## **Role of value Co-Creation Concept in e-services**

# Neda Ahrar<sup>1</sup>, Azizah Abdul Rahman<sup>2</sup>

<sup>1</sup>Department of Information System, Faculty of Computer Science and Information System, Universiti Teknologi Malaysia, Malaysia <sup>2</sup>Department of Information System, Faculty of Computer Science and Information System, Universiti Teknologi Malaysia, Malaysia

#### Abstract

E-services are electronic ways of representing services over electronic networks such as internet. These days marketing have more attention in an electronic concepts and try to represent their services through the electronic ways. On the other hand Co-creation of value is a value creation by both customer and provider which used in marketing and without any focuses and attentions to the customer perceptions, marketing will be failed in a short period of time. The aim of this study is to identify the role, importance and applicability of value co-creation concept in eservices. The method which used in this study is assessing the documents related to this area and the technique which applied in this way is content analysis. In conclusion considering the features of value co-creation and using its concepts in e-services cause improvement of eservices and setback to its fail.

*Keywords* - Co-creation of value, Value cocreation, E-services, DART model, Marketing.

#### 1. Introduction

The process of value co-creation derived innovation and evolution within the market. It also will be propelling the generation of new knowledge in business, academia, and practice. Thus, the interdisciplinary exchange of ideas and effort to increase understanding of value cocreation will not only benefit the development of service science, but also will potentially aid the advancement of all other social and economic disciplines involved. Co-creation is a form of market that emphasizes the generation and ongoing realization of mutual firm-customer value. It views markets as forums for firms and active customers to share combine and renew each other's resources and capabilities to create value through new forms of interaction, service and learning mechanisms.

It differs from the traditional active firm passive consumer market construct of the past. Co-created value arises in the form of personalized, unique experiences for the customer (value-in-use) and ongoing revenue, learning and enhanced market performance drivers for the firm (loyalty, relationships, customer word of mouth). Value is co-created with customers if and when a customer is able to personalize his/her experience using a firm's product-service proposition - in the lifetime of its use – to a level that is best suited to get his/her job(s) or tasks done and which allows the firm to derive greater value from its product-service investment in the form of new knowledge, higher profitability or superior brand value [9] [10].

These days services in marketing represent by electronic versions which called e-services. E-Service is providing consumers with a superior experience with respect to the interactive flow of information [1]. E-Service can be defined as the provision of service over electronic networks such as the Internet includes both pre- and post-Web site service aspects into the concept of eservice quality [2]. However, none of the authors pay attention to describing e-service content or characteristics in their definitions. The above shows that the discussion of definition, content and characteristics of e-services are really needed. Technology-based service defined as a service with both tangible and intangible elements that is performed totally or partly by the customer via a technology interface [4]. From our perspective e-service is a different concept compared to technology-based service. The concept of E-service (short for electronic

ISSN: 2249-6645

www.ijmer.com service), represents one prominent application of Information utilizing the use of and communication technologies (ICTs) in different areas [5]. During the last ten years a large amount of e-services have been launched to electronic markets and the same kind of development will certainly continue. In many cases traditional services have simply moved to electronic environment and human work is partly substituted by computers and software. This was predicted to revolutionize the way of doing marketing in a short period of time. However, the development has been slow, but the trend towards e-services is clear. Internet Revolution is still in its early stages [3]. Service system is a useful abstraction for understanding value and value co-creation, in this way Service systems are "value co-creation configurations of people, technology, value propositions connecting internal and external service systems, and shared information" [8].

In this paper, we explore the role, importance and applicability of value co-creation concept in e-services.

#### 2. Research Objectives

Based on the research background, the work conducted aims to identify role, importance and applicability of value co-creation concept in eservices. The objectives of the work done will cover the following aspect:

• To identify role, importance and applicability of value co-creation concept in e-services.

### 3. Research Framework

Currently, the work is conducted in three main phases. In Phase 1, Co-creation of value, the case study of this research will be studied in-depth to elaborate the limitation and potential that can lead to research. Content analysis is the method used to gather the information.

Also in Phase 2, e-services, the case study related to this will be studied in-depth. The problem will be reviewed through potential literature such as reviews and case collections.

Finally in Phase 3, role, the study will be come up with the role, importance and applicability of value co-creation concept in e-services. The research framework derived is as in Figure 1.

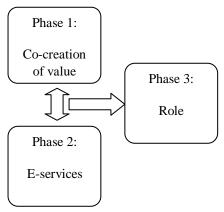


Fig. 1 Research Framework

### 4. Expected Finding

As mentioned earlier Co-creation of value is a value creation by both customer and provider which used in marketing, as without any focuses and attentions to the customer perceptions marketing will be failed in a short period of time. Also e-services are an electronic way of representing services over electronic networks such as internet. So for each e-service the value co-creation concept must be evaluated and the best way for that is using DART model [6] [7], which helps to built initial blocks between customer and provider. As we cannot gain and follow all expected goals of e-services just because of lack of evaluating and creating those e-services based on co-creation of valve. It means that the value co-creation has an evaluating role for electronic services in all around the world.

### 5. Conclusion

In conclusion it is important to say that eservices are an electronic way of representing services over electronic networks such as internet. These days marketing have more attention in an electronic concepts and try to represent their services through the electronic ways. On the other hand Co-creation of value is a value creation by both customer and provider which used in marketing, as without any focuses and attentions to the customer perceptions marketing will be failed in a short period of time. Make the reliability for gain the whole objectives of using an especial e-service by elaborate that with value co-creation and using DART model is

ISSN: 2249-6645

www.ijmer.com Vol.2, Issue.3, May-J the most important advantage of this paper. As value co-creation is a new concept in marketing, finding related research was as limitation of this study.

#### 6. References

- [1] Roland T. Rust, P. K. Kannan, *e-service: New Directions in Theory and Practice* (Armonk, New York, 2002).
- [2] Zeithaml, V. *Services Marketing*, (3<sup>rd</sup> ed. McGraw-Hill, 2002).
- [3] Ch. Lovelock, J. Wirtz, and H. T. Keh, *Services Marketing in Asia* (Managing People, technology and Strategy, Singapore: Prentice Hall, 2002)
- [4] Heinonen, K. Time and Location as Customer Perceived Value Drivers, Swedish School of Economics and Business Administration, Nr 124, 2004.
- [5] J. Rowley, An analysis of the e-service literature: towards a research agenda. *Internet Research, 16 (3), 2006, 339-359.*
- [6] S. Baron, Value Co-Creation from the Consumer Perspective. *Service Science: Research and Innovations in the Service Economy*, 2011, 199-210.
- [7] Prahalad C. K, V. R. Co-Creation Experiences: The Next Practice in Value Creation. *Journal of Interactive Marketing*, 18(3), 2004, 5-14.
- [8] Maglio, P. P., J. Spohrer. Fundamentals of Service Science, *Journal of the Academy of Marketing Science*, *36*(1), 2008, 18-20.
- [9] Stephen L. Vargo, Paul P. Maglio, Melissa Archpru Akaka, On value and value cocreation: A service systems and service logic perspe ctive, *European Management Journal 26, 2008, 145 – 152*
- [10] Ahgalya Subbiah., Othman Ibrahim, Value Co-Creation Process: A Case of E-Services for G2C in Malaysia, *European Journal of Social Sciences*, 19(3), 2011, 443-449.