



## EMPIRICAL STUDY ON STRATEGIC APPLICATION OF CO-CREATION PROCESS: A CONCEPTUAL FRAMEWORK TO EFFECTIVELY COLLABORATE WITH CUSTOMERS

**Akhter Javaid & Shrivastava Priyanka**

Department of Business Administration, Aligarh Muslim University, Office of the Secretary, University Games Committee, Aligarh - 202002, India,

### ABSTRACT

Co-creation occurs when companies collaborate with customers to understand their needs and expectations, thus creating an enhanced customer experience and generating more value for the customers. The paper provides a framework to understand the role of demographic variables in the co-creation process and the influence of co-creation on purchase decision making process, customer satisfaction level and brand loyalty. This paper first explores the relationship between demographic variable of customers and their interest towards collaborating with companies in the co-creation process. The second part establishes relationship between co-creation of a product, its influence on purchase decision making and increasing satisfaction and loyalty among customers. Also, the paper further establishes an understanding of the benefits that are a result of the co-creation process adopted by the company. For adopting the co-creation process, companies need to have a paradigm shift from their company-centric view of marketing to customer-centric view of marketing. The change is extremely demanding and companies have to transform their approach, structure and environment to engage customers in the co-creation process. This paper underlines the importance of taking demographic variables of the customer like age, gender, educational background, residing area, occupation and income into account for engaging them in the co-creation process.

**KEYWORDS:** Demographic variables, Purchase decision making, Satisfaction, Loyalty

### INTRODUCTION

Today customers are becoming more informed and demanding which is leading to intense competition among companies to retain existing customers and gain new customers. In today's competitive era, marketing is no longer a one way process, it is two way process where companies and customers are collaborating and interacting in the complete value creation process. Marketers very well know that "customers may forget what they said but they can never forget how marketers make them feel". Successful brand marketers understand it very well that the cost of attracting and acquiring new customers is higher relative to the cost of retaining existing ones. They are trying to have personalized connection by engaging customers through innovative ways like social networking sites, you-tube, mails, interactive websites etc. Effective customer engagement has become a mantra of success, where customer involvement is at every step of the path to purchase. This paper discusses one of the important ways of customer engagement, i.e. "co-creation" and its influence on consumer's decision making process. This means customers are the co-creators of value that they extract out of products and services, and this facilitates the purchase decision making process. Companies and customers share joint role of shaping and co-creating market acceptance for products and services. The evolution of marketing is taking place is due to development of marketing approaches that are customer-

centric (Parasuraman and Grewal 2000). Co-creation generates a unique value which elevates the relationship between the customer and the company. The outcome for a company adopting a co-creation is a unique differential advantage on buying decision process. The aim of this research is to empirically test this concept, by investigating the extent to which customers that experience a co created product derive increasing levels of satisfaction and loyalty. Also, this paper explores whether the demographic variables of the respondents have influence on customer's preference to engage in co-creation.

Please refer to the framework mentioned in Figure No. 1 overleaf. This illustrates the influence of Demographic Variables on co-creation process and impact of co-creation on purchase decision making which in turn generates satisfaction and loyalty among customers. To authenticate the framework empirical evidences are drawn from market of "Energy Drink". General consensus drawn from responses is used to test the relationship shown in the framework. The utility oriented model developed offers an understanding on following questions

- 1) Do demographic variables have an influence on consumers' involvement in the co-creation process?
- 2) Does co-creativity has an impact on purchase decision making process?
- 3) Is there any relationship between co-creation, satisfaction and loyalty

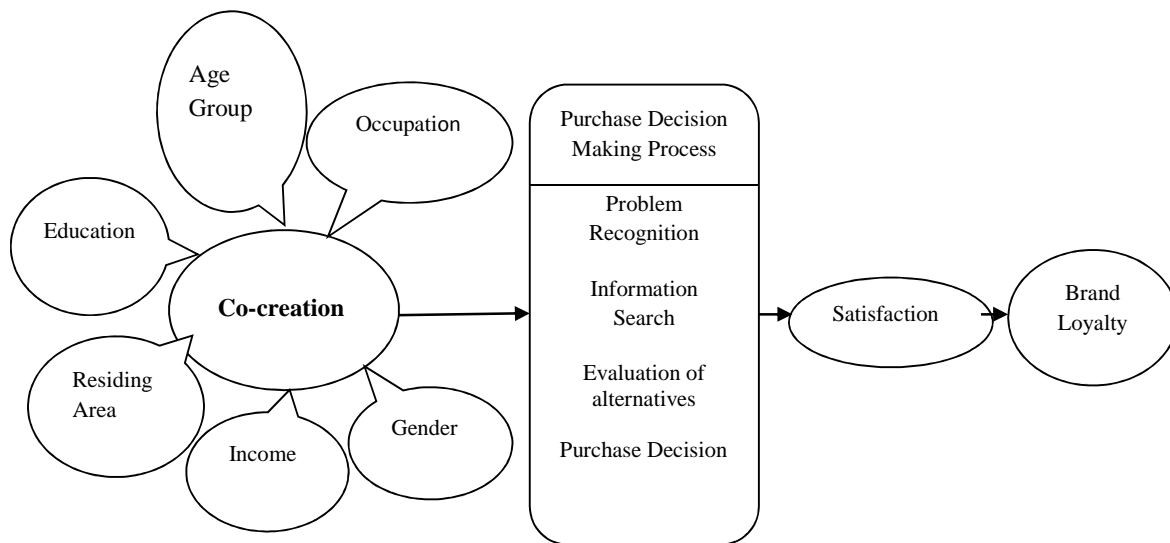


Figure No. 1

### LITERATURE REVIEW

The literature review is divided into three parts: (1) Role of demographic variables in the co-creation process; (2) Understanding the co-creation process; (3) Influence of co-creation process in shaping customer satisfaction.

#### Role of demographic variables in the co-creation process

According to the study named as 'Demography and design: Predictors of New product team performance (Deborah Glandstein Ancona & David F. Cladwell, 1992)' there is definite increase in organizations reliance on teams working on new product development. The literature discusses how the teams working on new product development should be formed and structured. The literature highlights that tenure of employees with the organization, their background; educational qualification etc has a bearing on their impact on the process new product development. The paper discusses the ways in which organizations can work so that demographic diversity of employees brings positive effect on the process of new product development. Currently, new product development is not only engages teams inside the organizations but customers to a large extent. As customers are part of the co-creation, it is very important to understand the influence of demographic variables in the new product development process.

In the article 'Browser and Buyers In Cyberspace? An investigation of factors influencing Electronic Exchange (Vanitha Swaminathan, Elzbieta Lepkowska-White, Bharat P. Rao, 2006)' it is discussed that now a days Internet has not only become a means of communication, information and entertainment but also a very important means for commercial transactions. The paper develops an understanding of consumer behavior with reference to World Wide Web, particularly relevant to electronic purchases. The Paper mentions some of the antecedents to electronic exchange. In particular, (1) What are some of the factors influencing online purchasing behavior? (2) What is the role of privacy and security concerns in

influencing actual purchase behavior? (3) How do vendor and customer characteristics influence consumers' propensity to engage in transactions on the Internet? The study has both theoretical and practical implications. Also, this study discusses the demographic factors influencing the paradigm shift in consumer behavior with special reference to on-line media. In the process of co-creation, organizations are using on-line communities and digital medium to interact with lead users. Therefore, it is increasingly important to understand the factors that will have an influence on consumer behavior in a changing environmental. In the work 'Co-opting customer competence (C.K. Prahalad and Venkat Ramaswamy, 2000)' it is mentioned that one of the major challenges that encountered by companies while adopting the co-creation process is managing the diversity of customers. The paper states that when co-creation process uses technology it is seen that younger customers are more responsive than older ones.

#### Understanding the co-creation process

Co-creation is one of the new ways of customer engagement, which is in line with customer-centric approach being practiced in today's market. In the co-creation process the customer is actively involved in collaborating with companies in the design, delivery, and creation of the customer experience (Sheth, Sisodia, and Sharma, 2000). The literature suggests that the co-creation is a paradigm change which shifts the focus from traditional way of marketing to a more customer centric approach. In the literature 'Co-opting customer competence (C.K. Prahalad and Venkat Ramaswamy, 2000)' it is clearly mentioned that companies must now incorporate customer experience management in their business models. Also, the paper discusses the evolution and transformation customers. Today customers have become more active participants from passive participants in the end to end marketing process. They are more informed and interested in exchanging their views on products, features and marketing methodology that makes

them a source of competence. Emerging reality is forcing re-examination of traditional system of company-centric value creation that served us so well for over 100 years (C.K. Prahalad and Venkat Ramaswamy, 2004). The study proposes co-creating a unique value with customers by remaining connected with them. This study proposes DART model for co-creation of value. DART stands for Dialogue, Access, Risk assessment and transparency which are the basic building blocks while adopting the co-creation process that engages customers as collaborators.

In the McKinsey quarterly review (July, 2011), in the article 'How we see it: three senior executives on the future of marketing' it is mentioned that this is an era of customer engagement and there is no short cut to success in customer engagement process. It is a hit and trial method where you collaborate with customers by listening to them and keep changing strategies of customer engagement according to their feedback. Virgin Atlantic Airways CEO Steve Ridgway mentioned about how his company has been pushing the boundaries of collaborating with customers, while experiencing the pleasant surprise of a successful mass-media campaign. American Express CMO John Hayes discusses some of the organizational steps he has taken to create an environment of co-creation to get ahead of competitors. Duncan Watts, principal research scientist of the Human Social Dynamics group at Yahoo! Research, explains how today's data-rich environment exposes the limits of intuition in marketing and the need to take a scientific approach to understand consumers. The report mentions that co-creation requires not only creating strategies but an organization structure to support it. The touch points through which customers can reach companies increases, which require other organizational functions to be in place like recruiting new employees, training employees, retooling customer care operations, improving on-line interface infrastructure etc. Organization as a whole should be ready to adopt this new revolution in marketing which is called "co-creation".

#### **Influence of co-creation process in shaping customer satisfaction**

In the literature 'Relationship Glue: Customers and Marketers Co-Creating a Purchase Experience (Edwin Rajah, Roger Marshall & Inwoo Nam)' it is discussed that Co-creation occurs when a customer and a marketer work together to create value and a consumption experience that drives the purchase process. Although other authors have proposed this idea, this research reports the first empirical study linking co-creation, trust, satisfaction, relationship strength, attitudinal loyalty and behavioral loyalty. The research instrument exposes respondents to scenarios that differ in the extent of co-creation while retaining exactly the same eventual purchase outcomes; the research variables (Co-creation, Trust, Satisfaction, Relationship Strength and Loyalty) are then measured. A structural equation model shows that there exist positive hypothesized relationships, where co-creation definitely has an impact on relationship strength through increasing levels of satisfaction and trust. Consumer marketing is becoming increasingly competitive these days and companies are striving to find out strategies that will give them sustainable competitive advantage. As an initiative

to have an edge over competitors, companies have started adopting co-creation process without knowing the benefits that they can reap out of it. The paper is based on an empirical study quantifying and predicting the benefits that are consequences of the co-creation process.

As we move rapidly to a co-creation experience as the basis of value, the fundamental interaction between the company and the consumer changes in character and importance (Co-experiences: The next practice in value creation, C.K. Prahalad and Venkat Ramaswamy, 2004). In this paper they have discussed, the interaction becomes the locus of value creation. Interaction can be anywhere in the system, not just limited to traditional place of exchange which is point of sale or customer service. In the traditional firm-centric view of marketing, interaction takes place where the firm markets its offerings in exchange of its economic value from the consumer and the value is created by the firm through its value chain. On the other hand when firms co-create, the whole process becomes customer-centric, customer participates actively in value creation process and designs value that customers wants out of the offering. Customer at the end is not only satisfied by the value he gets out of the product but a greater satisfaction from the whole experience of interacting with company.

In the paper 'The Process of Customer Engagement: A conceptual framework (Jana Lay-Hwa Bowden, 2009)' traditional measures of customer satisfaction have been discussed, which fail to capture the depth of customer responses to service performance. This study redirects satisfaction research towards an approach which provides an understanding on the role of commitment, involvement, and trusts leading to more engaged and loyal customers. A conceptual framework is proposed in this paper for segmenting customer-brand relationships based on the extent to which customers are either new or repeat purchasers. The study/ provides a deeper and more complete understanding of the nature of customer-brand relationship and the processes by which engagement may be developed and fostered among different customer segments. Two of the most fundamental constructs of marketing theory, which are customer satisfaction and service quality, are discussed in details with respect to customer engagement. This paper also establishes the relationship between two mentioned constructs and service performance.

#### **METHODOLOGY**

The paper is divided into two parts, the first part studies the influence of demographic variables on the co-creation process. The second part establishes relationship between co-creation of a product, its influence on purchase decision making and increasing satisfaction and loyalty among customers.

#### **The methodology used in the first part of the study is explained below**

This part of the study is mainly based on primary data. Data have been collected using a questionnaire and getting it filled by people visiting shopping malls in Bangalore, Karnataka. The questionnaire was circulated among 200 customers visiting shopping malls. The selection of shopping malls and selection of sample of respondents

was done using convenient sampling method. The study area is limited to Bangalore, Karnataka as it is one of the fastest growing cosmopolitan city in India. Data was collected at a shopping mall to include people from different background. The duration of the study was two months. Analysis in this part of the study was done using cross tabulation(two way analysis), T-test, ANOVA and Chi-square analysis.

Hypothesis framed for the first part of the study are mentioned below:

- H<sub>1</sub>: There is no significant relationship between age group of the respondents and their interest in collaborating with companies to co-create a new product.
- H<sub>2</sub>: There is no significant relationship between gender of the respondents and their interest in collaborating with companies to co-create a new product.
- H<sub>3</sub>: There is no significant relationship between educational background of the respondents and their interest in collaborating with companies to co-create a new product.
- H<sub>4</sub>: There is no significant relationship between residing area (urban/rural) of the respondents and their interest in collaborating with companies to co-create a new product.
- H<sub>5</sub>: There is no significant relationship between occupation of the respondents and their interest in collaborating with companies to co-create a new product.
- H<sub>6</sub>: There is no significant relationship between income of the respondents and their interest in collaborating with companies to co-create a new product.

**The methodology used in the second part of the study is explained below**

Experimental research with “One-group Pretest-Posttest Design” was carried as part of the study in this paper. The feedback was collected about a new Holiday Package

targeting people in the age group between 20 to 35 years by using a detailed questionnaire on a 7 point scale(from low=1 to high=7). A sample size of 25 respondents was selected from “Total Shopping mall” in Bangalore, Karnataka using convenient sampling method.

Focus group discussion with 15 respondents belonging to the mentioned age group was used to co-create the package. In the chosen experimental design questionnaire was used to measure each respondents purchase decision making process, their satisfaction levels and loyalty. Feedback was taken on mentioned dimensions customers about a Holiday Package created by company alone and feedback was taken again from same customers about a Holiday Package which company co-created along with customers. “Wilcoxon matched-pairs signed-ranks test” was used to measure difference in opinion of consumers about non co-created product and co-created product.

Hypothesis framed for the second part of the study are mentioned below:

- H<sub>7</sub>: Co-creation process has no influence on consumer purchase decision making process
- H<sub>8</sub>: Satisfaction is not an increasing function of a co-created product
- H<sub>9</sub>: Brand loyalty is not an increasing function of satisfaction of a co-created product

**RESULTS & DISCUSSION**

**Results & Discussion of the first part of the study**

Customers’ interest towards co-creation process was measured using questionnaire having close ended questions related to their demographic details (Please refer Appendix 1 for questionnaire). The respondents were classified as highly interested, moderately interested and low interested based on overall score of their opinion using (+ -) 0.5 (SD).

Testing Hypothesis H1: There is no significant relationship between age group of the respondents and their interest in collaborating with companies to co-create a new product.

Table 1: Cross Tabulation of Age of respondents and Respondents Perception towards co-creation

Age	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
20 to 35 yrs	7	10	19	25	49	65	75	100
35 to 50 yrs	15	20	38	50	22	30	75	100
Above50 yrs	27	55	15	30	8	15	50	100
Total	49	24.5	72	36	79	39.5	200	100

Table 2: ANOVA Table

	Sum of Squares	df (n-1)	Mean Square	F	Sig
Between Groups	1232.480	3	410.75	8.44	.000
Within Groups	9999.520	196	50.87		
Total	11232.000	199			

Table 1 & Table 2 show the relationship between age and customers’ interest in the co-creation process at 5% level of significance. Table 1 shows that majority of respondents who are in the age group of 20-35 yrs (65%)

are highly interested in involving with companies for the co-creation process. Majority of respondents who are in the age group of 35 to 50 years(50%) are moderately interested in the co-creation process, majority of

respondents who are in the age group of above 50 years(55%) are having low interest in the co-creation process. Table 2 shows that at 5% significance level with the value of .000, there is significant relationship between age of respondent and their interest towards collaborating

with companies on the co-creation process. Hence hypothesis H1 is rejected. Testing Hypothesis H2: There is no significant relationship between gender of the respondents and their interest in collaborating with companies to co-create a new product

Table 3: Cross Tabulation of Gender of respondents and Respondents Perception towards co-creation

Gender	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
Male	15	20	46	30	91	60	152	100
Female	10	20	24	50	14	30	48	100
Total	35	27.5	70	35	105	52.5	200	100

Table 4: Independent samples test

T	df	Sig. (2-tailed)
-2.8360	198	.007

Table 3 & Table 4 show the relationship between gender and customers' interest in the co-creation process at 5% level of significance. Majority of male respondents (60%) are highly interested in the co-creation process and majority of female respondents (50%) are moderately interested in the co-creation process. Table 4 shows that there is significant relationship between gender of the

respondents and their interest towards collaborating with companies on the co-creation process. Hence hypothesis H2 is rejected.

Testing Hypothesis H3: There is no significant relationship between educational background of the respondents and their interest in collaborating with companies to co-create a new product.

Table 5: Cross Tabulation of Educational qualification of respondents and respondents Perception towards co-creation

Educational Qualification	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
School Level	6	15	10	25	25	60	41	100
Undergraduate	25	30	31	35	31	35	87	100
Postgraduate	22	30	39	55	11	15	72	100
Total	53	26.5	80	40	67	33.5	200	100

Table 6: ANOVA Table

	Sum of Squares	df (n-1)	Mean Square	F	Sig
Between Groups	634.160	2	162.530	3.224	.016
Within Groups	10597.840	197	58.143		
Total	11232.000	199			

Table 5 & table 6 show the relationship between the educational qualification and customers' interest in the co-creation process at 5% level of significance. Majority of respondents (60%) who have school level education are highly interested in the co-creation process. Majority of respondents having undergraduate level of education have both highly (35%) as well as moderately interested (35%) in the co-creation process. Majority of respondents having postgraduate level of education are moderately (55%) interested in the co-creation process. Table 6 states that at

5% level of significance and with value equal to .016 there exists significant relationship between educational background of the respondents and their perception towards collaborating with companies on the co-creation process. Hence hypothesis H3 is rejected.

Testing Hypothesis H4: There is no significant relationship between residing area (urban/rural) and their interest in collaborating with companies to co-create a new product.

Table 7: Cross Tabulation of residing area (urban/rural) of respondents and respondents Perception towards co-creation

Residing area	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
Urban	15	35	46	25	91	40	160	100
Rural	10	40	24	20	14	40	40	100
Total	35	27.5	70	35	105	52.5	200	100

Table 8: Independent Sample Test

T	Df	Sig. (2-tailed)
.0098989	198	.998

Strategic application of Co-creation

Table 7 & table 8 show the relationship between the residential area and customers' interest in the co-creation process at 5% level of significance. Majority of respondents who reside in urban area (40%) are highly interested in the co-creation process and majority of respondents who reside in rural area (40%) have low as well high interest in the co-creation process. Table 8 states that at 5% level of significance with value of .992, there is

no significant relationship between residing area of respondents and their perception towards the co-creation process. Hence, hypothesis H4 is accepted. Testing Hypothesis H5: There is no significant relationship between occupation of the respondents and their interest in collaborating with companies to co-create a new product

Table 9: Cross Tabulation of occupation of respondents and their perception towards co-creation

Occupation	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
Students	9	35	10	40	6	25	25	100
Professional	18	50	12	35	5	15	35	100
Govt. employee	12	30	15	35	15	35	42	100
Private employee	14	30	12	25	22	45	48	100
Business	12	25	15	30	23	45	50	00
Total	65		64		71		200	100

Table 10: ANOVA Table

	Sum of Squares	df (n-1)	Mean Square	F	Sig
Between Groups	914.417	4	253.604	4.42	.002
Within Groups	10317.583	195	50.808		
Total	11232.000	199			

Table 9 & table 10 show the relationship between the occupation and customers' interest in the co-creation process at 5% level of significance. Majority of business people (45%) and private employees (45%) are highly interested in the process of co-creation. Majority of Government people (35%) have both moderate as well as high interest in the co-creation process. Majority of professionals (50%) have low interest in the co-creation process and majority of students (40%) have moderate

interest in the co-creation process. Table 10 states that at 5% level of significance with value of .002, there is significant relationship between occupation of respondents and their perception towards the co-creation process. Hence, hypothesis H5 is rejected. Testing Hypothesis H6: There is no significant relationship between income of the respondents and their interest in collaborating with companies to co-create a new product.

Table 11: Cross Tabulation of income of respondents and respondents Perception towards co-creation

Income	Low		Moderate		High		Total	
	No.	%	No.	%	No.	%	No.	%
< 10,000	14	55	6	25	5	20	25	100
10,000-25,000	18	25	38	50	19	25	75	100
25,000-40,000	15	25	23	40	20	35	58	100
40,000-55,000	9	35	7	25	11	40	27	100
>55,000	0	0	0	0	15	100	15	00
Total	56	28	74	37	70	35	200	100

Table 12: ANOVA Table

	Sum of Squares	df (n-1)	Mean Square	F	Sig
Between Groups	851.833	4	220.604	3.890	.004
Within Groups	10400.167	195	51.808		
Total	11232.000	199			

Table 11 & Table 12 show the relationship between the occupation and customers' interest in the co-creation process at 5% level of significance. Majority of people earning less than Rs.10, 000(55%) are less interested in the co-creation process. Majority of respondents earning between Rs. 10,000 – Rs.25,000 (50%) and between Rs.25,000- Rs. 40,000 (40%) are moderately interested in the co-creation process. Majority of respondents earning

between Rs. 40,000- Rs.55,000 (40%) and more than Rs.50,000 (100%) are highly interested in the co-creation process . Table 12 states that at 5% level of significance with value of .004, there is significant relationship between income of respondents and their perception towards the co-creation process. Hence hypothesis H6 is rejected.

### Results and Discussion of the second part of the study

Customers' perception about the ease of purchase of a product, satisfaction levels and loyalty is measured by collecting responses on 15 statements (5 statements related to each of the three mentioned dimensions) with seven point likert scale such as strongly disagree-1 and strongly agree-7 (Please refer to Appendix 2 for details on questionnaire). Focus group discussion was used to co-create a new Holiday Package. Respondent's average

value of response on the five statements for each dimension was taken as final value for each of three mentioned dimensions. Customers' response was taken about the non co-created and on co-created Holiday Package. Wilcoxon matched-pairs signed-ranks test was performed on these responses given by sample of 25 respondents at the .05 level of significance.

Testing hypothesis H7: Co-creation process has no influence on consumer purchase decision making process

Table 13: Wilcoxon matched-pairs signed-ranks test result of purchase decision making process before and after co-creation process

Tp	Tn	T	T critical value
460	4	4	90

Table 13 shows that value of T is lesser than critical T-value at .05 level of significance, so hypothesis H7 is rejected

Testing hypothesis H<sub>8</sub>: Satisfaction is not an increasing function of usage of a co-created product

Table 14: Wilcoxon matched-pairs signed-ranks test of satisfaction levels before and after co-creation process

Tp	Tn	T	T critical value
417	29	29	90

Table 14 shows that value of T is lesser than critical T-value at .05 level of significance, so H8 hypothesis is rejected

Testing hypothesis H9: Brand loyalty is not an increasing function of satisfaction by usage of a co-created product

Table 15: Wilcoxon matched-pairs signed-ranks test of brand loyalty before and after co-creation process

Tp	Tn	T	T critical value
395	45	45	90

Table 15 shows that value of T is lesser than critical T-value at .05 level of significance, so hypothesis H9 is rejected

### CONCLUSION

Customers are guided by both rational and emotional responses towards involvement in co-creation process. Understanding customers' perception is very important for companies, since they have started adopting co-creation process but are not sure about the target segment which will be interested in collaborating with them. The first part of the study focused on understanding the influence of demographic variables on consumers' perception about the co-creation process. The demographic variables studied were age, gender, educational background, residing area, occupation and income. The study showed that age, gender, educational background, income and occupation of respondents have a significant relationship with their interest in collaborating with companies to co-create a new product. Also the study showed, there is no significant relationship between residing area (urban/rural) of the respondents and their interest in collaborating with companies to co-create a new product. This paper underlines the importance of taking demographic profile of the customers into account for engaging them in the co-creation process. This would lead to stronger and mutually beneficial engagement between customers and the company.

This paper has both theoretical and practical implications. Although organizations have already started investing in co-creation process they are not sure about the benefits they can reap out of it. To create an understanding about the benefits of the co-creation process, the study proposes a framework mentioned in Figure No. 1. Through the framework, this paper establishes and empirically tests the relationship between co-creation process, purchase decision making, satisfaction levels and brand loyalty. The data analysis validates that co-creation process makes the purchase decision making easier for consumers, which leads to greater satisfaction levels and increased brand loyalty. However, the sample size in the second part of the study is only 25 and future studies can focus on larger sample size. Influence of only six demographic variables on co-creation process was studied in this paper due to time constraint. Future studies can focus on studying influence of many other demographic variables on the co-creation process.

### REFERENCES

1. Ancona Deborah Glandstein & Cladwell David F(1992). Demography and design: Predictors of New product team performance. *Organization Science*. Vol. 3, Issue 3, 321-341

2. Awa Hart O. & Eze Sunday C (2010). Democracy and User Community Collaboration in Innovation: A Value Creation Paradigm in an Extended Enterprise. *International Business and Management*. Vol. 1, No. 1, 90-106
3. Bowden Jana Lay-Hwa (2009). The Process of Customer Engagement: A Conceptual Framework. *Journal of Marketing Theory and Practice*, Vol. 17, No. 1, 63–74.
4. Grundvag Geir Sogn and Ranæs Stein Arne, Gronhaug Kjell & Gray Brendan(2009).Co-Creating Value in a Retail Market Setting. *Journal of Food Products Marketing*, 15:1–14
5. Perks Helen(2004), Exploring Processes of Resource Exchange and Co-Creation in Strategic Partnering for New Product Development. *International Journal of Innovation Management*. Vol.8, No.1, March, 37-61
6. Prahalad C.K. & Ramaswamy Venkatram (2004). Co-creation Experiences : The next Practice in Value Creation. *Journal of Interactive Marketing*. Vol.18, No.3,5-14
7. Rajah Edwin, Marshall Roger & Nam Inwoo (2008). Relationship Glue: Customers and Marketers Co-Creating a Purchase Experience. *Advances in Consumer Research*. Vol. 35, 367-375
8. Ramaswamy Venkatram & Prahalad C.K.(2000).Co-opting Customer Competence. *Harvard Business Review*, January- February, 79-87
9. Ramaswamy Venkatram & Prahalad C.K.(2004).Co-creating unique value with customers. *Strategy & Leadership*.Vol. 32, No. 3, 4-9
10. Spohrer Jim & Maglio Paul P. (2008). The Emergence of Service Science: Toward Systematic Service Innovations to Accelerate Co-Creation of Value. *Production and Operations Management Society*. Vol. 17, No. 3, May–June, 238–246
11. Swaminathan Vanitha, Lepkowska-White Elzbieta & Rao Bharat P(2006). Browser and Buyers In Cyberspace? An investigation of factors influencing Electronic Exchange. *Journal of Computer Mediated Communication*. Vol. 5, Issue 2
12. Zwass Vladimir(2010).Co-Creation: Toward a Taxonomy and an Integrated Research Perspective.*International Journal of Electronic Commerce*, Fall 2010, Vol. 15, No. 1,11–48.
13. McKinsey Quarterly Review (2011) [http://www.mckinseyquarterly.com/Were\\_all\\_marketers\\_now\\_2834](http://www.mckinseyquarterly.com/Were_all_marketers_now_2834)

## APPENDIX

### APPENDIX No. 1:

Questionnaire used for the first part of the study  
In the backdrop of companies taking initiative to co-create new offerings by collaborating with customers this questionnaire is used to take your feedback for future opportunities that companies can explore in co-creation

Q. What is your Gender?

- Male
- Female

Q. What is your residence area?

- Urban
- Rural

Q. In which year were you born?

Q. What is the highest degree or level of school you have completed? If currently enrolled, mark the previous grade or highest degree received.

- School level
- Undergraduate
- Post-graduate

Q. Please describe your work.

- Student
- Professional
- Government employee
- Private employee
- Business man

Q. What is your total household income?

- Less than Rs. 10,000
- Rs. 10,000 to Rs.25,000
- Rs. 25,000 to Rs. 40,000
- Rs. 40,000 to Rs. 55,000
- Greater than Rs. 55,000

Q. Will you be interested in interacting with company to create a new product?

- Yes
- No



**APPENDIX 2:** Questionnaire used for the second part of the study

Please indicate the extent, to which you agree or disagree to the following statements by writing an appropriate number in the box opposite each statement, where:

Strongly Agree  Strongly Disagree

1      2      3      4      5      6      7

- |  |   |
|--|---|
| 1 I would highly recommend this new product to my friends.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 2 In my relationship with company, I counted it to do what is right.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 3 It is risky to change this product as it may not be as good .....  | <input style="width: 60px; height: 20px;" type="text"/> |
| 4 The probability that I will use this product again in future is very high.....                                   | <input style="width: 60px; height: 20px;" type="text"/> |
| 5 Overall, I am pleased with the value I got out of this product .....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 6 My relationship with this specific company is very strong.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 7 As long as the present service continues, I doubt that I would switch from this product.....                     | <input style="width: 60px; height: 20px;" type="text"/> |
| 8 The product meets my expectations.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 9 My relationship with this company is very important to me.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 10 In the future I intend to use more of the products offered by this company.....                                 | <input style="width: 60px; height: 20px;" type="text"/> |
| 11 I think I did the right thing when I took up the products provided by this<br>company.....                      | <input style="width: 60px; height: 20px;" type="text"/> |
| 12 I intend to continue using this product over some time.....   | <input style="width: 60px; height: 20px;" type="text"/> |
| 13 If I had to do it over again, I would still engage with this company.....                                       | <input style="width: 60px; height: 20px;" type="text"/> |
| 14 I would lose a comfortable relationship with my current service provider if I change to another<br>company..... | <input style="width: 60px; height: 20px;" type="text"/> |
| 15 The company really went out of its way to work with the customer.....   | <input style="width: 60px; height: 20px;" type="text"/> |

**Symbols :**

% - Percentage

df - Degree of freedom

T- t- distribution value