that value co-creation primarily involves interactions and resource integration between actors in a value network. Grönroos (2011) introduces a similar line of argument stating that co-creation of value can take place only if direct interactions between the firm and the customer occur. Interaction is mutual or reciprocal action where two or more parties have an effect upon one another (Grönroos, 2011). Thus, according to this view, the firm is not restricted to offering value propositions only (Vargo and Lusch, 2004; Vargo and Lusch, 2008), but has an opportunity to directly and actively influence its customers’ value creation during such interactions (Grönroos and Ravald, 2011).

The interaction perspective on value creation has strong empirical support from industrial marketing research on B2B relationships ((Ford *et al.*, 1986; Håkansson and Snehota, 1995), which emphasizes the role of joint exploitation and creation of resources by the supplier and the customer in value creation. However, Vargo and Lusch (2004; 2008) view value as

something that is co-created by the supplier with the customer, yet assessed by the customer in terms of value-in-use. In contrast, the IMP view of value is more reciprocal and concerned with the separate value to each of those involved in interaction (Ford, 2011). In the IMP view, all episodes of business interaction hold particular meaning for the actors involved and may contribute more or less to coping with particular problems (Ford, 2011). Therefore the value to each participant from an interaction episode comes from the actor's interpretation of how the episode relates to specific problems (Ford, 2011). This view is echoed by Grönroos and Ravald (2011) and Ballantyne and Varey (2006) who posit that the interactions involving co-creation of value are dialogical, where both parties influence each other's perceptions and actions. IMP's research on business interaction and relationships thus directs attention away from transactions as the source of value for an actor and proposes that the relationships themselves hold value for the interacting partners.

Studies on the components of relationship value propose detailed models of the value of B2B relationships (Möller and Törrönen, 2003; Ulaga and Eggert, 2006b; Palmatier, 2008) and these also capture the complexity of factors that contribute to the economic value of B2B relationships (Corsaro and Snehota, 2010). However, Corsaro and Snehota (2010: p. 993) conclude that "the current quest for general elements of value that has characterized recent research on relationship value seems to be pointless" as value is actor specific and their findings support the view that value is "always uniquely and phenomenologically determined" (Vargo and Lusch, 2008: p. 9). It is the value perceptions and value experience of relationships that influence individual actor's conduct more than the factual assessment of situations (Corsaro *et al.*, 2010). Consequently, Corsaro and Snehota (2010) suggest that instead of focusing on perceived value dimensions, research on value should investigate how actors frame and interpret relationships as well as how counterparts' interaction behaviour impacts actors' conduct.

Following the former line of argument, the present study is not concerned with how value is defined or with exploring the general dimensions of value; rather it attempts to gain insights into how co-creation interactions take place and how resources are integrated in the value co-creation process. The implications for this study include throwing light on how B2B service

firms can take advantage of value-co-creation opportunities, with not only the customer, but also with its network partners.

However, it is important to recognize that engaging in co-creation activities may not always be desirable (Mccoll-Kennedy, 2011). The mere existence of interactions does not mean that the organisation's actions in direct interactions with its network partner(s) lead to favourable value co-creation outcomes. Research indicates that customers may engage in opportunistic behaviours (Dong *et al.*, 2008) which affect co-creation outcomes and impact employee performance negatively (Chan *et al.*, 2010). Also, the issue of opportunistic behaviour by firms is all the more important in emerging market settings. Ashnai *et al.* (2009) point out that B2B relationships in emerging markets could be more opportunistic when parties aim at quick adaptation to changing environments and switching to partners with higher profitability of interaction. It is more difficult for firms to apply such an opportunistic approach in developed, stable markets (Ashnai *et al.*, 2009). Therefore, another key research question would be to explore whether there is a dark side to co-creation with network partners and also what happens when things go wrong (Mccoll-Kennedy, 2011). This issue is often neglected in the discussion on co-creation and is missing from the models of co-creation recently proposed in the literature. A comparison of these models is made in the following section to help identify further research gaps.

MODELS OF THE CO-CREATION PROCESS

Table 1 presents studies that have proposed models of the co-creation process. It is evident that key contributions to research on co-creation frameworks are based mainly on conceptual papers which do not present empirical data. This underlines the argument that more research is required on co-creation and in different industry contexts. Analysis of Table 1 also reveals the type of research strategy that would be appropriate for future research on co-creation. The information sources used in most co-creation studies indicate that researchers have relied on either the supplier perspective (Payne *et al.*, 2008) or the customer perspective (Grönroos, 2011) to investigate co-creation processes. Therefore, incorporating the views of suppliers,

customers as well as other key actors in the business network in co-creation research would provide a richer understanding of co-creation in business networks.

Prahalad and Ramaswamy (2004a) are among the first to present a strategic framework for co-creating experiences with consumers. The model suggests that Dialogue, Access, understanding of Risk-benefits, and Transparency (DART) are the building blocks of co-creation (Prahalad and Ramaswamy, 2004a), however, this is tailored towards a business-to-consumer (B2C) setting. According to Ramaswamy and Guillard (2010), a co-creation strategy involves building engagement platforms with stakeholders which means providing platforms that allow multiparty interactions and allow stakeholders to share their experiences, for example, an intranet service. Therefore, in refining the earlier model, Ramaswamy and Guillard (2010) place higher emphasis on generating interactions with key stakeholders, not just end-consumers. Yet, insights into business-to-business contexts are limited in these studies. In pointing out the challenges of co-creation, Ramaswamy and Guillard (2010) state that managers may find it difficult to handle multiparty interactions, which is an indication of role conflict problems that may be associated with co-creation activities.

Table 1: List of literature proposing models of the co-creation process

Title	Authors and Year	Article Type	Method	Industry Context	Information Source	Summary
Co-Creation Experiences: The Next Practice in Value Creation	Prahalad & Ramaswamy, 2004	Conceptual	Theoretical	Business-to-Consumer	Real-life examples	Dialogue, Access, understanding of Risk-benefits, and Transparency (DART) are the building blocks of co-creation
Managing the Co-Creation of Value	Payne et al., 2008	Research Paper	Interaction Research	Various	Senior level executives (supplier side)	Co-creation consists of three main processes: customer, supplier and encounter processes
Marketing as Value Co-Creation through Network Interaction and Resource Integration	Gummesson & Mele, 2010	Conceptual	Theoretical	Various	Literature Review	Attempts to depict value co-creation in the market by focusing on interaction and its role in the co-creation of value through resource integration
Building the Co-Creative Enterprise	Ramaswamy & Gouillart, 2010	Conceptual	Theoretical	Various	Real-life examples	A co-creation strategy involves building engagement platforms with stakeholders
Value Co-Creation in Service Logic - a Critical Analysis	Gronroos, 2011	Conceptual	Theoretical	Business-to-Consumer	Literature Review	Value co-creation takes place only during direct interactions between suppliers and customers. In other situations, suppliers are value facilitators and customers are value creators

Payne *et al.*'s (2008) model breaks co-creation down into three main processes: customer, supplier and encounter processes and states the tasks within each process. Encounter processes are defined as a series of interactions and transactions between the supplier and customer, which supports the centrality of interactions in value co-creation. Additionally, Payne *et al.* (2008) highlight that parties engaged in co-creation utilize practices that are partly overt and deliberate, and partly based on routine and unconscious behaviour. This is in line with industrial network research which maintains a separation between unintentional and intentional (networking) aspects of interaction (Ford, 2011).

The aforementioned models of co-creation tend to focus on consumers, rather than business organizations and do not comment on the role of interactions at network level. In fact, most of the empirical studies on co-creation have also been carried out with a focus on business-to-consumer settings (Edvardsson *et al.*, 2005; Dong *et al.*, 2008; Kristensson *et al.*, 2008). In the B2B literature, Cova and Salle's (2008) recent work on this topic uses two case studies to understand the co-creation of solutions between the supplier and his network and the customer and his network. A solution here refers to an offering with "a unique combination of numerous elements which will contribute to producing value for the customer" (Cova and Salle, 2008: p.272). Cova and Salle (2008) draw attention to the fact that in many of the co-creation frameworks (Payne *et al.*, 2008), there is no consideration of co-creation with either the supplier or the customer network. An important finding which emerged from their research is that co-creation with customer network actors takes place in two stages: first, co-creation between the supplier (including his supply network) and certain customer network actors; then, co-creation between the supplier (including his network) and the customer (including his network) (Cova and Salle, 2008). To the author's best knowledge, this is the only study carried out in a business network context, which looks at co-creation with both the supplier's network and the customer's network. Nevertheless, co-creation research in B2B *service* contexts remains under-researched (Ostrom *et al.*, 2010). The following section explores the characteristics of a certain type of business-to-business service, that is, professional services, and indicates why value co-creation processes is likely to be more complex in such services.

VALUE CO-CREATION IN PROFESSIONAL BUSINESS-TO-BUSINESS SERVICES

Professional business-to-business services are services that are exchanged between organisations such as accounting services, consultancy and advertising. A professional service is advisory and problem-solving and professional service providers act as experts for clients (De Brentani and Ragot, 1996). Professional services are high in credence properties and require high involvement with clients (Sharma and Patterson, 1999; La *et al.*, 2009). Since such credence services are difficult to evaluate, client sophistication is an important factor which influences service quality evaluation criteria, as found in Garry and Harwood's (2009) study on legal services and Davies' (2009) work on advertising services. Garry and Harwood (2009) also found that higher client sophistication makes the atmosphere in which client-service provider interactions take place more formal (and often confrontational) but leads to more long-term oriented relational goals (Garry and Harwood, 2009).

In professional business-to-business services, co-creation activities are more prevalent due to the interactive nature of the service (Halinen, 1997; Jayawardhena *et al.*, 2007). Considering the existence of multiple points of interaction, managing co-created service offerings is a complex process for professional service firms. It is asserted that exploring co-creation processes in professional B2B services is an important research area (Payne *et al.*, 2008). This is because service providers serving large business customers may have well-developed key account management structures that contain high levels of knowledge on customers which could be used to enhance co-creation initiatives (Payne *et al.*, 2008). Conversely, customers in this context may be more knowledgeable about their value-creation processes which can influence collaboration with network actors (Payne *et al.*, 2008).

Yorke (1990) offers an overview of professional service relationships using the Interaction Model (Hakansson, 1982), a model which proposes that relationships between parties change over time as a result of changes in the activities and needs of interacting parties and the atmospheric and environmental factors which surround them. Interestingly, the findings from empirical research in financial and legal services reveal that the longer the relationships continue, clients look for a "meeting of the minds" rather than immediate solutions to short-term problems (Yorke, 1990: p. 355). More importantly, it is revealed that many clients

desire that their suppliers should work with them rather than for them (Yorke, 1990). In other words, clients increasingly want to engage in co-creation with their suppliers, which is also emphasized by Ramaswamy and Gouillart (2010). It also indicates that perceptions of power are changing from the belief that power is held by suppliers to one where clients feel that they can collaborate in service provision (Zolkiewski *et al.*, 2008). Halinen (1997) reports findings on the dynamics of professional service relationships, with specific reference to the advertising industry and also utilizes the Interaction Model (Hakansson, 1982). The study emphasizes the vital role of personal relationships in advertising services. In other words, a key part of agency-client interaction is the management of personal relationships (Halinen, 1997). Furthermore, the intangibility of advertising services and the related ambiguities mean that the management of people's expectations in agency-client relationships is crucial (Halinen, 1997). These findings suggest that co-creation processes are likely to be more complicated in professional service networks.

RESEARCH QUESTIONS

Based on the preceding review of literature on co-creation of value in a B2B service context, important research questions have been identified. Considering the limited empirical research available on co-creation in business networks, the primary research question relates to how actors interact to co-create value within a business service network. The second research question relates to the darker side of co-creation which is missing from current models of co-creation. The key research questions, along with sub-questions, are outlined below.

Research Question 1: How do service providers and clients engage in the co-creation of value in a service network?

- What is the nature and scope of interactions between supplier, customer and their network actors?
- How are the roles of the supplier, customer and network actors defined during co-creation?
- What are the perceived effects of co-creation activities for the actors involved?

Research Question 2: Is there is a dark side to co-creating with network partners?

- What are the challenges to co-creation?
- What happens when things go wrong?

RESEARCH CONTEXT

The advertising industry has been selected as the research context for the proposed study. This is because professional B2B services such as advertising require substantial interaction with the client firm involved (Lowendahl *et al.*, 2001). Contact between agencies and clients in professional services is characterised by a continual stream of often one-on-one interactions (Vafeas, 2010) such that interactions between the two parties can take on great importance (Halinen, 1997). The advertising industry's suitability for this research is also based on the phenomenon of a small number of clients contributing significantly to an agency's earnings (Vafeas, 2010), making client retention a key goal for service providers in this industry.

Furthermore, the proposed research attempts to study the advertising industry in the context of a developing country: Bangladesh. Most knowledge of business marketing is based on studies conducted in Western countries (Golfetto *et al.*, 2007; Biggemann and Fam, 2011). Research indicates that emerging markets are different from developed markets due to differences in three subsystems: socioeconomic, cultural and regulative (Burgess and Steenkamp, 2006). This is reiterated by Ashnai *et al.* (2009), who found that cultural and institutional features account for differences in B2B marketing practices among emerging and mature markets. Burgess and Steenkamp (2006) conclude that more research in emerging markets is needed to maintain the managerial relevance of academic research, in this age of globalisation. Limited research has been carried out on the issues facing B2B marketers in different sectors in developing nations (JBIM, 2011; La Placa, 2011). Also, there have been few studies on the topic of value creation in emerging markets (La Placa, 2011). Hence, a study of one of the fastest growing professional B2B service markets in Asia, Bangladesh (Uddin, 2007), would contribute to the limited research available in this area.

THE BANGLADESHI ADVERTISING INDUSTRY

The Bangladeshi advertising industry has certain attributes which make it a suitable context for this research. Although the country's advertising market is relatively small by Asian standards, the Bangladeshi advertising industry is very competitive and is growing at a rate faster than those in other countries in the region. It is increasingly attracting investment by global advertising agencies such as Grey Group and Ogilvy and Mather (Uddin, 2007; Anas, 2008). In fact, the Bangladeshi advertising industry is among the top three markets in Asia in terms of growth, the others markets being Vietnam and Indonesia (Uddin, 2007). Between 2003 and 2008, the advertising market grew by 400 per cent and the market size stood at USD 160 million in 2008 (Star-Business-Report, 2003; Akter, 2008). Findings from this emerging market study would inform managers of key processes in the value co-creation process, information which is important for successful foreign market operations of multinationals as well as the competitiveness of local firms. There are about five to six major players in the industry who own approximately 65% of the market (Anas, 2008), which would allow a reasonably in-depth coverage of the service network if dyads of major agencies and their clients are investigated. The industry scenario here is such that there are local partners of multinational advertising agencies doing business with multinational clients. At the same time, the same agencies here are dealing with less sophisticated, local clients. Since client sophistication has been found to affect the atmosphere surrounding client-service provider interactions and also their shared relational goals (Garry and Harwood, 2009), such an industry context would allow a comparison to be drawn between these two types of client-agency dyads and their networks.

RESEARCH METHOD

It is believed that the case study method is particularly suited to the research questions because it would allow the intensive study of how a particular organization engages in the co-creation process within a network. Considering the nascent status of co-creation research, a case study would serve to build theory in this area (Hartley, 2004). The case study method is one of the most popular research methods used in B2B marketing research (Easton, 2010; Piekkari *et al.*, 2010). Easton (2010) argues that this is partially due to the nature of business markets. The main units of analysis include organisations, which are difficult to access and

are more complex in structure in comparison to consumer markets (Easton, 2010). Therefore, a case study of a single, or a small number, of such entities can provide a huge amount of data offering insights into the nature of the phenomena (Easton, 2010). A recent study of value co-creation in networks is Cova and Salle's (2008) work in a B2B market which uses case studies.

DATA COLLECTION

Because complex phenomena such as co-creation in networks are best approached through several methods (Hartley, 2004), a case study would provide the flexibility to use combinations of methods and also provide the opportunity to triangulate (Stake, 2005). Hence, the researcher intends to use in-depth interviews, observation as well as document analysis for data collection. The initial persons to be interviewed will be key managers from the advertising agency side and the client side. Concentrating on information provided by agency-client dyads is a way to draw up the boundaries for network research which are inherently complex (Halinen and Törnroos, 2005).

The focus of investigation will be multiple supplier-customer dyads in the same B2B service industry and it is expected that this will provide a reasonable understanding of network dynamics. However, as the research proceeds, identification of key network actors through the snowballing technique (Biernacki and Waldorf, 1981) may lead to opportunities to investigate more network actors beyond the focal dyad. Specifically, if certain actors are found to be important parts of both the supplier's and customer's network, then the researcher will attempt to contact these organisations for interviews. Respondents will be asked to discuss the relationship with a specific agency/client and the network partner(s) most important to this relationship, at the beginning of the interviews. They will then be invited to describe (co-creation) episodes where they perceived that the interactions and collaboration of parties involved led to valuable or disastrous outcomes. For example, participants may be requested to talk about specific campaigns where several network actors were involved. The interviewer will also stress on discussion of unanticipated, valuable inputs from parties during such episodes. Participants will be requested to explain their views on how the parties contributed (or did not contribute) towards valuable outcomes. In addition, observation of

client-agency meetings and examination of documents such as meeting minutes will be carried out to gather additional data, to help interpret the interview findings better.

Although the decision to use case studies in one industry comes at the cost of generalisability, it appears to be the appropriate method, considering the complexity of value co-creation processes and the lack of knowledge on the topic. Because of their potential to reveal the operation of causal mechanisms, using single and comparative case studies is argued to be a key research strategy among critical realist research designs (Ackroyd, 2009; Reed, 2009). Another major concern is that case study research contains a bias toward verification, which is a tendency to confirm the researcher's preconceived notions (Flyvbjerg, 2006). However, this problem can be offset by the information-richness of the case study report (Patton, 2002) and as Flyvbjerg (2006: p.237) asserts, case study research contains no greater bias towards verification than other types of research; on the contrary "experience indicates that the case study contains a greater bias toward falsification of preconceived notions than toward verification".

SAMPLING

Miles and Huberman (1994: p. 26) argue that multiple cases offer the researcher an even deeper understanding of processes and a good picture of 'locally grounded causality'. Therefore multiple case studies will be used for this research, with the number of cases being conceptually-driven, that is, based on how many cases and what type of contexts would aid in theory development (Miles and Huberman, 1994; Easton, 2010). The case here will be an advertising business net. In other words, the case is the network but it is not a complete network, rather a focal network from the customer/supplier's perspective. The unit of analysis within each case will be co-creation episodes within the net. Also, data through interviews will be collected until no new data emerge (Strauss and Corbin, 1998).

In terms of case selection, organizations in the advertising industry will be chosen based on accessibility (Creswell, 1998) since such purposive sampling would make greater amount of information available to the researcher (Malhotra and Birks, 2007). This would also allow

the recruitment of matched client–agency pairs, which is deemed to be a more effective way of attaining a richer account of customer and supplier co-creation activities.

DATA ANALYSIS

Since this study is an exploratory study on co-creation in networks, the goal is to examine co-creation from a practitioner perspective, allowing patterns of data to emerge, rather than relying on prior theories (Bendapudi and Leone, 2002). Following Yin (2003) and Creswell's (1998) suggestions, the analytic strategy adopted for multiple cases would be to first provide a detailed description of each case and themes within the case, called a within-case analysis. The use of tables to search for patterns or grouping of similar topics may be used in examining the data (Hartley, 2004). This will be followed by a thematic analysis across the cases, that is, a cross-case analysis (Creswell, 1998). The researcher will attempt to draw on disconfirming data and the possible alternative explanations of the phenomenon (Hartley, 2004), since these would indicate whether further theory development is required.

CONCLUSION

Scholars from both services marketing and business-to-business marketing research streams have called for more research exploring inter-organizational collaboration in value creation (Möller, 2006; Ostrom *et al.*, 2010; Grönroos and Ravald, 2011), because the traditional roles of suppliers and customers are growing more complex and intertwined and both parties have to be able to develop new collaborative competences (Prahalad and Ramaswamy, 2004b; Möller, 2006). Most research on value co-creation is still at a conceptual level (Grönroos and Ravald, 2011) and focus on either the supplier's or customer's perspective. Against this background, this study aims to contribute to a better understanding of the value-co-creation process in a B2B service context.

The present study attempts to analyze the nature and content of value co-creation in business-to-business professional service relationships. The findings of this research would represent one of the few pieces of research on co-creation in a B2B context, where information from both sides of the supplier-customer dyad is present. Scholars assert that the complexity and frequency of customer and supplier interactions in the B2B professional services context,

require that a dyadic methodology and detailed case studies be used for investigating the area of value creation (La *et al.*, 2009). It is important to attain in-depth knowledge about the role of interactions in value co-creation so that the nature of suppliers', customers' and their network actors' value co-creation opportunities can be well understood (Grönroos and Ravald, 2011).

Co-creation needs to be understood in a way that would enable high-quality interactions, and enhance service design and delivery capability (Grönroos, 2011). This is particularly important for B2B service firms, where relationships are maintained with fewer customers. The findings would assist managers to develop an appreciation of co-creation dynamics and provide information on how certain activities can help manage the value co-creation process. The study would also contribute to theory development in the area of co-creation in B2B service networks, a topic which remains a research priority (Ostrom *et al.*, 2010).

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