

# The Role of Self-Construals in Developing Customer Value Co-Creation Behavior

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## Abstract

A contrasting debate on the role of customer in value co-creation has been observed. One school of thought believes that customer is always value co-creator while other believe that customer is always value creator (not co-creator). Value is co-created when customer invite company into joint sphere and involve in dialogue. In line with second school of thought, this study posits that not every customer is always ready to invite company into joint sphere to involve in dialogue; hence not *every customer is always value co-creator*. Drawing from the theory of self-construals, the study proposes that customers of interdependent self construals will be more interested to invite company to joint sphere for value co-creation while customers with independent self construals will be less interested to invite company to joint sphere for value co-creation. However, subjective norms in the forms of in-group social influences can moderate the relationships. An extensive review of literature in the domain of cultural value at individual level, service-dominant logic of marketing and value co-creation has been carried out to justify the relationships of proposed conceptual framework. The study contributes in the body of knowledge of value co-creation by observing this phenomenon first time from the self-construals lens. This study is conceptual in nature and emphasis has be given to know the existing practices of value co-creation and the way self-construals can play role in developing customer value co-creation behavior.

**Keywords:** Self-Construals; Cultural values, Service-dominant logic, Value co-creation, Subjective Norms

## 1. INTRODUCTION

Value co-creation remains an attractive area of research interest during recent years. The concept was introduced first in 2000 by Parahald and Ramaswamy and was later supported by service-dominant logic in which customer's role in value co-creation was emphasized. It was stated that "customer is always co-creator of value" (Vargo & Lusch, 2008b). The way it was defined in S-D logic was questioned later that if "customer is always co-creator of value" and value creation is an all-encompassing process; then everything is co-creation – hence no need for further investigation? (Grönroos, 2011). This distinct argument gives logical sense that if customer is always value co-creator then it is hard to define the role of each actor in value co-creation. Grönroos and Voima (2013) believe that value creation is the 'customer's creation of value-in-use' where customer is always the incharge of value creation and creates value for himself in the customer sphere (p.144). Firm is value

facilitator which offer value propositions. Value co-creation occurs when customer invite firm into joint sphere to involve in dialogue (p.140).

This logic makes the role of both actors understandable. Nonetheless, this logic like many others treat all customers as equal integrators. Hence a question arise; do *every* customer *always* ready to invite firm to come into joint sphere for co-creation of value? We posit that *not every customer always ready to invite firm to come into joint sphere and involve in value co-creation*. It primarily depends on the nature of customer. Each customer has his own self which is broadly derived from the culture in which he born, groomed and living. His thoughts are derived from different values and norms which he carries from his cultural background. For instance, individuals living in individualist cultures usually like separateness, freedom and sovereignty, while those living in collectivistic cultures like to keep harmony with the groups (Markus & Kitayama, 1991). According to theory of self-construals, individuals even in the same culture are not always same but are different in a way that they are true cultural representative and construe of the self (Markus & Kitayama, 1991). Some people are more idiocentric in nature while others are allocentric. Those who are more idiocentric have independent self-construals and the others with allocentric nature have interdependent self-construals. Therefore, we postulate that treating both interdependent and independent self-construals customers as equal integrators in value co-creation is not appropriate. It is argued that customers with interdependent self construals will be more interested to invite firm into joint sphere and involve in dialogue than those with independent self-construals. Hence interdependent self-construals customers will have positive participation and citizenship behavior for value co-creation and the customers with independent self-construals will have negative participation and citizenship behavior towards value co-creation. Nonetheless, these relationships can be changed through subjective norms. As a result, customers with interdependent self-construals will have negative participation and citizenship behavior towards value co-creation, if subjective norm is negative; and customers with independent self-construals will have positive participation and citizenship behavior towards value co-creation, if subjective norm is positive.

To support the proposed framework, extensive review of the literature in the domain of service-dominant logic, value co-creation and self-construals theory presented in the following sections.

## **2. VALUE CONCEPT IN MARKETING**

Value concept in marketing remains an important area of research interest but understanding value often remains confusing. According to Woodruff and Flint (2006), we are not aware of any research that has resolved the issue of understanding value. Woodall (2003) says value itself is an obscure concept, which can be recognized in a number of different ways (Grönroos, 2008). Nevertheless, many attempts have been made to understand value from different perspectives. For instance, earlier theorists says, value is an evaluation of benefits against sacrifices (Day, 1990), value is an hedonic admiration of an entity of consumption (Holbrook, 1994), value is financial gains which is created jointly and communally by the firms' partners (Grönroos & Helle, 2010), value is the one through which user become better off (Grönroos, 2008) and value is one which increases the customer's wellbeing (Vargo & Lusch, 2008a). More comprehensive explanation of understanding value was described by Vargo and Lusch (2004). Drawing from the division of labor concept by 18<sup>th</sup> century economist (Adam, 1776), they argued that value was perceived by Adam Smith into two perspectives; value-in-exchange and value-in-use. Value-in-exchange means that value is developed by producer in its products during the

production and distribution processes of the products where ultimate objective is to maximize profit by enhancing the sale volume (Vargo & Lusch, 2004). They named this logic as goods-dominant logic. In value-in-use concept, value is created by customer during the use of resources. Until the resources are not used, there is no value embedded into it (Vargo & Lusch, 2004). This logic they named as service-dominant logic. Following section elaborate the logics in further detail.

### ***2.1. Goods-dominant Logic (G-D Logic)***

Goods-dominant view of marketing primarily supports the value-in-exchange concept. The logic states that people exchange for goods which are the operand resources of the firms and are primarily tangible in nature on which an action is performed to produce output (Constantin & Lusch, 1994). Goods are the fundamental basis of exchange where main emphasis is placed on the production of goods and their sales (Vargo & Lusch, 2008a). Objects are implanted with utility and value is embedded in the products during the production and distribution processes of the products generated through “value-in-exchange”. An ultimate objective of this logic is to maximize profit by enhancing the sale volume (Vargo & Lusch, 2004).

### ***2.2. Service-dominant Logic (S-D Logic)***

Service-dominant logic states that people exchange knowledge and skills which are the operand resources and intangible in nature to get the advantage of the competencies and services (Vargo & Lusch, 2004). Operand resources are the knowledge, skills, expertise, capabilities and the time (Hilton & Hughes, 2008). Operand resources are more constructive for the firms to develop competitive advantage (Constantin & Lusch, 1994), therefore, they need to pay focus on these resources and identify the potential customers with whom the firms can develop relationships and induce value propositions to meet specific needs. Firms only offer value propositions, while value is created by the customers through “value-in-use”. Customer is an operand resource of the firm who actively participate for the relational exchange and coproduction. Operand resources are invisible and dynamic in nature which produce effects and facilitate humans to produce more resources by using the given natural resources (Ehrenthal, Stölzle, & Rudolph, 2012). The ‘service’ is the foundation of all economic exchange and customer is always value co-creator (Vargo & Lusch, 2008b).

The logic S-D Logic offered ten foundational premises (FPs). This study debate on only one foundational premises - FP 6: “the customer is always a co-creator of value”.

### ***2.3. Value Co-Creation***

The term value co-creation was coined by Prahalad and Ramaswamy (2000). The evolution of service-dominant logic endorsed the value co-creation phenomenon in a strategic way and states that firm offer only value proposition while “the customer is always a co-creator of value” (Vargo & Lusch, 2008b). The understanding of the role of customer is later criticized by Grönroos (2008). He believe that customer is always value creator (not always co-creator). For co-creation, he needs to invite firm to come into joint sphere and involve in dialogue through interaction. If there is no interaction, co-creation is not possible. Grönroos and Voima (2013) further explained the role of each actor in value creation sphere as shown in figure 1 below:

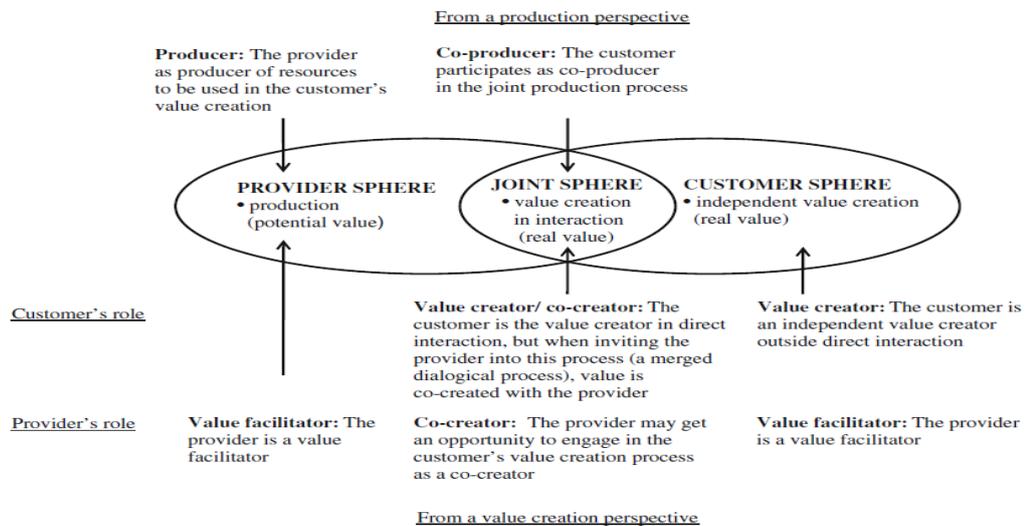


Figure 1: Value Creation Sphere (Grönroos and Voima, 2013)

Three spheres of value creation process are explained in the above figure; *the provide sphere, the customer sphere and the joint sphere*. Provider sphere is the one which offers potential value where provider is value facilitator. The customer sphere is the one which creates real value where customer independently creates value for him without any interaction with the firm. The joint sphere is the one in which value is co-created in joint interaction. Customer as incharge of value creation invite firm to come into joint sphere for co-creation of value.

This framework is more rigorous in nature making the real sense of value co-creation practice. Nevertheless, this framework, like many others treated all customers as equal integrators of value co-creation. It doesn't consider the individual possible differences among the customers. So a question arises: do every customer always ready to invite firm to come into joint sphere for co-creation of value? We posit that probably not; it depends on the nature of the customer. Because according to theory of self construals, individuals even in the same culture are not always same but are different in a way that they are true cultural representative and construe of the self (Markus & Kitayama, 1991). Hence, we can't treat all customers as equal integrators who will always ready to invite firm to come into joint sphere for value co-creation. We postulate that for value co-creation practice, it is imperative to understand the customer behavior at individual level rather than treating all customers as equal integrators.

### 3.3. Customer Value Co-Creation Behavior

Having said the importance of understanding customer behavior at individual level, we need to understand what is customer behavior in value co-creation? Yi and Gong (2013) developed customer value co-creation behavior as two dimensional construct namely customer participation behavior and customer citizenship behavior. *Customer Participation Behavior* is essential for value co-creation practice as it is an in-role behavior of the customer without which co-creation is not possible. It can be further observed through four dimensions namely information seeking, information sharing, responsible behavior and personal interaction (Yi & Gong, 2013). On the other hand, *Customer Citizenship Behavior* is not such essential component for value co-creation practice because it is an extra-role behavior where customer go beyond participation to act as

citizenship agent for co-creation with the firm. If it is performed, it will be an additional advantage for other customers and the firm to have further value co-creation (Yi & Gong, 2013). This behavior can be observed through its four dimensions namely feedback, advocacy, helping and tolerance.

### 3. SELF-CONSTRUALS AND CUSTOMER VALUE CO-CREATION BEHAVIOR

Markus and Kitayama (1991) in the theory of self-construals described that within the same culture, individual differences can occur. People living even in the same culture might be different in their nature and the self. Some people are more idiocentric who doesn't want to be the part of social groups and like separateness, freedom and sovereignty in their personal lives. These individuals are primarily independent self-construals in nature. While some people are allocentric who likes harmony with others and prefer to have their social groups. These individuals have interdependent self-construals in nature.

#### 3.1.Independent Self-Construal

In the independent construal cultures, members of the society prefer to be independent from other members of the society and try to discover and express their own unique attributes (Johnson, 1985; Markus & Kitayama, 1991). In this culture, one's behavior is shaped by his own attitude and cognitive responses rather than influenced by the others. Hence, this type of 'self' conceptualize the individuals as autonomous and independent person; therefore, these kinds of individuals have independent-self construals. As can be seen in the figure below, large circle represent the *self* while small circles denote *others*. Xs inside the circles represents different aspects of the self and of the others. This shows that the individual self is autonomous relative to others.

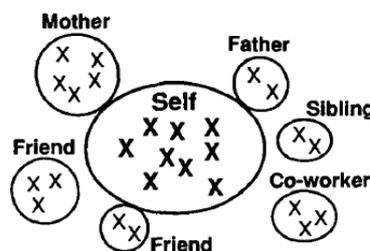


Figure 2: Independent self-construals (Markus and Kitayama, 1991, p.226)

For value co-creation practice, it is anticipated that these kinds of individuals will be less interested to invite firm into joint sphere for involving in dialogue, hence they will have negative participation and citizenship behavior for value co-creation. Therefore, we offer the propositions as:

P<sub>1</sub>: Customers with Independent Self-Construal will have negative customer participation behavior

P<sub>2</sub>: Customers with Independent Self-Construal will have negative customer citizenship behavior

#### 3.2.Interdependent Self-Construal

The people with interdependent self-construals prefer to build and maintain relationships with other members of the society (Johnson, 1985; Markus & Kitayama, 1991). The individuals see oneself as part of the social relationships and recognize that their behaviors

are shaped by the thoughts, feelings, and actions of other members of the social groups and society (Johnson, 1985; Markus & Kitayama, 1991). As shown in figure below, large circle represent the *self* while small circles denote *others*. Xs inside the circles represents different aspects of the self and of the others. In this construal, individual is strongly connected with others and is part of social groups.

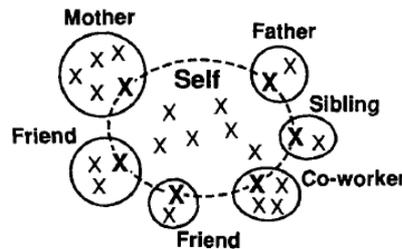


Figure 3: Interdependent self-construals (Markus and Kitayama, 1991, p.226)

For value co-creation practice, it is anticipated that these kinds of individuals will be more willing to invite firm into joint sphere for dialogue and value co-creation. Therefore, they will have positive participation and citizenship behavior for value co-creation. Hence, the propositions states:

P<sub>3</sub>: Customers with Interdependent Self-Construal will be more willing to show customer participation behavior.

P<sub>4</sub>: Customers with Interdependent Self-Construal will be more willing to show customer citizenship behavior.

#### 4. SUBJECTIVE NORMS AS MODERATING FUNCTION

Theory of Reasoned Action says that individuals make logical decisions which guide their further behaviors. Based on the evaluation of those behavior and others influences, the individual will decide either to engage or not in a certain behavior (Ajzen & Fishbein, 1980). Attitude and subjective norms predict behavioral intentions which further leads to the development of behavior (Fishbein & Ajzen, 1975). Attitude is tendency of an individual to have either favorable or unfavorable evaluation of a certain behavior. Subjective norm is a normative belief in which individuals get social pressure of others in performing certain behavior. It is a perceived social pressure in which individuals perceive that what others will think either to perform or not to perform a certain behavior. This theory primarily treats attitude and subjective norms as causal functions of behavioral intentions. This theory has remained a wide spectrum of investigation and extensively used in many researches. Nonetheless, Terry and Hogg (1996) criticized this conceptualization of subjective norms and the way it is depicted in theory of reasoned action. Drawing from the self-categorization theory, they posit that norms of the reference groups will influence individuals' intentions to engage in a particular behavior and will enhance the relationship between attitude and behavior because attitude is normative for certain social groups.

This logic concludes that subjective norms instead of functioning as determinant of behavioral intentions, can also work as a moderating function between the attitude and behavior (Terry & Hogg, 1996). More recently, Fu, Richards, Hughes, and Jones (2010) investigated the moderating role of subjective norms in the interactions of attitudes and self-efficacy with selling intentions and selling performance. The findings show that the influence of self-efficacy and attitude on behavioral intention is dependent on the intensity

of the subjective norms (p. 71). Therefore, subjective norms play a moderating role in the relationships of self-efficacy and attitude with behavioral intentions.

Following to these studies, we argue that subjective norms as a moderating function can change the nature of the relationships of interdependent and independent self-construals with customer value co-creation behavior. Hence we offer the propositions as:

P<sub>5</sub>: Subjective Norms will positively moderate the relationships; as a result customers with Independent Self-Construal will show positive customer participation behavior, if subjective norm is positive.

P<sub>6</sub>: Subjective Norms will negatively moderate the relationships; as a result customers with Interdependent Self-Construal will show negative customer participation behavior, if subjective norm is negative.

P<sub>7</sub>: Subjective Norms will positively moderate the relationships; as a result customers with Independent Self-Construal will show positive customer citizenship behavior, if subjective norm is positive.

P<sub>8</sub>: Subjective Norms will negatively moderate the relationships; as a result customers with Interdependent Self-Construal will negative positive customer citizenship behavior, if subjective norm is negative.

The proposed conceptual framework is shown in figure 4 below.

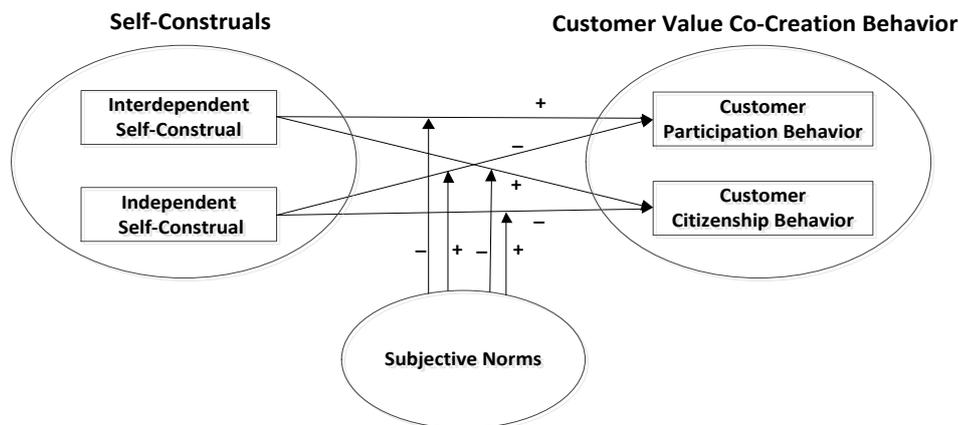


Figure 4: Conceptual framework of self-construals and customer value co-creation behavior

#### 4. CONCLUSION

Based on the extensive review of related literature, this study proposed a conceptual model for developing customer value co-creation behavior based on self-construals theory. The study raised an issue of understanding the role of customer in value co-creation. As observed, earlier researches treat all customers as equal integrators in value co-creation while this study posits that not every customer is always co-creator of value but it depends on the nature of the customer. Drawing from the theory of self-construals, it states that customers with interdependent self-construals will be more willing to invite firm to come into joint sphere for value co-creation, hence, they will show positive participation and citizenship behavior. While the customers with independent self-construals will be less willing to invite firm in joint sphere for value co-creation, hence, they will have negative

participation and citizenship behavior. Nevertheless, these roles can be changed through subjective norms. As a result, customer with independent self-construals will show positive participation and citizenship behavior, if subjective norm is positive. And customer with interdependent self-construals will show negative participation and citizenship behavior, if subjective norm is negative.

## 5. LIMITATION AND FUTURE DIRECTION

The study is conceptual in nature; therefore, further research is required to empirically verify the proposed propositions. A comparative study of different cultures can also be a very good research to see how customers with independent vs. interdependent self-construals in individualistic vs. collectivistic cultures varies in their behavior towards value co-creation.

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