

Lauri Laaksonen

**Co-creating group  
as a resource for  
customers' value  
formation in a  
complex service**

A case study on provider-driven joint building ventures



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<b>Julkaisun nimi</b> Yhteisluova ryhmä resurssina asiakkaiden arvonmuodostumisessa monimutkaisessa palvelussa – tapaustutkimus konsulttivetoisesta ryhmärakennuttamisesta		
<b>Tiivistelmä</b> Edistääkseen asiakasarvonmuodostumista, yritykset entistä kompleksisimmilla toimialoilla kutsuvat asiakkaita mukaan tarjoaman yhteisluomiseen. Tämän myötä syntyy palveluita, joissa mukana on samanaikaisesti useita toimijoita. Hyvä esimerkki tästä on ryhmärakennuttaminen (RR), joka on inspiroinut tätä tutkimusta. Tällaisen ryhmän kompleksisuus saa kysymään, miten asiakkaille voidaan varmistaa positiivinen arvonmuodostuminen? Teoreettisesti tutkimus tukeutuu pääosin palvelumarkkinointiin (PM) ja erityisesti asiakaskeskeiseen näkökulmaan (CDL), jonka perusteella oletetaan, että asiakas toimii oman logiikkansa ohjaamana ja että arvo muodostuu aktiviteeteista syntyvistä kokemuksista. Aktiviteetit nähdään tutkimuksessa resurssien integroimisena. Tutkimuksen tarkoituksena on luoda ymmärrystä siitä, miten yhteisluovasta ryhmästä voi tulla resurssi asiakkaiden arvonmuodostumisessa monimutkaisessa palvelussa. Työssä käytetään abduktiivista tapaustutkimusmetodologiaa yritysvetoisessa RR-kontekstissa. Aineistonkeruumenetelmät ovat asiakkaiden narratiivihaastattelut sekä RR-tilaisuuksien havainnointit. Tulosten pohjalta tunnistettujen asiakaslogiikkojen avulla osoitetaan yhteisluovan ryhmän monimuotoinen resurssipotentiaali asiakkaille (Tutkimuskysymys 1). Lisäksi tunnistetaan kriittisiä ehtoja, jotka vaikuttavat ryhmän muotoutumiseen resurssiksi asiakasarvonmuodostumisessa (Tutkimuskysymys 2). Näitä ovat mm. logiikkojen ja roolien yhteensopivuus sekä asiakkaalle sopiva kommunikaatio. Suostuttelu ja sosiaalisten roolien käyttö resurssina asiakkaiden välisissä suhteissa sekä asiakkaiden relevantti ymmärrys ja projektin loppuunsaattaminen eri arvonlähteineen ilmenevät myös tärkeinä ehtoina. Tuotetut 12 propositiota luovat uutta ja jäsentynyttä ymmärrystä PM:n ja erityisesti CDL:n asiakasarvonmuodostukseen liittyvään teoriankehitykseen. Keskeisinä kontribuutioina ovat syvällisempi ymmärrys asiakaslogiikoista ja niiden suhteesta arvonmuodostumiseen sekä rikastettu ymmärrys arvon yhteisluomisesta. Liikkeenjohdolliset implikaatiot liittyvät asiakasarvonmuodostumisen edistämiseen yleisemmin ja tarjoaman yhteisluomisessa. Ideat jatkotutkimusaiheiksi kiinnittyvät asiakaslogiikkoihin ja yhteisluomiseen.		
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<b>Abstract</b> To enhance customer value formation, firms in increasingly complex industries are inviting customers to co-create offerings. This leads to services involving several actors simultaneously. A good example is a joint building venture (JBV), which has inspired this study. The complexity of this kind of group makes one question how to secure positive value formation for the customers. This study is theoretically mainly anchored in service marketing (SM) and especially in the customer dominant logic (CDL). Based on that, the assumption is that a customer acts guided by her logic and that value is formed from the experiences emerging out of her activities. Activities are in this study seen as resource integration. The purpose of this study is to generate understanding on how a co-creating group may become a resource for customers' value formation in a complex service. Abductive case study methodology in a provider-driven JBV context is applied. The main data collection methods are narrative interviews with customers and observations of JBV-sessions. Customer logics identified from the data are utilized to illustrate the multifaceted resource potential of a co-creating group (RQ1). In addition, various critical conditions are found to influence the group becoming a resource for customer value formation (RQ2). These are e.g. the congruence between logics and roles and communication in accordance with customers' desires. Persuasion and the use of social roles as resources in the customers' relations as well as the customers' understanding and the completion of the project with varying sources of value also emerge as focal conditions. The generated 12 propositions provide novel and elaborated understanding to the theory building on customer value formation in SM and especially the CDL. Focal contributions are the deepened understanding on customer logics and their relation to value formation as well as the enriched understanding on value co-creation. The managerial implications relate to the enhancement of customer value formation generally and in the co-creation of offerings. The ideas for future research concern customer logics and co-creation.		
<b>Keywords</b> Co-creation, co-creating group, customer centricity, customer-dominant logic, customer logic, customer resources, customer value formation, service marketing, value co-creation		



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## Contents

ACKNOWLEDGEMENT .....	VII
1 INTRODUCTION .....	1
1.1 The intriguing phenomenon of provider-driven JBV .....	3
1.2 Theoretical relevance of studying group-based co-creation .....	6
1.3 Purpose of the study.....	10
1.4 Positioning of the study.....	13
1.5 Key concepts .....	19
1.6 Structure of the study .....	21
2 THE PROCESS OF CUSTOMER VALUE FORMATION.....	24
2.1 The experience-based approach to customer value determination.....	27
2.1.1 The nature of customer experiencing in contemporary service marketing .....	30
2.2 Experiences emerge out of resource integrating activities.....	36
2.3 Dynamic customer resources .....	40
2.3.1 The dynamic nature of resources .....	40
2.3.2 Resource categorizations and offerings as bundles of resources .....	42
2.3.3 Social roles as resources .....	45
2.3.3.1 Social roles as a resource for stability .....	47
2.3.3.2 Social roles as a resource for change.....	48
2.3.4 Learning in order to strengthen and increase understanding on resources and their integration ...	50
2.4 A customer's logic guiding the value creating activities .....	53
2.5 Customer ecosystem as the context of relevance .....	56
2.6 Summary on customer value formation.....	57
3 GROUPS AS RESOURCES FOR CUSTOMER VALUE FORMATION .....	59
3.1 Arguments for the utilization of small group theory to conceptualize a co-creation group .....	60
3.2 Focal constituents of a group .....	62
3.3 Nature of groups as complex, adaptive, dynamic, bounded and coordinated systems .....	67
3.4 Group formation and functioning .....	69
3.4.1 Planning and managing a co-creating group.....	70
3.4.2 Value co-creating activities between members in order to serve a group's purposes.....	74
3.4.3 Focal processes underlying value co-creation activities .....	77
3.4.3.1 Relating .....	79
3.4.3.2 Communicating .....	82
3.4.3.3 Knowing .....	87
3.4.3.4 Accessing .....	91
3.4.3.5 Summarizing on the focal value co-creation processes .....	91

3.5	Group-related dynamics at a local-, global- and contextual level .....	95
3.5.1	Local dynamics within a co-creation group .....	95
3.5.2	Global variables and dynamics emerging from local activities .....	97
3.5.3	Dynamics and possibilities for tensions within a co-creation group .....	98
3.5.4	Contextual dynamics influencing the functioning of the group.....	100
3.6	Summarizing on the co-creating group as a resource for customers' value formation .....	102
4	METHODOLOGY .....	108
4.1	Positioning the study in the world of philosophy of science .	108
4.1.1	Underlying philosophical assumptions .....	109
4.1.2	Paradigmatic positioning with regard to underlying assumptions .....	112
4.1.3	Anchored in the crossroad between phenomenology and hermeneutics .....	115
4.1.3.1	Hermeneutic phenomenology .....	117
4.1.4	Paradigms in the field of service research .....	121
4.2	Case study methodology with focus on systematic combining.....	122
4.2.1	Adopting case study methodology - different paths .....	123
4.2.1.1	Opposing - non-positivistic - views to traditional case research.....	124
4.2.1.2	Case study research through systematic combining .....	127
4.3	Conducting the study .....	129
4.3.1	Finding the phenomenon of interest .....	129
4.3.2	Justifications for focusing on a particular case .....	131
4.3.3	Methods for data collection.....	134
4.3.3.1	Narrative interviews .....	135
4.3.3.2	Non-participant observations .....	140
4.3.4	Analyzing collected data .....	143
4.3.4.1	Analyzing narratives .....	145
4.3.4.2	Analyzing observations.....	147
4.3.4.3	Content analysis of the data.....	148
4.3.5	The evolving case - directing and redirecting .....	150
4.3.6	Assessment of the quality of the study.....	154
5	ANALYSIS .....	159
5.1	The structures of the provider-driven JBVS analyzed .....	160
5.1.1	Company X's business logic in relation to the project's phases.....	164
5.1.2	Ecosystem's influence on the planning and proceedings of a JBV .....	166
5.2	Participating customers' value creating desires - a focus on customer logics .....	168

5.2.1	How to identify and categorize customer logics ....	169
5.2.1.1	Scope of customer goal(s) .....	171
5.2.1.2	Way of behaving.....	173
5.2.1.3	Matrix for the positioning of customer logics .	174
5.2.2	Identified customer logics .....	176
5.2.3	The need to concretize.....	215
5.3	The customer-group interchange – a focus on logics in relation to roles and on value co-creation through interaction .....	221
5.3.1	Customers’ logics in relation to their roles .....	222
5.3.1.1	Proposed customer roles in the case .....	224
5.3.1.2	Customer logics in relation to customer roles	231
5.3.1.3	The role-related (dis)confirmation of expectations	245
5.3.2	The demanding nature of intra-group communication .....	246
5.3.3	Customers in relation to other customers in the group.....	253
5.3.3.1	Interplay between different customer logics as double-edged swords .....	254
5.3.3.2	The division of workload between basic customers and the board and its influence on customer value formation .....	256
5.3.3.3	Similar roles, differing positions when negotiating what is of value.....	260
5.3.3.4	The outsider-customers in the groups.....	263
5.3.3.5	The importance of informal group-activities ...	265
5.4	Influence on customer value formation beyond the customer-group interchange .....	267
5.4.1	Middlemen as messengers between customers and outside actors directly linked to the focal service ..	269
5.4.2	Middlemen as gatekeepers between customers and outside actors directly linked to the focal service ..	271
5.4.3	Middlemen and outside actors pivotal for customer’s broader service process .....	274
5.5	Expected and unexpected sources of value in the project as a whole .....	283
5.5.1	The (dis)confirmation of expectations concerning the service process .....	283
5.5.2	The extraordinary experience of a JBV process .....	286
5.6	Summary on identified aspects that influence customer value creation and formation in the case.....	290
6	DISCUSSIONS.....	294
6.1	A co-creation group’s resource potential based on customers’ logics. ....	294
6.1.1	Group as a varying resource for customers based on their logics.....	295
6.1.2	The dynamism of customer logics and a group’s resource potential .....	300

6.2	Conditions enabling or hindering a co-creation group becoming a resource .....	302
6.2.1	The interplay between customer logics and roles ..	304
6.2.1.1	The relations between participating customers' logics and roles in a group.....	306
6.2.2	Communication involving gatekeeping/-opening in relation to a customer's desires .....	310
6.2.3	The importance of enhancing customer learning in relation to three proposed levels of understanding	314
6.2.4	The managing actor's role in relation to customers' desires.....	318
6.2.5	Evolving power relations between customers .....	322
6.2.5.1	Customers use of outside social roles to alter social positions or gain social roles.....	322
6.2.5.2	The important role of persuasion in group-based customer value creation and formation .....	323
6.2.5.3	Introducing the concept of value negotiation ..	325
6.2.6	Completing the group project – the role of expected and unexpected issues in influencing customer value formation.....	326
7	SUMMARY OF FINDINGS AND CONCLUSIONS.....	330
7.1	Summary of findings in relation to the purpose of this study	330
7.2	Theoretical implications .....	336
7.2.1	The customer as a goal-driven value creator .....	336
7.2.2	A foundation for understanding co-creating groups .....	340
7.2.3	Focal processes for the enhancement of customer value formation.....	341
7.3	Managerial implications .....	347
7.3.1	General implications with regard to the enhancement of customer value formation .....	347
7.3.2	Focal activities and processes in the management of co-creating groups .....	349
7.3.3	Dynamic and purpose-related facilitation of a co-creating group .....	353
7.3.4	The potential of group-based co-creation .....	357
7.4	Limitations and avenues for future research .....	358
7.4.1	Limitations of the study .....	358
7.4.2	Avenues for future research .....	359
	REFERENCES .....	365
	APPENDICES.....	391

## Figures

Figure 1.	Positioning of the study in the academic field of marketing and highlighting influencing fields.....	13
Figure 2.	Main positioning of the study with regard to the different logics found within service marketing .....	18
Figure 3.	The structure of this study .....	23
Figure 4.	Different forms of value formation for customers based on intentionality and routine. ....	38
Figure 5	Potential types of customer goals in to the co-creation of offerings with examples .....	55
Figure 6.	Conceptualization of a customer's value formation process .....	58
Figure 7.	The group coordination network and its constituents as a part of the customer's value formation.....	66
Figure 8.	Direction of communication with related processes .....	86
Figure 9.	Value co-creation through interaction.....	92
Figure 10.	Value co-creation through presence .....	93
Figure 11.	Three levels of dynamics affecting the group's activities and development .....	95
Figure 12.	Conceptualization of a co-creating group as a resource	103
Figure 13.	Theoretical framework .....	106
Figure 14.	Elaborated value chart based on Medberg .....	139
Figure 15.	Company X's proposed business logic with regard to the three pivotal phases of the JBV project .....	166
Figure 16.	Different customer logics identified from the case.....	175
Figure 17.	The level of desire to influence.....	176
Figure 18.	The high relativeness and contextuality within the case	220
Figure 19.	Identified and hypothetical customer roles in case .....	223
Figure 20.	Proposed 'best fit' between proposed customer logics and the basic customer role .....	237
Figure 21.	Proposed 'best fit' between proposed customer logics and the developer role .....	242
Figure 22.	The proposed influence of fit between logic and role, and role expectation and -realization on customer value formation.....	246
Figure 23.	Proposed complex nature of communication during JBV in relation to customer value formation.....	253
Figure 24.	Summary of identified focal aspects in co-creating groups influencing customer value creation and formation .....	291
Figure 25.	The dimensions from which the co-creating group's resource potential for the customers may be constructed.....	296
Figure 26.	The identified dynamism with regard to customer logics in the case .....	301
Figure 27.	The relation between logics and roles in a group-based service like JBV .....	307
Figure 28.	The focal characteristics of communication in a group-based service .....	312

Figure 29.	The three levels of relevant understanding based on the analyzed case. ....	317
Figure 30.	Desired role of the managing actor based on the proposed customer logics in the case .....	321
Figure 31.	Focal aspects in understanding how the co-creating group may become a resource for customers' value formation.....	331
Figure 32.	Focal management processes, functions and activities in relation to management of group-based co-creation.....	352
Figure 33.	The nature of facilitation in relation to the type and degree of innovation .....	355
Figure 34.	The managerial complexity related to JBV simply illustrated with the help of the metaphor of writing a story .....	356

## Tables

Table 1.	Categorizations of approaches to customer value determination in literature reviews.....	26
Table 2.	Overview of subcases.....	133
Table 3.	Proposed customer logics with examples of customers from the analyzed case .....	177
Table 4.	Brief descriptions of each proposed customer logic .....	214

## Abbreviations

CDL	Customer dominant logic
DG	Development group
DGP	Development group phase
GD	Goods dominant logic
HC	Housing cooperative
JBV	Joint-building venture
SL	Service logic
SDL	Service dominant logic

# 1 INTRODUCTION

Enhancing customer value formation has for a long time been seen as pivotal for successful business according to marketing literature (e.g. Slater & Narver, 1994; Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström & Andersson, 2010). Looking at how this is taking place in practice, it is evident that intriguing developments have been taking place with, for instance, an increasing emphasis being put on access instead of ownership (Prahalad & Ramaswamy, 2002). Traditionally, product ownership has been seen as a prerequisite for value formation to take place; however, with focus put on access, there is no ownership of a product required for the customer to experience the value of the product. In the beginning of the 21<sup>st</sup> century, Prahalad and Ramaswamy (2002) found, for instance, car-sharing services deploying this logic and discussed the music industry as an example of an industry where there would be potential for this type of business. Since then, Spotify has revolutionized the music industry with their 'pay for access to an almost indefinite amount of music' type of service and Netflix followed by others has done the same for movies and TV series. These types of 'X-as-a-Service' businesses and business models have been introduced in many industries, however, giving customers access has not been limited to end-products as businesses in various industries are in an increasing manner offering customers the possibility to become more involved in (i.e. giving access to) processes outside of the traditional service encounter (Piller, Ihl & Vossen, 2011; Oertzen, Odekerken-Schröder, Brax & Mager, 2018).

In their work on the co-creation of service, Oertzen et al. (2018) find from literature that co-creation between customers and providers can take place as co-ideation, co-valuation, co-design, co-test, co-launch, co-production, and co-consumption, thus reflecting the various phases in which the customer may be actively engaged with the provider. One of the major areas that has developed with regard to this is the engagement of customers in the innovation and development of offerings with activities, such as, shaping and even creating the products and services the customers use and sharing ideas for new offerings to the firms (e.g. Piller et al., 2011). With focus on these types of processes, what seems to have taken place more recently in some businesses and industries is a change from facilitating or co-creating value with individual customers to value co-creation taking place in groups involving several customers. It has been recognized in, for instance, innovation research that besides user innovation also open collaborative innovation is challenging the traditional 'firm as innovator' model or mindset (Baldwin & von Hippel, 2011). A related and increasingly popular concept to this is crowdsourcing, which broadly put refers to an online activity in which a group

of individuals voluntarily participate to conduct a task (Estellés-Arolas & González-Ladrón-de-Guevara, 2012). Barilla, a highly innovative Italian food producer, is a good example of a business utilizing this as they have a web-platform through which customers can propose ideas for new products (Martini, Massa & Testa, 2012). There are also businesses that act as platforms making it possible for providers to benefit from the wisdom of the crowds; for instance, InnoCentive (2021), which was formed in 2001, is one of the leading global platforms for this type of activity with over 390 000 solvers in their network and over 2000 challenges that have been run. It is fair to state that inviting outsiders to ideate has become increasingly popular (Verganti, 2016).

Going into more intensive collaborative processes, as a part of their new Smart Technology Hub in Vaasa, Wärtsilä are piloting the Smart Partner Campus where they invite stakeholders (partners, customers, suppliers, researchers, other companies and actors) to co-create and innovate together (Wärtsilä – Smart Technology Hub, 2021). Besides it being a quite complex business, it seems that the actors are intended to collaborate around certain subjects as opposed to merely acting individually. Besides businesses, also, for instance, municipalities are increasingly relying on this type of co-creation as they are introducing citizen engagement programs. As an example of this is the Horizon 2020 project called IRIS, which has citizen engagement as one of the main transition tracks (themes) and it cuts through all the other transition tracks (The IRIS Smart Cities Consortium, 2017). Generally speaking, citizen (public) engagement seems to have a focal role in many of the contemporary EU funded projects especially concerning smart cities. It may also be noted that the utilization of co-creating groups (co-creation groups) is not only taking place in innovation-related settings, but also in the consumption of offerings.

In the office-space business, co-working is a phenomenon that has grown rapidly over the last decade and what is striking about it is that it is not merely about sharing the office spaces and other infrastructure and costs, but perhaps even more importantly, it is also about belonging to a community (Coworker, 2018; Spreitzer, Bacevice & Garrett, 2015). Referring to the Coworking Manifesto, Spreitzer et al. (2015) state that “[i]t clearly articulates the values that the coworking movement aspires to, including community, collaboration, learning, and sustainability” and based on that the authors note that “it’s not simply the case that a person is going to work; they’re also part of a social movement.”. WeWork, one of the largest businesses offering co-working spaces with the aim to build a global community (WeWork, 2021), has extended their brand to housing where WeLive now (WeLive, 2021) “offers privacy within your home and community within your



reach” in New York and DC Area. Consequently, it may be argued that firms in various industries are relying on the wisdom and power of co-creating groups.

What seems to be characteristic for the development concerning the incorporation of co-creating groups is its introduction in increasingly complex settings. With regard to this, one of the most intriguing developments comes from the Finnish housing industry where group construction (directly translated from the Finnish term *ryhmärakennuttaminen*) projects or so-called joint building ventures (JBVs) have been introduced (Korpela, 2014). Found also in Germany (Seemann, Jahed & Lindenmeier, 2019) a JBV means in general that the inhabitants of the house (e.g. row-, townhouse or apartment building) are the constructors instead of a company (or some other usual actor). Although this method has been utilized previously, the Finnish market for new housing has been rather conservative for several decades with big companies as developers building apartments and selling them to customers (Krokkfors, 2010), however, during the last decade there seems to have been an increasing interest towards JBVs (Korpela, 2014). Similarly in Germany, JBVs seem to previously have been unique exceptions that are now gaining more traction (Seemann et al., 2019).

Looking more specifically at Finland, it can be said that today with a distinct law for JBVs (*Ryhmärakennuttamislaki 190/2015*) from 2015, an association for those interested in this type of housing construction (*Ryhmärakennuttajat ry*, 2013) and examples of successful projects, as well as the support for this in Finland’s Government Program from 2019 (*Ryhmärakennuttajat ry*, 2019), the housing market is expected to see more of the JBVs. When it comes to the ways in which these JBVs are organized, there are both customer- and provider-driven types (Korpela, 2014). In the former, people sharing, for instance, same interests and desires come together and form the group starting the JBV, while in the latter form there is a business acting as the consultant offering the JBV as a service and thus establishing and managing the project. Going back to the core idea of successful business being dependent on its ability to enhance customer value formation and reflecting on in relation to the latter form of provider-driven JBV, the particular service stands out as a highly interesting.

## 1.1 The intriguing phenomenon of provider-driven JBV

What makes provider-driven JBV particularly exciting is its high complexity in relation to what is striven for. First of all, at the center of the service is a group consisting of customers, however, when dealing with a service it may be presumed that representatives of the focal provider and possibly other actors are involved in

the co-creation, meaning that the groups is complex in itself (Arrow, McGrath & Berdahl, 2000). Instead of a customer-provider dyad being at the heart of the focal service, there is a system of actors consisting of several interlinked dyads that become triads and so on. Importantly, this group of actors is dependent on each other in order to complete the project (Arrow et al., 2000; Seeman et al., 2019). In addition, as individuals, groups nor services exist in isolation (e.g. Arrow et al., 2000; Heinonen & Strandvik, 2015; Vargo & Lusch, 2016) the surrounding ecosystem needs to be accounted for and in the case of JBV there are presumably several actors and institutions linked to the co-creating group. Architects and designers, construction-related providers, banks and other financial institutions, the municipality as well as legislation are examples of actors presumed to be linked to the JBV and hence increasing the complexity the phenomenon.

Going beyond the mere amount of actors involved or linked to the process, also the potential diversity of these actors can be presumed to drive complexity in the phenomenon. As Harris and Sherblom (1999: 9) state regarding small groups and the activities they are occupied with, each member brings with them their “own definition, interpretation, personal history, and judgement”, which in other words means that as each actor views the world in her own way and operates with her own logic (Heinonen & Strandvik, 2015). Hence, a group may consist of a mixture of diverse needs, wants, goals, opinions, ideas and so on. Importantly, when it comes to goals, groups exist in order to fulfil them both on an individual as well as a collective level (Arrow et al., 2000), which can be thought of as making the process more demanding. When it comes to goals in the particular context of this study, JBV and housing-related issues are characterized by a high involvement from the customers’ side, since buying an apartment is for many one of the biggest investment during their lives. When it comes to customers’ involvement in the project, Seeman et al. (2019) find that especially customer-driven JBV are time- and effort consuming, however, it may be also presumed that many of the customers’ involved in provider-driven JBV invest a lot of time and effort to the project.

In order to exemplify the scope of what may be valued by participating actors in co-creation processes, Mustak, Jaakkola, and Halinen (2013) find in their review on literature concerning customer participation in services that customers may gain economic value (e.g. convenience and cost reductions), but also value from better suiting offerings in relation to their needs and wants as well as in the form of better skills in acquiring more value from an offering. In addition to these findings, customers may be driven by the mere enjoyment from being part of the process as well as the social dimension when there are others involved (Füller, 2006; Fernandes & Remelhe, 2016). When it comes to the potential benefits of

JBVs, Seeman et al. (2019) have found cost effectiveness and customized solutions as well as the community spirit and commitment to emerge as focal, which is strongly linked to the previously mentioned sources of value. Importantly, when focus is on a service there is also a focal provider involved who is looking to make profitable business. More specifically, Mustak et al. (2013) find providers to benefit from customer participation through enhanced economic value (e.g. increased productivity and faster service recovery), relationship value (e.g. increased customer satisfaction, loyalty and trust) and value that relates to innovation/development (e.g. increased customization and enhanced innovation/development of offerings). Importantly, although there may be several potential benefits, customer participation in co-creation does not automatically entail positive value formation, but it may also lead to negative value outcomes for the involved parties (co-destruction of value) (Chan, Yim & Lam, 2010; Echeverri & Skålén, 2011; Mustak et al., 2013). In addition, as value is usually recognized as being multifaceted in nature (e.g. Holbrook, 1999; Sánchez-Fernández & Iniesta-Bonillo, 2007), there are arguably other factors that may be of importance for a customer's value formation.

When it comes to the differences that may exist between participating customers and other actors, the complexity of customer value formation and co-creation in a group-setting further increases when one recognizes the social influence that takes place. Even though value is ultimately a subjective matter in terms of its emergence, what is valued as well as how value is experienced is contextual with, for instance, the other customers or family members influencing the process of a customer's value formation (Arantola-Hattab, 2013; Heinonen, Strandvik & Voima, 2013). This social influence can be assumed to become even more intense in groups that are concerned with high involvement decisions and ownership as is the case here. Besides actual ownership in the traditional sense, one may also recognize psychological ownership (e.g. Pierce, Kostova & Dirks, 2003) as well as the so-called IKEA effect that implies customers' valuing self-made products more (Norton, Mochon & Ariely, 2012) as adding to the demanding and complex nature of the process. In addition, when there are actors, such as customers, who have not traditionally been taking part in the co-creation of offerings, the unfamiliarity of these processes and potential lack of knowledge are assumed to cause issues during the processes. This has been pointed out as characteristic particularly for customer-driven JBVs (Seeman et al., 2019), however, even though there is a consultant managing the project in a provider-driven JBV, the possible lack of relevant understanding concerning construction-related issues among customers may be assumed to cause issues. Considering these potential factors, there may be variation in participating customers' and other actors' logics, knowledge, skills, experiences and so on, which arguably makes the purpose of enhancing positive

value formation for each customer a rather demanding process with possibility for conflicts and tensions between actors.

Following these discussions, it may be found that group-based co-creation especially when it comes to JBV is not a simple process that always results in positive value for all parties involved, but instead it seems to be highly demanding in nature and it can result also in negative or neutral outcomes. Thus, a focal question of interest becomes how to make sure that each customer in a co-creating group gains positive value in this complex service. In this lies the empirical interest of this study and in order to be able to address it, the phenomenon needs to be linked to and problematized in relation to relevant literature.

## 1.2 Theoretical relevance of studying group-based co-creation

In order to enhance customer value formation in novel ways, firms are found to create services in which they invite customers to co-create offerings of which provider-driven JBV has been identified as a highly intriguing example. When it comes to the relevance of studying this phenomenon from a theoretical perspective within the field of marketing, it becomes evident that this thematic is particularly relevant concerning the ongoing discussions in the field of service marketing. Importantly, this is not merely due to the fact that focus is on a service, but also considering the developments that have taken place within the field and what is of contemporary interest.

As opposed to the traditional marketing management view on the firm being the creator and deliverer of value (e.g. Slater & Narver, 1994), scholars within contemporary service marketing often find that the locus of interest concerning value formation is found to be primarily outside of the provider's internal processes. This becomes evident especially in the increasing attention that has been put on value co-creation taking place between actors (e.g. Grönroos, 2008; 2011; Vargo & Lusch, 2004; 2008; 2016) and more recently on the customer as an independent value creator (e.g. Heinonen et al., 2010; Heinonen & Strandvik, 2015; 2018). However, this evolution is by no means documented as a shift from one perspective to another, but instead there is an ongoing debate between different perspectives or business logic. In simple terms, the traditional production- and provider-centric logic, often called the goods-dominant logic, has been challenged by the service-dominant logic (SDL) (Vargo & Lusch, 2004; 2008; 2016), the service logic (SL) (Grönroos, 2008; 2011; Grönroos & Voima, 2013) and the customer-dominant logic (CDL) (Heinonen et al., 2010; 2013; Heinonen &

Strandvik, 2015; 2018). What is common for these logics that have emerged is the deployment of a perspective where the customer is recognized as an active actor, as opposed to a passive recipient, in her endeavors for desired value formation as well as her experiences and perceptions of those activities and their outcomes. Basically, the customer is seen both as an active experiencer and creator of value, however, the scope and locus of value formation is emphasized differently in each logic.

When it comes to the locus of value formation, focus in service marketing research has traditionally been put on the customer-provider dyads (Mustak et al., 2013) and relating to the logics this is characteristic especially for the SL (Grönroos, 2008; 2011; Grönroos & Voima, 2013). Yet, the often systemic nature of value formation is being increasingly recognized also by service scholars (e.g. Akaka & Vargo; 2015; Akaka, Vargo & Schau, 2015; Heinonen and Strandvik, 2015; 2018; Vargo & Lusch, 2016; 2017; Voima, Heinonen, Strandvik, Mickelsson & Arantola-Hattab, 2011). The adoption of a systemic perspective in marketing-related fields has traditionally been characteristic for research in, for instance, business networks and consumer culture theory (for an overview on this see e.g. Heinonen & Strandvik, 2015; 2018). However, in recent years, systemic value formation in, for instance, health-care and B2B environments or (service) (eco)systems has received empirical interest (e.g. Breidbach & Maglio, 2016; Pinho, Beirão, Patrício & Fisk, 2014; Frow, McColl-Kennedy & Payne, 2016; Frow, McColl-Kennedy, Payne & Govind; 2019), thus relating to the contemporary interests found within the SDL (e.g. Vargo & Lusch, 2016).

While these above discussed studies focus on systemic value formation on an ecosystem-level and with particular emphasis on the provider-side, with the introduction of CDL there has emerged an increasing interest among service scholars to recognize the systemic value formation that the customer is at the center of (e.g. Heinonen & Strandvik, 2015; 2018; Voima et al., 2011). This involves first of all a recognition of the customer as the primary value creator for herself (Payne, Storbacka & Frow, 2008). By adopting a perspective often applied in SDL, a customer's value creating activities can be seen as taking place through resource integrating activities (e.g. Vargo & Lusch, 2008; Bruce, Wilson, Macdonald & Clarke, 2019). This means that a customer integrates and utilizes different resources in order to reach desired value; however, actual value formation may differ from the aspirations. Moreover, this view is linked to the proposedly focal concept of customer logic (i.e. the customer's sensemaking concerning how to reach her goals) (Heinonen & Strandvik, 2015). Importantly, although the relevance of customer logics has been argued for, the concept has been mostly discussed on a conceptual level without any empirical elaborations conducted.

With emphasis on the customer and her life, the customer ecosystem becomes a focal issue, as opposed to the service ecosystem, and within it, the different systems of actors that the customer may be part of and influenced by. Families (e.g. Epp & Price, 2008; 2011; Arantola-Hattab, 2013) and communities (e.g. Brodie, Ilic, Juric & Hollebeek, 2013; Gummerus, Liljander & Sihlman, 2017; Närvänen, Koivisto & Kuusela, 2019; Pongsakornrungsilp & Schroeder, 2011) are examples of larger customer units that have received scholarly interest. Sometimes these systems in fact form the larger customer unit of interest and the individual customer within can take on different roles (Voima et al., 2011). To exemplify, Arantola-Hattab (2013) has studied the family as the customer unit experiencing value, while Pongsakornrungsilp and Schroeder (2011) have studied how customers in co-consuming brand communities may take on different roles in the value co-creation. Apparently, the co-creating group is assumed to be crucial for the participating customers' value formation both when it comes to their desires, activities and experiences. Instead of focusing on value formation taking place in mere customer-provider dyads or in service ecosystems, the emphasis on groups and the customer-group relationship brings another complex and novel aspect (layer) to customer value formation that is relevant to account for in service research. However, although recognized as important, understanding customer value formation in relation to co-creating groups is still in its infancy in the field of service marketing. Besides there being a general need for more empirical research on the topic, looking at current literature on group-based co-creation in the field of service marketing, it seems that there is an obvious lack of a more comprehensive understanding concerning the structure, characteristics, dynamics and functioning of a group in relation to participating customers' value formation. In other words, with the previously addressed approach to value formation as being linked to a customer's resource integrating (i.e. value creating) activities, there is a lack of understanding on how a co-creating group may become a resource for participating customers' value formation.

When approaching the co-creating group as a resource for customer value formation, the concept of value co-creation is highly relevant. Although being a concept often utilized in service marketing research, value co-creation has received various interpretations concerning its scope and nature (Grönroos, Strandvik & Heinonen, 2015). Briefly put, while the stream of SDL views value as always being co-created (Vargo & Lusch, 2016), scholars belonging to SL and CDL view it in a more concrete way as a particular form of intentional value creation taking place between two or more actors (e.g. customer and provider) (Grönroos et al., 2015). Adding further complexity, even though these two latter streams are rather close with regard to their the underlying assumptions, SL emphasizes merely interactions as the basis for value co-creation, while CDL also includes presence as

a way of co-creating value (Grönroos et al., 2015; Heinonen & Strandvik, 2015). Reflecting on value co-creation in a group-setting, it is evident that when the customer-provider dyad is expanded into a system of customers and provider representatives, value co-creation is also taking place between the participating customers. With regard to the potential tensions discussed above, the process is presumably not always harmonious (e.g. debates involving different opinions). Emphasizing customer value formation holistically, it may be further added that value co-creation is not necessarily only bound to the customer-group/service interface. Consequently, the process of successful value co-creation becomes increasingly complex.

Drawing together on the discussed academic interests especially within the field of service marketing as well as the developments that have taken place in business and society, it is found that studying customer value formation in relation to group-based co-creation in a complex service is an important research topic to focus on. First, even though the interest in larger, systemic customer units (e.g. families and communities) has increased in recent years and co-creation has been studied in marketing and other fields (e.g. collaborative innovation communities, Piller et al., 2011) for quite some time, there seems to be lacking a holistic understanding of co-creating groups as complex systems with recognition for the various factors and dynamics that influence the participating customers' value formation. In other words, what is needed is a profound understanding regarding how a group may become a resource in participating customers' value formation. Second, concerning the study of groups within the field of service marketing, it is evident that while focus has been on social systems like families and communities, there has been less time devoted to studying groups that co-creating a group project characterized by high-involvement and investment from the customers' side.

Additionally, the analysis of co-creating groups in complex services offers potential to enrich understanding on concepts that emerge as relevant during the research process. With reference to what has been discussed in this chapter, it is, for instance, intriguing to find out whether different customer logics emerge and can be identified within the analyzed groups. In addition, recognizing the ongoing debate and elaboration on value co-creation that is taking place, the study on customer value formation in relation to co-creating groups can be thought of as having the potential to offer novel insights.

Based on the above discussed, the empirical phenomenon of provider-driven JBV is found to not only be empirically an interesting phenomenon, but also to be

highly relevant from a theoretical perspective. Following this discussion, the purpose of the study and related research questions are outlined.

### 1.3 Purpose of the study

Two focal topics of interest in this study are 1) customer value formation and 2) co-creating groups in complex services. The interest is particularly on the relationship between these two where the group can be seen as a resource for the customer to utilize in her value creating activities as well as influencing her value formation. Besides being an empirically intriguing phenomenon, the study of co-creating groups in complex service processes (e.g. systemic customer unit with different logics present & investment-nature characterizing the offering) offers the possibility for gaining novel, relevant and rich insights that contribute to contemporary service marketing literature. Based on this, ***the purpose of this study is to generate understanding on how a co-creating group may become a resource for customers' value formation in a complex service.*** Importantly, the concept of value formation is used instead of value creation, and while the reason for that is discussed in more detail in the chapter on conceptual choices, it can be briefly stated that value formation is used as the concept that involves both deliberate (i.e. value creation) and undeliberate activities that cause value to emerge. Value creation is thus not always equal to value formation and it is used to describe a customer's, or other actors, activities by which she strives to have desired value formed for herself. With regard to the concept of co-creating groups, also co-creation group is used interchangeably.

Concerning the issues of generating understanding, it is important to recognize the type of understanding that is sought for. As previously noted, the field of service marketing is found to lack a comprehensive understanding of group-based co-creation in relation to customer value formation especially in more complex services. Consequently, instead of there being a theory to test, there is a need to build theory, with regard to which this study can be seen as inspired by the idea of creating theory sketches (Dumont & Wilson, 1967). With recognition for this, the intention is to make novel and relevant propositions based on the analysis. In order to generate this type of understanding, it is necessary to broadly address the multifaceted phenomenon in order to capture as many relevant aspects as possible. However, at the same time, in order to be able to make propositions that go beyond the particular case that is studied, it is also deemed necessary to go deep into the emerging aspects and reflect on them in relation to relevant literature. Hence, the generated understanding that is striven for has both a broad and a deep scope,



which becomes evident in the choices that are made concerning how that understanding is intended to be generated.

In order to achieve the purpose of this study, two particular research questions emerge as necessary.

### ***Research questions (RQ)***

When it comes to addressing the purpose of this study, it is found to have two pivotal aspects to it from which research questions are formed. Customer value formation relates to a customer's goal-directed activities (Heinonen et al., 2013) in which different types of resources are used (e.g. economical, physical and social, Plé, 2016). Presumably, what type of resources a customer perceives the co-creating group to be relates to the customer's value creating activities (i.e. what is striven for). Thus, it is deemed necessary to first generate understanding on the type of resource potential that the participating customers perceives the co-creating group provides for her. Hence, the first research question becomes:

#### **RQ1: What type of resource potential does the co-creating group offer for the participating customers?**

In order to actually then become a resource for the participating customers in their value formation, this potential has to be realized, since a resource becomes one through use when aiding the actor in reaching desired value (e.g. Löbner, 2013; Zimmerman, 1951, referred to by Vargo & Lusch, 2004). This forms the second relevant aspect with regard to the purpose of the study and in line with that, the second research question becomes:

#### **RQ2: Under which conditions does the co-creating group become a resource for participating customers' value formation?**

The second research question thus concerns the revealing of conditions that influence (i.e. enable or hinder) the group actually becoming a resource for participating customers in their value formation.

Although the structure of reporting in this study is deductive, the actual conducting of the study followed the abductive approach of systematic combining (Dubois & Gadde, 2002; 2014). Thus, both of the research questions have been addressed through an iterative analytical process between the emerging theoretical framework and empirical data<sup>1</sup>. When it comes to how these research questions

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<sup>1</sup> I.e. there is no deductive reasoning with theory-building and generation of hypotheses first taking place followed by theory-/hypotheses testing.

are addressed, a thorough overview is given in chapter 1.6 while presenting the structure of this study, however, the main points are briefly summarized below.

Both research questions are answered with the help of theoretical and empirical insights. In the theoretical framework, the following issues are focused on in order to provide relevant and profound support for making methodological choices and conducting empirical data collection and analysis:

- As customer value formation forms the context within which the co-creating group is seen as a resource, it is important to address how customer value and its emergence are approached in this study (chapter 2).
- Due to lack of profound understanding on the structure and functioning of co-creating groups within (service) marketing literature and in order to offer guidance for approaching them, the co-creating group as a resource is conceptualized with the support of relevant theory on small groups (chapter 3).

In the empirical data collection and analysis, the following choices are made supported by the theoretical foundation as well as the empirical insights that emerge:

- Focus on two subcases of provider-driven JBVs as they are complex services considering and offer the needed data collection possibilities utilizing especially narrative interviews and observations as methods (linked to the approach on customer value formation).
- In order to be able to answer to RQ1, supported by the approach to customer value formation, focus is on identifying customer logics in order to capture the different resource potential that the co-creating group has for the customers.
- In order to be able to answer to RQ2, with the conceptualization of the co-creating group as a resource in mind, focus is on identifying various conditions that influence the participating customers' value formation processes.

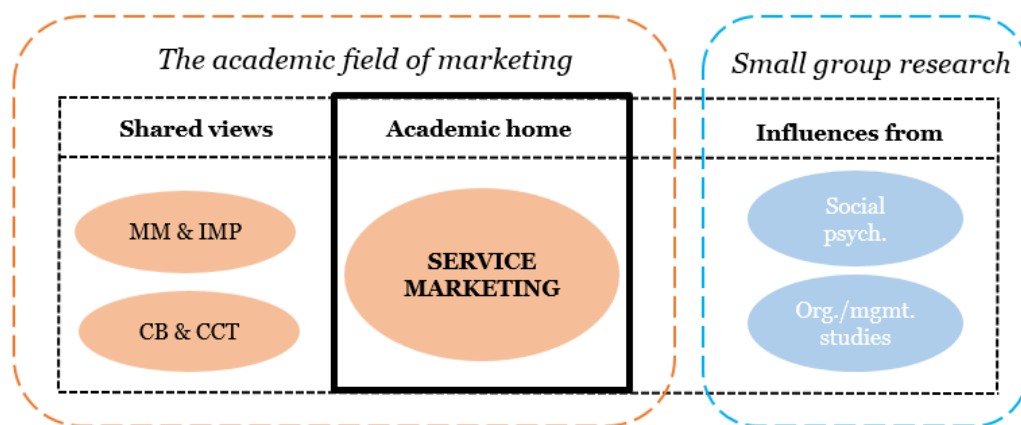
Ultimately, utilizing both the empirical findings and insights from the theoretical framework, both RQ1 and RQ2 are answered to in the discussions chapter (chapter 6). Going beyond this particular case study, relevant propositions are also made and together with other insights, both theoretical and managerial implications as well as ideas for future research are addressed in chapter 7.

## 1.4 Positioning of the study

When it comes to the positioning of the study, there are clarifications that need to be made with regard to the academic field of marketing and more specifically service marketing. In addition, the positioning of the study with regard to philosophical assumptions and methodology is also addressed.

### *Positioning in the academic field of marketing*

Beginning from the more general point of view, figure 1 gives an overview of the positioning of this study with regard to those research fields and streams that are relevant for this study.



**Figure 1.** Positioning of the study in the academic field of marketing and highlighting influencing fields

This study is deeply rooted in the field of marketing and more specifically service marketing research. Service marketing as a field is traditionally concerned with issues relating to service and co-creation between actors, which includes a focus on the evolving concept of customer participation in service (Mustak et al., 2013), but also the introduction of novel topics, such as customer engagement (e.g. Brodie, Hollebeek, Jurić & Ilić, 2011). Going back in time, service quality was an important concept within service marketing, however, nowadays these discussions are usually tied to customer value (value for the customer) and value co-creation between actors (often customer-provider) (e.g. Grönroos, 2011; Vargo & Lusch, 2016). Yet, especially during the recent decade, there has been more interest shown towards understanding customer value formation more holistically from the customer's perspective (e.g. Heinonen et al., 2010; Heinonen & Strandvik, 2015; 2018; Voima et al., 2011). During the 21<sup>st</sup> century, as opposed to the traditional dyadic view, there has also been a growing interest in adopting a

systemic perspective to value (co-)creation and formation (e.g. Akaka & Vargo; 2015; Akaka et al., 2015; Heinonen and Strandvik, 2015; 2018; Vargo & Lusch, 2017; Voima et al., 2011). Based on these discussions, positioning the study in the field of service marketing is particularly well-suited, since the purpose of this study is tied to generating understanding on how a co-creating group may become a resource for customers' value formation in a complex service.

There are also other fields with interest that may to some extent resemble those in this study, however, there are focal aspects that support the positioning of this study in the service marketing field. Although putting the customer unit at the center of interest, this study is not positioned in consumer research (CB & CCT). This is because the study is conducted within a business/service context and there is also a desire to understand how providers can better support the process of customer value formation in their offerings and particularly those concerned with co-creating groups. However, at the same time, this study does not either belong to what might be addressed as (traditional) marketing management (MM) due to its strong emphasis on the customer as the source for relevant insights as opposed to the provider's internal processes.

Moreover, although having a systemic perspective, this study is not primarily concerned with business networks (IMP, e.g. Håkansson & Snehota, 1995), but instead, the focal interest is in a co-creating group and its relation to customer value formation. One of the core reasons for a group's existence is besides the fulfilment of individual members' desires the completion of the group project (i.e. collective goal) (Arrow et al., 2000). Consequently, this means that it has a different temporal boundedness and scope as well as intensity compared to the long-term perspective of business networks. However, it is important to recognize that as these streams are in some ways linked to the topic of this study and share some aspects with it (e.g. customer value in consumer research and resources in business networks). Relevant literature from them is utilized when considered necessary. Even though this study has its home in the field of marketing, also literature concerning small groups becomes relevant in order to enrich the understanding on groups and their functioning. Small groups are discussed especially in the field of social psychology, but also in organizational and management studies and in this study particularly the work by Arrow et al. (2000) on small groups as complex systems is utilized as the main theory.

### ***Positioning within the field of service marketing***

Going deeper into the field of service marketing, it becomes evident that there are various streams of research to position one's work in. With regard to the interests of this study, its positioning is done especially regarding the different approaches

labelled as (dominant/business) logics that are found in the field. These are the so-called service-dominant logic (SDL) (e.g. Vargo & Lusch, 2016), service logic (SL) (e.g. Grönroos, 2011), and customer-dominant logic (CDL) (e.g. Heinonen et al., 2010) as well as the most traditional logic which has afterwards been labelled often as the goods-dominant logic (GDL) (Vargo & Lusch, 2004). Moreover, the SL and the CDL are found within the so-called Nordic School (Grönroos et al., 2015). Basically, these different logics can be seen as varying with regard to the emphasized locus and scope of value creation/formation or what Heinonen and Strandvik (2018) similarly refer to as the managerial scope and focus.

To give simplified overviews of the logics, first of all studies adopting a GDL perspective emphasize the provider and its processes and sees the organization as a creator and deliverer of value to customers through transaction (exchange) (e.g. value is transferred/delivered to customers when acquiring a product). SDL, on the other hand, has its original emphasis on service and value co-creation taking place between actors (customer-provider) and has since its introduction developed towards emphasizing value co-creation within service ecosystems with multiple actors indirectly or directly contributing to the emergence of value in a process that is coordinated through different institutions and institutional arrangements (e.g. Akaka & Vargo, 2015; Vargo & Lusch, 2016). There is an interest in capturing how the whole provider-side is orchestrated in order to provide service to the customer of which the study by Frow et al. (2016) on how co-creation practices shape health-care (service) ecosystems is a good example. Hence, SDL can be seen as positioned on a rather abstract level, which also becomes evident, for instance, discuss actors in a generic way (not as customers, providers etc.) and see value as always co-created. Concerning this, it has within the Nordic School been pointed out that the idea of value as always co-created is a good metaphor; however, it lacks analytical power (e.g. Grönroos & Voima, 2013; Grönroos et al., 2015).

SL, one of the two logics within the Nordic School, shares many similarities with SDL, yet, it is more managerially oriented (Grönroos; 2008; 2011; Grönroos & Voima, 2013). This becomes evident both in the more precise definition and use of concepts (e.g. value co-creation occurring through interaction), but also in its emphasis on the customer-provider dyad. Besides being particularly interested in value co-creation taking place between a customer and a provider in services, there is also a recognition for the importance of relationships (Grönroos, 2017). Despite this, SL recognizes that customers' value formation is not limited to the customer-provider dyad, which is illustrated in their value generation process that is built up of three value spheres (Grönroos & Voima, 2013; Grönroos & Gummerus, 2014). The provider sphere is closed to the customer and it is where the provider produces resources containing potential value-in-use that the customer may utilize in her

value creating activities; in other words, the provider is a value facilitator. In the joint sphere, the customer and provider interact directly and it is here that the provider may get the chance to co-create value with the customer (i.e. to directly influence customer's value formation). In the customer sphere, the customer is the independent value creator (closed to the provider) and here the customer may engage in value co-creation, for instance, with other customers.

Finally, CDL, which is the other logic within the Nordic School, views both SDL and SL as too provider-centric logics. Instead, CDL puts emphasis on the customer and her life and calls for a holistic understanding of the customer's value formation process with value emerging both intentionally and unintentionally (Heinonen et al., 2010; 2013; Heinonen & Strandvik, 2015; 2018). Thus, interest is not primarily on what a particular service provider does or what occurs merely in the customer-provider interaction or in the larger service ecosystem. Instead, emphasis is on the customer's value creating activities in which she may engage with multiple providers and other actors as well as utilize various resources (Heinonen & Strandvik, 2015; 2018; Voima et al., 2011). Referring to the different spheres in SL, one may argue that it is the customer sphere, as opposed to the joint sphere, that is the focal point of departure. With regard to this, concepts such as the customer logic (Heinonen & Strandvik, 2015) and customer ecosystem (Voima et al., 2011) are emphasized. When it comes to value co-creation, CDL similarly as SL treats it as a specific type of process leading to value formation, however, besides viewing it in terms of interactions, value co-creation is broadened to also take place through presence (Grönroos et al., 2015; Heinonen & Strandvik, 2015).

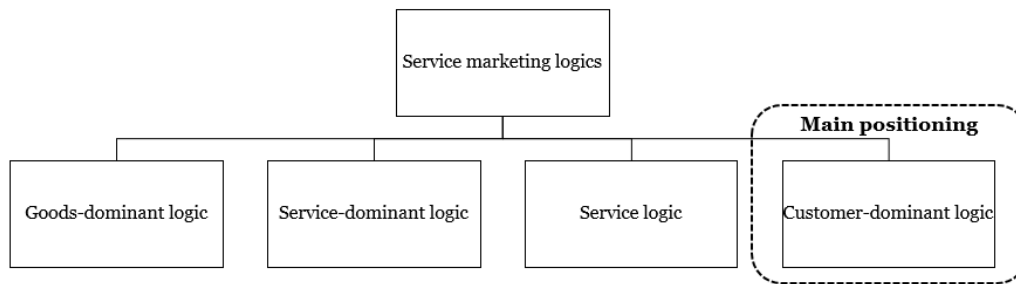
Fundamentally, a logic represents a way to look at phenomena and thus these above discussed logics are in the end representations of someone's view on business or service; how it takes place, how it could/should take place etc. Assuming that every actor has a subjective logic of their own (compare with the idea of customer logic by CDL, e.g. Heinonen & Strandvik, 2015), one might ask whether any of the logics that have been made explicit in fact are shared by any other individual than the one who has first proposed it. Even though this probably is the case, the study may more generally be positioned in a particular stream of thought due to the fundamental approach taken to value formation.

As the purpose of this study indicates, the focus is here primarily on customer value formation in relation to a group in a particular complex service as opposed to understanding on a more abstract level how value is formed (or (co-)created) in a service ecosystem. Together with clear managerial connectedness and relevance, this study arguably exists on a more concrete level where there is a need for more precise concepts as is the case in service research conducted in the Nordic School

(as opposed to SDL with e.g. value co-creation as an all-encompassing process). Looking closer at SL and CDL, which share some pivotal underlying assumptions, it becomes evident that this study shares similarities with both. However, as the focus is primarily on generating understanding on how a co-creating group may become a resource for customers' in their value formation, this study accounts for the customers' activities and experiences that go beyond the interaction within the group as well as recognizes the surrounding customer ecosystem, which is at the core of CDL. Even though SL also recognizes customers as independent value creators outside direct interaction with the provider, the main interest in that logic is the co-creation between customer and provider (Grönroos & Voima, 2013). With regard to concepts, which are discussed in chapter 1.5, there are some minor differences with regard to their interpretation; for instance, when it comes to value co-creation, SL views it as merely being based on interaction, while CDL adopts the broader approach of presence (Grönroos et al., 2015). In this study, the broader approach is applied. Consequently, this study is mainly positioned within the CDL, however, involving concepts from both CDL and SL in accordance with their relevance for this study.

Regarding the role of SDL in this study, it is evident that there is literature from that stream involved. This is partly due to SDL's focus on systemic perspective regarding the emergence of value and related aspects, but also because a lot of, more or less relevant, research has been done in the name of SDL. Looking at the basics of SDL there are, however, some fundamental differences to the way things are looked at in this study, which are also the main differentiators with regard to CDL and SL. This involves particularly the previously discussed notion of value as being always co-created and SDL's strong emphasis on the provider-side ecosystem (e.g. Vargo & Lusch, 2016). Core SDL thus exists on an abstract level being interested in activities and processes in service ecosystems (or markets or industries). Yet, focus in this study is ultimately on customer value formation in relation to a co-creating group (CDL), which is part of a provider-led service process (SDL/SL), however, with the recognition of the group involving customers who are also active outside of the focal service process (CDL). Hence, literature in the stream of SDL are used when considered relevant, yet, the fundamental logic regarding what is thought of as being of interest and what is focused upon stems from CDL.

Drawing on these discussions, figure 2 illustrates that this study is mainly positioned in the CDL. When deemed relevant, literature from the SL (e.g. value co-creation based on interaction) and SDL (e.g. resource integration perspective on value creating activities) are utilized to provide support or enrichment.



**Figure 2.** Main positioning of the study with regard to the different logics found within service marketing

Besides the positioning of this study with regard to the different logics, one might also question the relation of this study when it comes to the co-creation of an offering involving customers<sup>2</sup>, which is a topic that has been studied within service marketing (e.g. Oertzen et al., 2018), but also beyond it in other fields of research (e.g. Füller, 2006). Although there is common ground between this study and that stream of research, focus in this study is ultimately on customer value formation and the role of the group as a resource in that process. This means that the study is fundamentally positioned with regard to the different value formation/creation logics. However, due to the evident relation, literature concerned with customers being co-creators of offerings are utilized when deemed necessary (e.g. when addressing customers' goals that are relevant for the research context of this study). Moreover, while this study through its positioning contributes to especially the CDL, it is recognized that the findings from this study may be relevant also for scholars occupied with studying co-creation of offerings and for the broader audience in the field of (service) marketing.

### ***Philosophical assumptions and methodology***

Regarding the philosophy of science, there are certain traditional choices that need to be made. On a general level, this is first and foremost a question regarding which paradigm is adopted; in other words, from which perspective phenomena is studied, which can be broken into questions regarding epistemology, ontology, human nature, and methodology (Burrell & Morgan, 1979). These issues are discussed more in detail in the methodology chapter; however, some main points can be pointed out. First, with regard to sociological paradigms as discussed by Burrell and Morgan (1979), this study is positioned within the interpretive paradigm (although not a clear or absolute positioning as will be discussed) and more specifically in the crossroads between phenomenology and hermeneutics (Burrell & Morgan, 1979; Lavery, 2003; Määtänen; 1995; Niiniluoto, 1997). Thus,

<sup>2</sup> This relates to processes, such as, co-innovation and co-development.



as opposed to the search for generalizable findings (objective truths), this study adopts a perspective where the truth is assumed to be based on subjective experiencing by the individual. However, it is important to note that this does not imply that the individual's experiencing would not be affected by external circumstances, such as other individuals (Heinonen et al., 2013). Following this, instead of being descriptive or explanatory, this study is, as previously argued, explorative in nature and in order to be able to answer the purpose, case study methodology with the approach of systematic combining is adopted (Dubois & Gadde, 2002; 2014). More specifically, there is only one case with two subcases under analysis and the main data collection methods are observations and narrative interviews, as they suit the collection of relevant data with regard to the purpose and particular research questions.

## 1.5 Key concepts

With regard to this study, there are certain key concepts that are important to clarify. A summary on definitions of these as well as other concepts that are related to the thematic of this study are found in Appendix 1. Here, focus is put on addressing those concepts that are thought of as most relevant in this study.

Starting with *value*<sup>3</sup>, it is a diffuse concept that has been viewed in multiple different ways. In accordance with the dominant approach in contemporary service marketing literature, value, which may be positive, neutral or negative, is in this study viewed as emerging for customers through their ongoing (holistic) experiencing of both physical and mental activities (e.g. Grönroos & Voima, 2013; Heinonen et al., 2013). *Potential value* refers to value that is 'stored' in an offering and may be realized through (appropriate) use (Grönroos & Voima, 2013), while *desired value* refers to value that the customer is striving to have emerge (i.e. striving to achieve) (Woodruff, 1977). When it comes to the emergence of value, whether being intentional or unintentional, the concept of *value formation* is utilized in accordance with the CDL as an umbrella term (Heinonen et al., 2013). *Value creation*, on the other hand, is seen as the customer's (or some other actors) deliberate activities through which she strives towards desired value formation (i.e. goal-directed process, not the outcome) (Payne et al., 2008). As a specific type of value creation, *value co-creation* is viewed in line with the Nordic School as a process where the involved actors are intentionally influencing each other's value formation (Grönroos et al., 2015). More specifically, following the CDL, it seen as

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<sup>3</sup> Also labelled as e.g. use value, customer value (Woodall, 2003) or value-in-use (e.g. Grönroos & Voima, 2013).

taking place through presence (involving interaction) (Heinonen & Strandvik, 2015)<sup>4</sup>.

When ‘creating value’, the customer is viewed as integrating resources (Vargo & Lusch, 2008; Bruce et al., 2019) with the co-creation group being a resource that participating customers’ utilize in their value creating efforts. Hence, *resources* become a focal issue and while there are several categorizations of these (e.g. Plé, 2016), the focal aspect is that resources become such through use and when found useful by the actor using them (e.g. Löbler, 2013; Peters, Löbler, Brodie, Breidbach, Hollebeek, Smith, Sörhammar & Varey, 2014; Vargo & Lusch, 2004; Zimmerman, 1951). When integrating resources, the customer is driven by her *customer logic*, which captures her reasoning for what to achieve and how (Heinonen & Strandvik, 2015).

The *co-creating / co-creation group* is a system of more than two actors that exists in order to accomplish both individual and joint goals (Arrow et al., 2000), of which the latter can further be broken into relational and collective (Epp & Price, 2011). Basically this can take place at any point from ideation to the consumption of an offering (Oertzen et al., 2018). Enriched with relevant small group theory, groups are in this study approached as being complex, adaptive and dynamic as well as coordinated and bounded entities as opposed to closed and isolated (Arrow et al., 2000). *Members* and *roles* (i.e. tasks and task-resources) are viewed as the focal constituents of groups. Due to their nature, groups function and evolve under the influence of local, global and contextual dynamics and their composition is not to be understood as fixed. Hence, while the focus in this study is on co-creating groups consisting especially of customers, there group may also have other members (e.g. focal provider’s representatives) and the group composition may vary during the group’s existence. In a broader sense, roles are seen as resources for both stability and change (Akaka & Chandler, 2011) *Joint building venture (JBV)* is the focal phenomenon that is being studied in this study. It is a way to construct housing with several apartments where the future inhabitants (i.e. the customers) are the constructors and are hence involved from the beginning of the project (planning-phase onwards) (Korpela, 2014; Seemann et al., 2019). It opposes the traditional way of constructing apartment buildings where the construction company is the constructor from whom the customer buys an apartment and is thus not as much, if at all, involved in the planning of the building and apartments. There are basically two different ways in which JBV can occur,

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<sup>4</sup> In SDL, value co-creation is seen as an all-encompassing process; in other words, value is always co-created (Vargo & Lusch, 2008; 2016), while SL views value co-creation as taking place merely through interaction (Grönroos, 2011). However, SL is otherwise similar with CDL in its interpretation of value co-creation (Grönroos et al., 2015).

with either customer-driven or provider-driven (could also be referred to as being consultancy-driven) projects (Korpela, 2014). In this study, focus is on provider-driven JBV.

## 1.6 Structure of the study

Although this study is based on abductive reasoning, the structure of the study follows the traditional, deductive logic. Figure 3 gives an overview of the structure, which is briefly opened up in the following sections.

First, the introductory chapter presents the phenomenon of interest and focally the purpose of the study with key research questions. This is followed by a discussion on the different ways in which the study can be positioned as well as a presentation of the key concepts. In order to be able to address the purpose of this study and the specific research questions, the theoretical framework provides the foundation for two focal issues; customer value formation and the co-creating group as a resource. In the second chapter, emphasis is put on addressing how the nature of value and its emergence are approached in this study, which is deemed important since there are different approaches to these issues in (service) marketing literature. As a part of this, other focal concepts for the study (e.g. resources and customer logics) are examined. The chapter ends with a summarizing conceptualization of the customer value formation process. The third chapter is concerned with conceptualizing the co-creating group as a resource in customer value formation. Recognizing the lack of relevant understanding concerning the structure and functioning of groups in (service) marketing literature, relevant small group theory<sup>5</sup> combined with literature on value co-creation are utilized to present the key elements that need to be accounted for when studying groups and their influence on customer value formation. Based on what has been addressed in these two chapters (i.e. conceptualization of customer value formation and the co-creating group), the theoretical framework is presented. Importantly, the theoretical framework is a result of abductive reasoning and it provides guidance for the empirical analysis; in other words, the intention is not to test it or any parts of it nor to elaborate it based on the analysis.

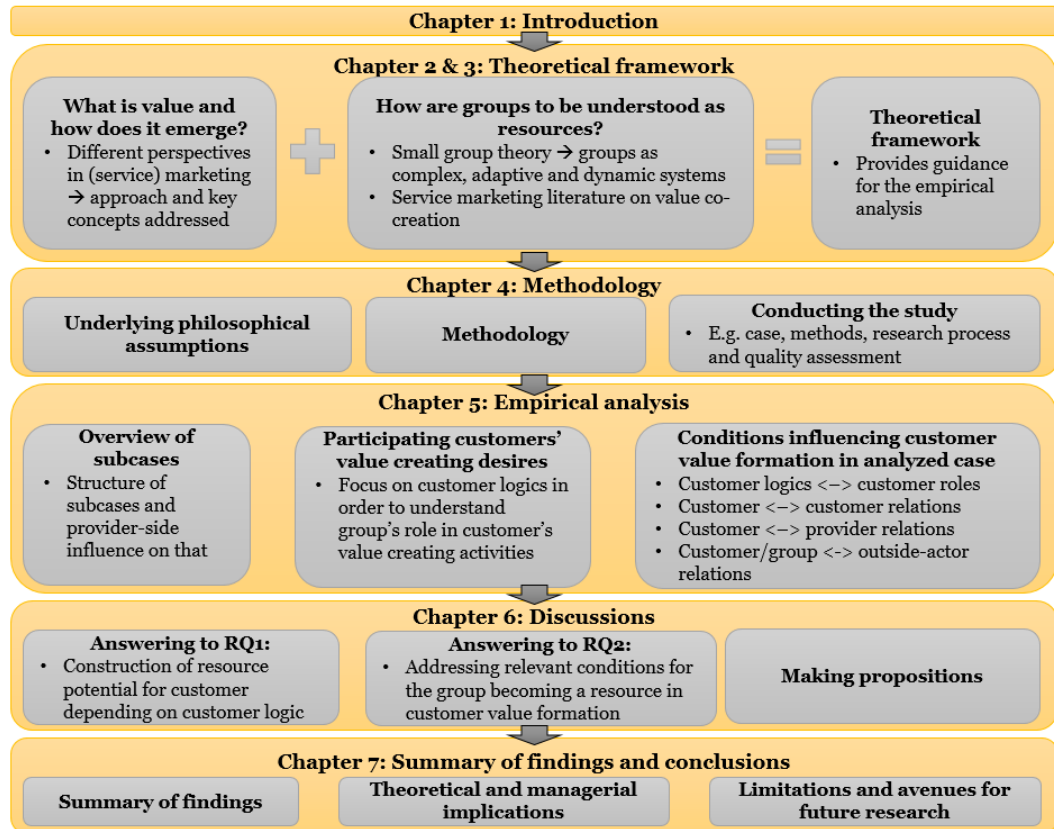
The fourth chapter deals with the methodology of this study. Here emphasis is first put on discussing the positioning of this study in terms of the underlying philosophical assumptions after which the chosen case study methodology is discussed in more detail. The chapter is finished with a discussion related to the

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<sup>5</sup> Especially the small group theory by Arrow et al. (2000) where groups are viewed as complex, adaptive, dynamic, bounded and coordinated systems is utilized.

performing of the study emphasizing issues, such as the choice of case and methods as well as data analysis and assessment of the quality of the study. In the fifth chapter, emphasis is put on analyzing the collected data supported by the theoretical foundation. After an overview of the subcases, focus is on identifying and categorizing customer logics, which is deemed necessary in order to understand what customers' are striving for and thus to understand the co-creating group's resource potential. Following this, the analysis deals with various group- and ecosystem-related conditions that are found to influence participating customers' value formation processes, which is deemed necessary in order to provide insights regarding the conditions under which the group may become a resource. The chapter ends with a summary of focal aspects that are found to influence customer value creation and formation in the analyzed case. To illustrate this, the conceptualization of the co-creating group from chapter 3 is utilized.

In the sixth chapter referred to as discussions, findings from the analysis together with relevant theory are utilized in order to answer the two research questions as well as to make relevant propositions. The chapter is thus divided into two parts with focus in the first being on explicating the potential that a group may have as a resource for participating customers' value formation. In the second part, emphasis is on the conditions that influence the group becoming a resource for the participating customers in their value formation. The final seventh chapter is concerned with summarizing the findings and presenting theoretical and managerial implications as well as the limitations of the study and avenues for future research.



**Figure 3.** The structure of this study

## 2 THE PROCESS OF CUSTOMER VALUE FORMATION

Customer value formation is pivotal process for this study. Basically, it forms the context within which the co-creating group is viewed as a resource. Although being one of the most central concepts within (service) marketing and having interested scholars within the field for several decades, value for the customer is still a diffuse concept. Thus, the aim of this chapter is to create the foundation and pre-understanding for how customer value formation is understood in this study. In order to do that, this chapter briefly clarifies what the concept of value refers to in this study followed by discussions concerning how the nature of value as an outcome as well as the process of value emergence are approached in this study.

When it comes to customer value, the vast literature on the subject contains various related, but often distinct concepts, as shown in various literature reviews and conceptual analyses conducted on the topic (e.g. Gummerus, 2013; Medberg, 2016; Sánchez-Fernández & Iniesta-Bonillo, 2007; Smith & Colgate, 2007; Woodall, 2003). It is first of all important to distinguish between the terms value (singular) and values (plural). As (Holbrook, 1999) notes, value as a singular concept is usually used to refer to the outcome of an evaluative judgement made by the customer (e.g. feeling happy when using a product), while values (in plural) refer to the criteria upon which this evaluation is made (e.g. standards, rules and ideals)<sup>6</sup>. In this study, focus is on value (singular), its nature and emergence.

There exists many ways of expressing value<sup>7</sup> (Woodall, 2003) and the ambiguity of it further increases with the different temporal positions that relate to the concept<sup>8</sup> (e.g. Kleinaltenkamp, 2015; Vargo and Lusch, 2004; Woodall, 2003). Traditionally in marketing research, focus has often been on value in terms of value-in-exchange, which refers to the customer's expected utility or net gain from an offering based on the customer's cognitive judgement (i.e. often benefits vs. sacrifices) (Grewal, Monroe & Krishnan, 1998; Lusch et al., 2008; Kleinaltenkamp, 2015). In this approach, there is often a focus on the attributes of an offering, which means that value is seen as embedded in offerings and delivered to customers through exchange (Vargo & Lusch, 2004; Kleinaltenkamp, 2015). However, in this

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<sup>6</sup> For references on these and more values see Holbrook (1999)

<sup>7</sup> E.g. value (e.g. Bolton, Kannan and Bramlett 2000), customer value (e.g. Woodruff, 1997), consumer value (e.g. Holbrook 1999) and customer perceived value (e.g. Ravald and Grönroos, 1996) (Woodall, 2003). More recently in service marketing, also various concepts used, see later footnote.

<sup>8</sup> There are various concepts used with regard to these with the more common ones merely addressed here. For a more detailed discussion on these and other related concepts, see especially Woodall (2003).

study and which is common in contemporary (service) marketing<sup>9</sup>, focus is on viewing value in terms of emerging through the use<sup>10</sup> of an offering (e.g. Grönroos, 2008; Heinonen et al., 2013; Vargo & Lusch, 2004; Woodruff, 1997; Woodruff & Gardial, 1996). While traditionally referred to as use value (Woodruff & Gardial, 1996), within contemporary service marketing the concept of value-in-use may be regarded as the dominant concept to describe (real) value for customers (e.g. Vargo & Lusch, 2004; Grönroos, 2008)<sup>11</sup>. From now on, when discussing value, it thus refers to the value that emerges for customers through use. In addition, it may be noted that desired value is a relevant concept for this study, as it refers to the value that the customer wants to reach (i.e. have emerge for her) (Woodruff, 1997).

The origins of how value is being approached in (service) marketing literature is found in the concept of perceived quality (e.g. Medberg, 2016; Sánchez-Fernández & Iniesta-Bonillo, 2007). In those conceptualizations, the Expectation-Disconfirmation Theory<sup>12</sup> originating from research on (post-usage) customer satisfaction (e.g. Anderson, 1973; Oliver, 1977; Oliver & Linda, 1981), has played a major role. Principally, when a customer's expectations and the perceptions of the performance of a product or service meet, the expectations are confirmed, and when the actual performance is higher (lower) than the expectations, there is a positive (negative) disconfirmation of expectations that consequently influences the satisfaction/perceived quality. In service marketing, for instance, the two traditional models by Parasuraman, Zeithaml and Berry (1985; 1988) and Grönroos (1982; 1984) are both based on the disconfirmation paradigm (Medberg, 2016). Taking Grönroos' (1982; 1984) model on perceived service quality as an

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<sup>9</sup> Although interest in use value emerged within the field of marketing already back in the 1950's (e.g. consumer's needs, wants and consumption) (Medberg, 2016; Vargo & Lusch, 2004; Vargo & Morgan, 2005), the influence of neoclassical economics was evident for a long time resulting in a view on value as being created in the firm's internal processes and delivered to customers in the firm's output (i.e. value-in-exchange) (Dixon, 1990; Medberg, 2016; Vargo and Lusch, 2004). According to Medberg (2016), it was not until Woodruff and Gardial (1996) re-introduced the concept and provided a first clear definition of it that use value was found in marketing literature. However, use in terms of e.g. consumption has been studied within CCT from the 1980's onwards (i.e. focus not only on exchange) (Arnould & Thompson, 2005).

<sup>10</sup> Concerning the term 'use', while it may traditionally be seen as referring to physical use, in this case, it also refers to mere possession with some scholars also emphasizing the role of mental activity (e.g. dreaming) (e.g. Grönroos, 2011; Grönroos & Voima, 2013; Heinonen et al, 2010; Heinonen et al, 2013; Helkkula, Kelleher & Pihlström, 2012; Medberg, 2016). Also redemption value (Parasuraman and Grewal, 2000), which reflects the value of the offering after the use when it is being sold/disposed can be linked to this.

<sup>11</sup> Besides value-in-use also value-in-context (Vargo, Maglio & Akaka, 2008; Chandler & Vargo, 2011), value-in-social-context (Edvardsson, Tronvoll & Gruber, 2011), value-in-experience (Heinonen, Strandvik & Voima, 2013), and value-in-life (Voima, Heinonen & Strandvik, 2010) are encountered in service marketing literature.

<sup>12</sup> Also known as Expectation Theory and Expectation-Confirmation Theory as well as with later references to it as the disconfirmation paradigm.

example, quality is seen as relating to the functional quality, which refers to the service process, and technical quality, which refers to the outcome of that service process (Medberg, 2016). Out of this interest in perceived (service) quality emerged an interest in value and hence, perceived (service) quality and the disconfirmation of expectations has played a major role in marketing scholars' conceptualizations of value already from the beginning<sup>13</sup> (e.g. Liljander & Strandvik, 1995; Heinonen, 2004; Woodruff, 1997; Zeithaml, 1988).

When it comes to the different approaches to value determination, table 1 provides a list of those identified from literature reviews (Gummerus, 2013; Khalifa, 2004; Sánchez-Fernández & Iniesta-Bonillo, 2007; Woodall, 2003). Although there are some variations in the concepts used and the approaches incorporated, it may be stated that the three focal ones are; 1) value as benefits versus sacrifices, 2) value as means-ends, and 3) value as experience-based and multidimensional. When it comes to service marketing, these three approaches have been influential in varying degrees (for a discussion on this see Medberg, 2016). Yet, the experience-based approach is the most influential one in contemporary service research and it is also the approach that is deemed most relevant for this study, which is argued for below.

**Table 1.** Categorizations of approaches to customer value determination in literature reviews.

Authors	Traditional approaches to value determination			
	Benefits vs. sacrifices	Means-end chain	Experience-based	Other
Gummerus, 2013	x	x	x	
Khalifa, 2004	x	x		x (Value components model)
Sánchez-Fernández & Iniesta-Bonillo, 2007	x (Price-based studies & Zeithaml's approach to MEC)	x	x (Utilitarian and hedonic value)	
Woodall, 2003	x (Net VC, Sale VC & Rational VC)		x (Derived VC)	x (Marketing VC)

<sup>13</sup> For discussions on the relationship between perceived quality and value, see e.g. Sánchez-Fernández and Iniesta-Bonillo (2007)



Basically, the two other approaches are found to be too narrow and restricted. When it comes to the benefits vs. sacrifices approach, although one may distinguish between different streams (e.g. Monroe's and Zeithaml's stream, Sánchez-Fernández and Iniesta-Bonillo, 2007; Medberg, 2016), a general view would be that value is determined by the customer based on an economic and cognitive judgement (i.e. rational thinking) of the utility of an offering taking into account what is given (sacrifices) and what is received (benefits)<sup>14</sup> (e.g. Bolton & Drew, 1991; Zeithaml, 1988). Thus, there is a simplistic focus merely on a customer's cognitive information processing (e.g. neglects emotions and assuming customers' as having access to all relevant information and striving to maximize utility) with focus mostly on the attributes of an offering (e.g. Gummerus, 2013; Holbrook & Hirshman, 1982). The means-end chain approach to value, which draws on means-end chain theory (e.g. Gutman, 1982; Reynolds & Olson, 2001), on the other hand presents that both customer's desired and received value can be explained along the different hierarchical levels of attributes, consequences, and desired end-states (Woodruff and Gardial, 1996, referred to by Woodruff 1997; Sánchez-Fernández & Iniesta-Bonillo, 2007). As customers learn about an offering's attributes, the consequences that emerge from the use of it as well the potential desired end-states that may be achieved, they begin to expect certain attributes and consequences as well as reflect on them after use (i.e. the disconfirmation of expectations is a focal part). This approach to value has arguably a broader scope than benefits vs. sacrifices, as it goes beyond mere attributes and accounts for the use-related, higher-order outcomes and thus recognizes the dynamic and situational nature of value (Sánchez-Fernández & Iniesta-Bonillo, 2007; Woodruff, 1996; Woodruff & Gardial, 1996). However, there is still a narrow focus on customers' cognitive information processing. In line with the purpose of this study, the interest is in gaining a realistic understanding of customer value formation and hence, the experience-based approach to value determination becomes the chosen approach.

## 2.1 The experience-based approach to customer value determination

The experience-based approach to customer value determination has its roots in the counterforce that emerged towards the strong emphasis on rationality and cognitive information processing that was dominant in marketing research on

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<sup>14</sup> It may be noted that the scope of the benefits and sacrifices have broadened from the simple quality-price ratio (see e.g. Woodall, 2003 for an overview) and that the value source of emphasis has also moved outside of the original focus on product and service related attributes (e.g. Heinonen, 2004) to e.g. relationship value (e.g. Ravald & Grönroos, 1996, for a review see Ulaga, 2003).

choice/decision-making and customer satisfaction. In this deviant stream, especially Hirschman and Holbrook (1982; Holbrook & Hirschman, 1982) have been pioneering and inspired other scholars in approaching consumption and customer value more holistically (Gummerus, 2013; Sánchez-Fernández and Iniesta-Bonillo, 2007). As opposed to merely viewing the customer as a rational information-processor and decision-maker, these scholars found an urge to recognize the consumption experience that involves the symbolic meanings, esthetic aspects and hedonic responses related to the use of products (Hirschman & Holbrook, 1982; Holbrook & Hirschman, 1982). Besides mere offering-related responses, customers were viewed as experiencing the surrounding environment in addition to which also fantasies were incorporated as a part of (hedonic) consumption (Hirschman & Holbrook, 1982).

The original propositions in this stream of research were thus concerned with highlighting the need for a more holistic perspective on consumption due to the recognition that customers are not always looking for effective and/or efficient performance, but also for positive emotions, pleasure, having fun, and so on (Holbrook and Hirschman, 1982). However, later studies have questioned some other fundamental assumptions relating to consumption. It was brought up that the disconfirmation paradigm has traditionally been dominant in marketing research concerning customer satisfaction, perceived service quality and value. As opposed to this, scholars in this stream came to question whether customers always have explicit expectations concerning an offering they are about to use as well as whether customers always rationally define value (or satisfaction) in terms of how their expectations are (dis)confirmed (i.e. the performance of the offering) (e.g. Arnould & Price, 1993). Particularly when it comes to extended service encounters concerned with extraordinary experiencing, the fulfilment of expectations, if there even are any, has been found to not always be that crucial for the customers' eventual satisfaction with the service. Instead, issues, such as, open-boundary transactions and emotional content as well as the satisfying of unspoken preferences are found as influencing customers experiencing positively (Arnould & Price, 1993; Price, Arnould & Tierney, 1995).

Looking closer at one particular study, Arnould and Price (1993) found that many of the customers who participated in river rafting trips (i.e. extraordinary experience) had vague and/or unspoken (deliberate or undeliberate) expectations with regard to their trips. Moreover, although the customers on the river rafting trips experienced negative issues, such as becoming soaking wet, they could be satisfied with their trips afterwards. This, as opposed to being determined by the relation between expectations and performance (realization), the scholars viewed as being linked to the grand narrative (whole experience) that had emerged during

the trip and that was proposedly linked to unspoken cultural scripts that the customers' valued. As the authors note based on their study, the power of river rafting trips "lies in the romantic cultural scripts that evolve over the course of the experience - the opportunity to participate in rites of intensification and integration and to return to an everyday world "transformed"" (Arnould & Price, 1993: 41). These grand narratives go beyond single incidents that have occurred during the journey; in other words, the value they perceive afterwards cannot be explained solely by one particular incident. There is a strong emphasis on emotional content and outcomes in these experiences, which the authors argue is evident in the fact that the customers had difficulties in describing their experiences. In order to make the experience extraordinary, the authors also found that the role of the guides was pivotal, thus emphasizing the importance of open-boundary transactions. Basically, these authors put forward the idea that value does not merely result from how well the offering fulfills the customer's explicit (recognized) expectations, but that value may emerge also from something that the customer does not want to express as an expectation or that the customer does not know she desires.

This approach to value determination thus emphasizes the holistic experience and in an exemplary way, Holbrook (1999: 5) defines value as an "interactive relativistic preference experience". In his definition, interactive refers to the assumption that in order for value to emerge there has to be an interaction between an object and a subject. Relativistic means three things; value is subjective (personal), contextually bound (situational) and in order to legitimately compare the value between two object it must be done by the same person (comparative). That customer value is preferential means that it involves a preference judgement (e.g. like versus dislike). Lastly, value being experiential, mean that it emerges as a result of the experience, rather than being embedded in the product or in the brand. However, it may be noted that when looking at later studies in this stream, Gummerus (2013: 28) makes an interesting discovery. The scholar finds that in many of these, focus has been on identifying and validating different dimensions of value outcomes of consumer experiences instead of aiming at understanding "holistic experiences as advocated in phenomenology", which the author finds was the original intention by Holbrook and Hirschman. As the focus of this study is not on measuring and validating different value outcome dimensions, it is not thought of as relevant to address the various conceptualizations and categorizations of value as a multidimensional outcome<sup>15</sup>. Instead, it is sufficient to note that the amount of dimensions and hence level of specificity vary from two (utilitarian and

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<sup>15</sup> For extensive overviews on different value outcome categorizations, the studies by Sánchez-Fernández and Iniesta-Bonillo (2007), Smith and Colgate (2007) and Woodall (2003) are recommended.

hedonic, e.g. Babin, Darden & Griffin, 1994) to at least eight (efficiency, excellence, status, esteem, play, aesthetics, ethics, and spirituality, Holbrook, 1999).

Inspired by the original thoughts on the approach and the definition provided by Holbrook (1999), the focus in the remainder of this chapter is put on addressing in a detailed manner the nature of customer experiencing as approached in this study.

### 2.1.1 The nature of customer experiencing in contemporary service marketing

When it comes to contemporary research on customer value(-in-use) in the field of service marketing, the experience-based approach, as it was originally intended, has been influential (Medberg, 2016). In general terms, it may be stated that today SL (e.g. Grönroos, 2011; Grönroos and Voima, 2013), CDL (e.g. Heinonen et al., 2013) as well as SDL (Vargo & Lusch, 2008) all adopt the perspective that value emerges based on a customer's interpretation of her experiences. The concept of experience may have for some certain connotations linked to it, such as, something that is extraordinary or unique (Vargo & Lusch, 2008), which means that it becomes important to address what is actually meant by a customer's experience.

Besides the broad interest in identifying and validating different value dimensions (Gummerus, 2013), it can be recognized that following the work of Holbrook and Hirschman (1982; Hirschman & Holbrook, 1982), customer experiences<sup>16</sup> have gained increasing attention in consumer and service marketing research, however, with varying interpretations. Especially Carù and Cova (2003) and Kranzbühler, Kleijnen, Morgan and Teerling (2018) offer valuable insights regarding the history of research on customer experience<sup>17</sup> and here their work is utilized as a foundation for presenting what this approach to value implies. When it comes to ways in which customer experience has been approached and studied, one can simply distinguish between the organizational perspective (i.e. provider as creating, delivering and/or managing customer experiences) and the customer perspective (i.e. customer experience influenced also by elements not controlled by firm) (Kranzbühler et al., 2018). When it comes to the experience-based approach to value applied in contemporary service marketing research, it relates

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<sup>16</sup> Also the concepts of e.g. consumer-, consumption-, and service experience are found in literature according to Heinonen et al. (2010)

<sup>17</sup> Kranzbühler et al. (2018) offer a thorough review of how the concept of customer experience has been approached in research. Carù and Cova (2003) provide an insightful discussion with regard to how experience is approached in different fields of research as well as provide understanding for why (customer) experience bears certain connotations in the field of marketing and questions the narrowness of it.

to the customer perspective as value is seen as determined phenomenologically by the customer (i.e. it emerges for the customer through her experiences). However, as the locus of value formation that is emphasized varies between the different logics in the field, it might be argued that the adopted scope of the customer perspective may eventually vary (e.g. Heinonen et al., 2013; Heinonen & Strandvik, 2018; Grönroos, 2011; Grönroos & Voima, 2013; Vargo & Lusch, 2008; 2016). In simple terms, value is seen, from the customer perspective, as emerging for the customer through her own experiencing, yet, to fully understand what this means, certain clarifications need to be concerning the scope (i.e. the length of experiencing) and depth or character (i.e. what all ‘counts’ as experiencing) of experiences (Heinonen et al., 2010).

### *Scope of experience*

When it comes to the scope of experiencing, Kranzbühler et al. (2018) distinguish between a static approach (i.e. focus on single touchpoint) and a dynamic approach (i.e. longitudinal perspective involving several touchpoints). Out of these, the experience-based approach takes on the latter by emphasizing dynamism and continuity as characterizing the experience and hence the emergence of value (Heinonen et al., 2010; 2013; Helkkula, Kelleher & Pihlström, 2012; Grönroos & Voima, 2013). As opposed to this, for instance, the benefits versus sacrifices (e.g. Zeithaml, 1988) and means-end chain (Woodruff & Gardial, 1996) approaches to value usually take a static approach. Although most of these other approaches to value-in-use adopt a dynamic view on value in the sense that it is not the same for everyone and varies depending on the situation, it is merely seen as an outcome after the use of an offering or at the point of making a purchase (i.e. at a specific point in time) (Gummerus, 2013; Medberg, 2016).

According to the approach adopted in this study, customer experiencing is not restricted to an isolated service encounter or consumption situation, but it takes place in an iterative and dynamic process that includes also the stages before (e.g. when searching for information on a trip) and after (e.g. remembering back on the trip) the purchase and consumption of an offering (Arnould, Price & Zinkhan, 2005; Jaakkola, Helkkula & Aarikka-Stenroos, 2015; Lemon & Verhoef, 2016; Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009). Importantly, during this process the customer conducts various activities of which the interactions with the focal provider may only constitute a few, and besides the customer’s current activities and experiencing, also her previous and anticipated (imaginary) future experiences influence how value is determined by the customer (Heinonen et al., 2013; Helkkula et al., 2012; Jaakkola et al., 2015; Lemon &

Verhoef, 2016; Patrício, Fisk, Fálcao e Cunha & Constantin, 2011; Verhoef et al., 2009).

Instead of seeing value as merely bound to an isolated event, value is formed for the customer throughout her life in different experiences, which makes value formation cumulative in that earlier experiences add on each other and affect future experiencing (e.g. Heinonen et al., 2013). It is this total customer experience (Lemon & Verhoef, 2016; Verhoef et al., 2009) or value constellation experience (Patrício et al., 2011), that is the scope of the experience that is taken in this approach to value in service research (Grönroos & Voima, 2013; Heinonen et al., 2013; Helkkula et al., 2012). This becomes evident, for instance, when Heinonen et al. (2013: 110) propose that the approach to value-in-use should be extended to a “longitudinal experience perspective stressing value as part of the customer’s dynamic and multi-framed reality” and that “[t]his reality recognizes value before, during and after customer experiences as part of the customers’ cumulated life and reality.”.

#### *Depth of experience*

When it comes to the depth of experience (i.e. what counts as an experience), Carù and Cova (2003) find that since the need for recognizing the holistic consumption experience was initiated in the early 1980’s (Holbrook & Hirschman, 1982; Hirschman & Holbrook, 1982) scholars have increasingly focused on the hedonic aspects of consumption as well as consumers’ extraordinary experiencing (e.g. Arnould & Price, 1993)<sup>18</sup>. Yet, in the (contemporary) experience-based approach to value, it is not only the extraordinary, but also mundane, everyday experiencing (Carù & Cova, 2003) that is accounted for (Heinonen et al., 2010; Vargo & Lusch, 2008). In addition to the broader perspective of experiencing in terms of it ranging from mundane to extraordinary, it also needs to be pointed out that customer experiencing goes beyond use and interactions in the traditional sense to also include, for instance, mental activities as driving value formation (e.g. Arnould et al., 2005; Grönroos & Voima, 2013; Heinonen et al, 2010; Heinonen et al, 2013; Helkkula et al, 2012; Jaakkola et al., 2015). This means that, for instance,

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<sup>18</sup> The focus on the uniqueness and hedonic aspects of consumption has led to the introduction of the experience economy (Pine & Gilmore, 1999) and experiential marketing (Schmitt, 1999), which are built on the assumption that consumers’ crave experiences (that can be characterized as, for instance, memorable, Pine & Gilmore, 1999 or extraordinary, e.g. Arnould & Price, 1993) and hence firms must add and deliver them as a part of their offerings in order to be successful (Carú & Cova, 2003). Consequently, marketing scholars may interpret the experience-based approach to value as focusing merely on emotionally laden and unique experiencing. Although it may be found that consumers’ increasingly desire for these experiences and firms focus on providing them, this perspective on experiencing is much narrower compared to how experience-based value formation is approached in contemporary service research.

memories from the past as well as thoughts and imagination regarding future experiences reside in value formation. Customer experiencing and the related value formation may also go beyond these as “value is formed in multiple visible and invisible experiential spaces (e.g. biological, physical, mental, social, geographical and virtual)” (Heinonen et al., 2013: 110).

An important aspect in the experiential approach to value is that it is relativistic, which means that the situation (context) influences how value is formed (Holbrook, 1999; Heinonen et al., 2013). The context can be seen as consisting of various operand and operant resources that the customer integrates (Chandler & Vargo, 2011), which means that customer experience of value occurs in relation to the other available resources. In addition, the customer is embedded in a context of various social forces that affect how the customer experiences value (Edvardsson, Tronvoll & Gruber, 2011; Helkkula et al., 2012; Heinonen et al., 2013; Jaakkola et al., 2015). When it comes to the varying interactions that customers may have during their customer journeys, Lemon and Verhoef (2016) distinguish between brand owned (i.e. designed and managed by the provider), partner owned (i.e. designed and/or managed by the focal provider together with its partner(s)), customer owned (i.e. the customer’s activities that go beyond the provider’s control), and social/external touch points (e.g. friends and family, other customers and media). Heinonen et al. (2013) refer to the potential value landscape as influencing customers’ experiencing of value. The value landscape is depicted as consisting of the following dimensions; affective, biological, cognitive, economical, physical, psychological, and social. Consequently, customers do not experience value in isolation, but they are instead affected by both personal factors as well as the social structure surrounding them and their roles (positions) as well as relations (interactions) within them (Edvardsson et al., 2011; Epp & Price, 2008; 2011; Heinonen et al., 2013; Helkkula et al., 2012; Jaakkola et al., 2015). In line with this, Heinonen et al. (2013: 112) argue that “[v]alue is not isolated since the reality of the customer is interconnected to the realities of others. Value is therefore embedded in the dynamic, collective and shared customer realities.”

Regarding the character of an experience, it has been pointed out that the experience-based approach to value does not traditionally take into account sacrifices conducted by the customer and if these are incorporated, they are approached as something that is minimized in order for positive value to emerge (e.g. Smith and Colgate, 2007). However, looking at the origins (e.g. Holbrook & Hirschman, 1982) and the contemporary experience-based approach to value in service marketing (e.g. Heinonen et al., 2013), the cognitive information processing dimension has not been excluded. Instead, there is merely an urge to have a more holistic understanding of customer experiencing. To exemplify,

Heinonen (2004) has conceptualized perceived value in terms of having functional, technical, spatial and temporal value dimensions with benefits and sacrifices related to each, and this has been adopted by, for instance, Heinonen & Strandvik (2009) in their study concerning value-in-use in e-services. As opposed to having pre-defined categorizations of benefits and sacrifices, the perspective is here, inspired by Heinonen (2004), that any service characteristic may become a benefit or sacrifice depending on how the customer experiences it (Heinonen & Strandvik, 2009). Similarly, in the total experience, the customer may experience certain aspects as benefits and others as sacrifices with a more or less rational consideration depending on the situation and other factors. Hence, the experience-based approach to value in service marketing is not to be understood as neglecting the role of sacrifices as value is based on the customer's interpretation of her experiences influenced by the value landscape (Heinonen et al., 2013). Similarly, it may be argued that the disconfirmation of expectations is not neglected in the experience-based approach to value determination. In simple terms, this approach merely enriches the character of value by recognizing that it may go beyond mere disconfirmation of expectations as its emergence resides in the customer's interpretation of her experiencing<sup>19</sup>.

#### *Nature of the value outcome*

Finally, it is important to address the nature of the value that has emerged. As argued by Medberg (2016), value is traditionally seen as a positive outcome for the customer (Woodruff and Gardial, 1997; Vargo & Lusch, 2004; 2008). When it comes to contemporary service research, it has been argued that SDL (Vargo & Lusch, 2008) still emphasizes merely the positive side of value (Medberg, 2016). Taking into account the most recent update on SDL by Vargo and Lusch (2016), although it is not explicitly stated that value is merely positive, how value is discussed signals that they view it merely as something positive (emphasis is in fact more on value creation taking place in ecosystems and hence moves farther away from the customer). Yet, in Holbrook's (1999) definition of value, the preference judgement of either like or dislike is a central part. Moreover, looking at other literature dealing with the emergence of value, both value co-destruction (e.g. Čaić, Odekerken-Schröder & Mahr, 2018; Echeverri & Skålén, 2011; Harris, Russell-Bennet, Plé & Cáceres, 2010; Smith, 2013) and value no-creation (Makkonen & Olkkonen, 2017) have been brought up as relevant issues in

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<sup>19</sup> It may be noted that as each of the approaches to value determination have certain strengths and limitations, some find it as making them complementary; for instance, Golik Klanac (2013) has done this when creating an integrated approach to customer value where the strengths of the approaches are utilized in order to overcome their weaknesses. However, here value determination is fundamentally seen as residing in experiencing and hence the approach is utilized.



marketing research. Consequently, there may be positive or negative, but also neutral value emerging, something that is recognized in contemporary CDL and SL (e.g. Grönroos, 2011; Grönroos & Voima, 2013; Heinonen & Strandvik, 2015; Medberg, 2016). Moreover, it is also stressed that value is not always the result of deliberate activities (e.g. buying a chocolate bar in order to satisfy the need for sweets), but it may also emerge as a result of undeliberate activities (e.g. colleague gives you a chocolate bar, which makes you happy) since value is ultimately based on the customer's interpretation of her experiences (Heinonen et al., 2013).

#### *Summarizing on the experience-based approach to value*

Based on the above discussed, it is found that the fundamental process through which value is determined by a customer is her experiencing (Heinonen et al., 2013). This provides a highly complex view on value (Gummerus, 2013), however, as focus in this study is not on measuring dimensions of value outcomes, but on understanding how a co-creating group may become a resource for customers' value formation, there is a desire to capture customers' value emergence as 'realistically as possible. The experience-based approach does not pose restrictions in the form of, for instance, viewing the customer as being purely rational. Instead, it nurtures and open view on customer experiencing and value formation. Furthermore, the experience-based approach recognizes the contextual, dynamic and longitudinal nature of value, which means that value is not merely an outcome of use, but instead value emerges and changes during the process itself influence by various situational factors as well as previous experiences (Grönroos and Voima, 2013; Heinonen et al., 2013). This can be seen as reflecting reality especially in a complex and extended service process like the one that is focused on in this study. In the experience-based approach, the determination of value is reciprocally linked to the customer's activities and related experiencing from which value is continuously deliberately or undeliberately formed (Gummerus, 2013; Heinonen et al., 2013)<sup>20</sup>. This lays the foundation for the following discussion on how value formation is approached in this study and the key elements to account for with regard to that.

With the experience-based approach to value being adopted, the intention in the following chapters is to address the focal elements and processes that are linked to the generation of experiences and ultimately value. As discussed already in the introduction of this study, there are different logics found within the field of service marketing that share commonalities and differences with regard to what is

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<sup>20</sup> To exemplify, when it comes to the use of a product, a customer may dream of using it, actually use it and think about the use of it afterwards, which are all experiences that drive value formation.

emphasized concerning value formation (Grönroos et al., 2015; Heinonen & Strandvik, 2015). With regard to the commonalities, the experience-based approach to value is generally adapted in each of these logics and when it comes to the process of value formation, focus is not on providers' internal activities, but instead on outside-activities (Grönroos, 2011; Heinonen et al., 2010; Vargo & Lusch, 2008; 2016). However, it is in this locus of value formation as well as in the use and interpretation of related concepts where the logics diverge from each other. From the positioning of this study, as well as in the discussion on the adopted experience-based approach to value, it becomes evident that this study relates mostly to the perspectives of the Nordic School and especially CDL. Briefly put, contemporary SDL puts emphasis on the value formation (value co-creation) taking place in service ecosystems (e.g. Akaka & Vargo, 2015; Vargo & Lusch, 2016) and SL is primarily interested in value co-creation taking place in customer-provider dyads (e.g. Grönroos, 2011; Grönroos & Voima, 2013). CDL, on the other hand, stresses the importance of understanding customer value formation holistically from a customer's perspective (e.g. Heinonen et al., 2010; 2013; Heinonen & Strandvik, 2015), which is the most congruent perspective considering the interests and purpose of this study. Hence, the focal elements and processes in relation to experiencing and customer value formation are viewed from the CDL perspective<sup>21</sup>.

## 2.2 Experiences emerge out of resource integrating activities

It is important to recognize that value formation is not always deliberate (Grönroos & Voima, 2013; Heinonen et al., 2013) and that customers do not always possess clear expectations on what they are about to embark on (e.g. Arnould & Price, 1993) (e.g. going to the store, a customer might be happily surprised of meeting an old friend of hers whom she has not met in several years). However, the assumption is that fundamentally, customers have some goal that they are striving

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<sup>21</sup> In this study, value formation refers to the actual emergence of value (Heinonen et al., 2013), while value creation refers to the customer's set of intentional activities in striving to generate desired value (Payne et al., 2008). Value co-creation is, as opposed to the all-encompassing view by SDL (e.g. Vargo & Lusch, 2008; 2016), seen as a particular form of value creation where the involved actors are intentionally influencing each other's value formation (Grönroos et al., 2015). Value co-creation is something special and worth striving for as it offers for the provider the possibility to strive influence customer's value formation in a positive manner and for a customer it may be even crucial in order to achieve desired value. Yet, value co-creation is not something that automatically takes place and it requires purposefulness from all parties involved. By separating between value (co)-creation and value formation, it is possible to address value creating activities with a specific aim (Payne et al., 2008) and the emergence of value that continuously takes place during those activities (Heinonen et al., 2010).

to achieve; in other words, to generate desired value (e.g. the customer is going to the store in order to buy milk). This value creation process<sup>22</sup> is defined by Payne et al. (2008: 86) “as a series of activities performed by the customer to achieve a particular goal”, thus putting emphasis on customers’ goal-directed activities in driving experiences and value formation. As it becomes evident from the scope of experiencing, an activity is not restricted to merely interaction, but it can be any type of behavior (physical or mental) through which the customer strives to have desired value emerge (Mickelsson, 2013; Heinonen et al., 2013). Besides the core activities and experiences (in immediate relation to particular service/provider) also the related activities and experiences that are directly linked to the same value creating process as well as other activities and experiences that are of relevance through indirectly influencing value formation need to be recognized (e.g. Heinonen et al., 2010; Mickelsson, 2013). Furthermore, as the customer engages in various activities in order to reach her goal(s), the customer also chooses not to engage in some activities, which is of importance for the process of value formation (Heinonen & Strandvik, 2018). As experiencing is an ongoing process that is not merely related to something extraordinary, both routine activities and non-routine activities need to be recognized. Several of customer’s activities may be routinized and a customer is perhaps not always that aware of what she does<sup>23</sup>. Through life, the customer has learnt to do things in certain ways and it comes thus naturally for the customer, however, whether this takes place in a sequential manner (e.g. Patrício et al., 2011) or whether the customer draws on different activities depending on the situation (Mickelsson et al., 2013)<sup>24</sup> can be debated. At times, customers engage in processes and do things that differ from the usual way of life. In such unfamiliar processes, it is worth assuming that more effort and thought are required from the customer and the customer has to learn how to cope with these activities and how the desired goals can be achieved. Figure 4 presents a simple categorizations of different types of value formation based on the intentionality related to value formation and the routinization of activities.

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<sup>22</sup> In addition, at least resource integration (Bruce et al., 2019) and service (Voima et al., 2011) are encountered in service marketing literature when referring to similar processes and are thus treated synonymously to the value creation process in this study.

<sup>23</sup> This can be compared with practices (e.g. Reckwitz, 2002)

<sup>24</sup> Mickelsson (2013) finds that activities form constellations (i.e. activity networks), around specific themes in the minds of the customers.

<b>Intentionality of value formation</b>	Intentional	<p>Routinized behavior with known related positive value.</p> <p>E.g. always visiting the same store</p>	<p>Value creating activity that is not routinized and has an acknowledged goal.</p> <p>E.g. customer wants to buy an apartment and searches for information on apartments and funding-possibilities.</p>
	Unintentional	<p>Element of surprise involved in routinized behavior.</p> <p>E.g. being surprised by your colleagues at work with a gift.</p>	<p>Value creating activity that is not routinized, but value emerges unintentionally.</p> <p>E.g. the customer searching for information on apartments is surprised with finding a real-estate broker who is willing to help her with all the arrangements.</p>
		Routinized	Non-routinized
<b>Routinization of activity</b>			

**Figure 4.** Different forms of value formation for customers based on intentionality and routine.

When it comes to the relationship between activity and value, it is important to note that in the specific context of this study, the co-creation of offerings, there are two ‘forms’ of value formation taking place as a result of the customers’ activities (Grönroos & Voima, 2013; Hibbert, Winklhofer & Temerak, 2012). First, value emerges for customers reciprocally with value (co-)creation activities (i.e. value formation is ongoing), which means that they do not take place in isolation. Second, by utilizing the idea of the provider as a value facilitator for its customers (Grönroos, 2011) in an opposite way, Hibbert et al. (2012) state that the customer may be seen as a value facilitator when, for instance, co-designing or co-developing a future product or service<sup>25</sup>. In these cases, the customer takes part in the creation of potential value and hence the activity and process itself becomes instrumental for future value formation (Hibbert et al., 2012). Consequently, the co-creation of an offering is characterized by ongoing value formation and creation of future potential value. For practical reasons, Hibbert et al. (2012) use merely the concept of value creation to refer to both types of value processes and the same is applied

<sup>25</sup> As noted, value facilitation is originally used in order to describe the role of the provider from a customer point of view (Grönroos, 2011; Grönroos & Voima, 2013) and it is seldom that an explicit recognition of customers as value facilitators for themselves is seen in the literature.

in this study. However, it is important to recognize in the co-creation of an offering the immediate value formation taking place and the potential value being generated for future use in the co-created offering. Although focus is primarily on customers' value formation, it is also important to recognize the influence on other actors and their desire for value. Besides being a value facilitator with regard to the future resource that is being created, the customer can be seen as always acting as a value facilitator from the provider's viewpoint. By offering resources like money and knowledge in return for an offering, the customer aids the provider in reaching its goals (desired value); in other words, the customer supports the provider's value creation and formation.

#### *Resource integration as a perspective on activities*

In order to gain a more profound understanding of what occurs in these activities, one may turn to the idea of customers (and other actors) being resource integrators, which has emerged within contemporary service marketing<sup>26</sup> (e.g. Vargo & Lusch, 2008; 2016). In other words, actors rely on various resources (own and others') that they integrate in order to enhance desired value formation and sometimes also to support others value formation. A closer examination of literature concerning resource integration reveals various issues with the conceptualization of the process (e.g. Peters et al., 2014; Peters, 2016; Plé, 2016). It is outside of the scope of this study to put emphasis on these issues, since much of the perceived inconsistency and vagueness based on the references relate to the understanding of the process<sup>27</sup>, which is synonymous to what is referred to as the value creation process in this study. Here, resource integration is instead utilized as an approach to better understand customer's value creating activities (i.e. a more profound basis). From this perspective, a customer's value creating process consists of activities that are then linked to the accessing, using as well as combining (i.e. integrating) of resources in a goal-directed manner (Bruce et al., 2019; Peters et al., 2014). Thus, activities can be seen as consisting of different resource usages and linkages with the aim of creating new resource linkages and to ultimately fulfill goals. These resource interactions refer to both direct (e.g. customer-employee discussion) and indirect interactions (e.g. consumption) (Grönroos & Voima, 2013; Peters et al., 2014; Peters, 2016).

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<sup>26</sup> The resource integration approach is especially apparent in SDL-literature, where one of foundational premises is that all social and economic actors (e.g. customers and firms) are resource integrators (Vargo & Lusch, 2008; 2016). Although not as apparent in the discourses found within the Nordic School, the important role of resources in relation to value formation has been recognized (e.g. Grönroos & Voima, 2013).

<sup>27</sup> E.g. is everything where resources interact a resource integration or not and if not, what is to be considered a resource integration process as well as does resource integration always merely reside in positive value?

Having defined that activities thus relate to the accessing, combining and using of resources, the following question emerges; what exactly are resources?

## 2.3 Dynamic customer resources

It has been outlined that in order for value to emerge, the customer needs to access, integrate and use, often various, resources<sup>28</sup>. In this study, the co-creating group in a complex service is viewed as a resource that the customers' engage with in order to reach their goals. However, in order to understand how the group may actually become a resource, it is assumed that one needs to understand it in relation to other resource integrating activities. This means going deeper into the structure and functioning of the group in relation to customer value formation to understand the more specific activities and resources that are utilized in these. While this is focused on in more in detail in chapter 3, the aim of this particular chapter is to generally examine the nature of resources as well as to give examples of different resource categorizations.

### 2.3.1 The dynamic nature of resources

From the field of psychology, Hobfoll (2002: 307) offers a definition of resources from an individual's point of view; "[r]esources are those entities that either are centrally valued in their own right (e.g. self-esteem, close attachments, health, and inner peace) or act as a means to obtain centrally valued ends (e.g. money, social support, and credit)." From a value perspective, the author thus defines resources based on either their intrinsic or extrinsic value for the individual (Holbrook, 1999) and highlights that resources can be both tangible and intangible. It is interesting that Hobfoll (2002) limits the nature of resources in the following way by arguing that what is to be called a resource needs not to be thought of as a resource by everyone, however, it has to be held as one by a substantially large amount of people with a shared set of cultural traditions<sup>29</sup>. Yet, within marketing and service research, resources are not defined based on the degree of sharedness among individuals, but instead their dynamic nature is highlighted.

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<sup>28</sup> Besides resources, Grönroos and Voima (2013) also include processes and outcomes resulting from the use of resources and/or processes as influencing customer's value formation. Even though it is not explicitly defined what is meant by these different concepts and how they may differ from each other, processes and outcomes can be seen as constituting resources when used by customers in order to reach their goals.

<sup>29</sup> As an example of this, Hobfoll (2002) refers to the work by Bandura (1997) on self-efficacy, which is something that is viewed as a resource due to it being considered as such by many people in various situations in the Western societies.

Influenced by Zimmerman's (1951) view on resources, Vargo and Lusch (2004: 2) state that "resources *are* not; they *become*" (italics in original, Vargo & Lusch, 2004: 2), an argument which is also used by, for instance, Peters et al. (2014). This view is applicable for all kinds of actors and is also applied in this study. For a customer, this can be simply illustrated through the following example; a mobile phone is merely a mobile phone, not a resource, until it is used for an activity through which value emerges for its user, such as calling to one's friend (Löbler, 2013; Peters et al., 2014). Thus, from a value perspective, Grönroos and Voima (2013) find that firms' offerings as resources are to be seen as constituting of potential value(-in-use), which may be realized as real value for the customer through her use. Based on this view and the idea that resources are integrated to serve oneself or some other actor (Vargo & Lusch, 2004), Peters et al. (2014: 254) state that "the hallmark characterizing resources is the specific purpose related to its intended, or potential, deployment", and note further that "the notion of a resource's intended purpose may vary across individuals and specific situational characteristics.". Hence, from a customer's viewpoint, what becomes a resource depends on what the customer wants to achieve and the situation she finds herself in (Löbler, 2013).

Based on the idea that resources become, they may also lose the status of being a resource if the customer finds no use for it anymore (i.e. it is not integrated in the value creation process anymore) (Löbler, 2013; Peters et al., 2014). Something does not become a resource due to some attribute or property that it possesses, but due to its possibility to help the focal actor, such as a customer, achieve its goal(s) (Groff, 2013; Löbler, 2013; Peters et al., 2014). Groff (2013) calls the former categorical properties and the ones that help customers achieve their goals dispositional properties. Recognizing that value formation may also be neutral or negative (e.g. Echeverri & Skålén, 2011; Heinonen et al., 2013; Makkonen & Olkkonen, 2017), one may also argue that a resource becomes a no-/minus-resource if its use leads to neutral/negative value formation.

Basically, what this view on resources means is that their properties or attributes are not static or fixed, but instead, they are heterogeneous. As Harrison and Håkansson (2006: 232) put it; "[r]esources have no given features; these are the result of the interaction with other resources. Thus, the use of a resource is dynamic and can be changed over time. In other words, resources are not fixed.". Individuals' varying appreciation of a (potential) resource, such as an offering and its attributes, means that it is not viewed as the same resource by everyone. Moreover, as this resource is combined or integrated with other resources, it may lead to a totally new resource with new attributes or properties (Peters et al., 2014). Due to the dynamic and heterogeneous nature of resources, it is questionable what

kind of categorizations can be made with regard to different resources. Perhaps due to this Plé (2016) has found that there is lack of more detailed discussion on resources and that the only categorization widely used in service research (e.g. Arnould, Price & Malshe, 2006; Vargo & Lusch, 2004) is the one between operand and operant resources (Constantin & Lusch, 1994). Operand resources are tangible resources (e.g. economic/monetary and raw materials) that are acted upon in order to reach some sort of effect, while operant resources are often intangible (e.g. knowledge and skills) and they are the resources that are used to act on operand resources as well as on other operant resources in order to reach certain effects or performances<sup>30</sup> (Arnould et al., 2006; Vargo & Lusch, 2004). It can be noted that some authors (e.g. Plé, 2016, who also refers to Achrol & Kotler, 2006) have questioned the division between operand and operant resources. In line with earlier discussion on the dynamic and heterogeneous nature of resources, viewing them as operand or operant is not absolute, but instead it varies depending on the context in which it is being used (Plé, 2016).

### 2.3.2 Resource categorizations and offerings as bundles of resources

There are multiple types and categorizations of customer resources found in service marketing literature and the aim of this chapter is to address some of them in order to explicate the multifaceted nature. One of the influential categorizations is that by Arnould et al. (2006) (used by e.g. Baron & Warnaby, 2011). Based on the often utilized distinction between operand and operant resources the scholars propose that a customer's operand resources consist of economic resources and other goods or materials, which can further be divided into material objects and physical spaces. The customer's operant resources, on the other hand, are divided into three categories; social, cultural, and physical. Referring to Giddens (1979), Arnould et al. (2006) describe social operant resources as customers' networks build up by relationships with other actors (e.g. family and brand community). Cultural operant resources refer to customers' knowledge about cultural schemas, which may vary in forms, quantity, and quality, while physical operant resources incorporate the physical (e.g. energy and strength of individual) and mental endowments of individuals (Arnould et al., 2006).

To provide a comprehensive categorizations of customer resources, Plé (2016) draws on the work by Arnould et al. (2006) and other resource categorizations from service marketing<sup>31</sup> (e.g. Kalaignanam & Varadarajan, 2006) as well as

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<sup>30</sup> The role of the operant resources is in contemporary thought highlighted over the operand ones with regard to the creation of competitive advantages in firms (Vargo & Lusch, 2004).

<sup>31</sup> Plé (2016) refers especially to the SDL.



categorizations of antecedents and customer input from research on customer participation (CP) in service processes<sup>32</sup> (Plé, 2013; Plé, Lecocq & Angot, 2010). The former is utilized to explicate resource that relate to why and how other resources are being used; role clarity, role size, role awareness, customer's ability and willingness to participate (Plé, 2013; 2016). With regard to customer inputs, Plé et al. (2010) have all together identified seven non-exclusive forms of customer inputs with their listing extending the one by Rodie and Kleine (2000), who separated between mental (informational), emotional and physical to also include behavioral, temporal, relational, and financial inputs (Plé, 2013). Based on the review, Plé (2016) ultimately provides a list with twelve different resources; informational, emotional, physical, financial, temporal, behavioral, relational, social, cultural, role-related, customer ability, and –willingness. This can be seen as an exhaustive list of resources, although, for instance, Mustak, Jaakkola, Halinen and Kaartemo (2016) have identified demographic and psychological attributes as well as a customer's expected benefits as antecedents that may affect customer's motivation to participate and that are not directly capture in the list by Plé (2016).

A few remarks concerning some of these customer resources in the particular context of this study may be pointed out. When it comes to role-related resources of role clarity and awareness as well as ability to perform the role<sup>33</sup>, they all relate to a customer's knowledge and skills regarding what resources are needed and what activities need to be performed in order to reach desired value. Role clarity and ability have also been shown to influence a customer's motivation to perform the needed behaviors (e.g. Dellande, Gilly & Graham, 2004). Consequently, customer learning is focal for customer value creation. When it comes to the co-creation of offerings, especially expectations and informational inputs can be seen as important since customers have to be able to know and communicate what they want from the offering. However, this is not always that easy and customers may not always even be aware of their latent needs (e.g. Narver, Slater & MacLachlan, 2004). Particularly the financial and temporal resources, but also behavioral and physical resources relate to what could be called the investment aspect in value creation processes. Besides possible monetary investments, customers have to decide upon how much of their energy and time they want to invest. Overall, it is

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<sup>32</sup> Research on customer participation is concerned with issues related to service processes often taking place in customer-provider dyads (Mustak et al., 2013; Plé, 2016). Instead of using the concept of resources, research on CP deals with, for instance, customer antecedents and inputs (Mustak et al., 2016) which can be seen as customers' resources during service production/delivery (Plé, 2013; 2016; Plé et al., 2010).

<sup>33</sup> As a part of a customer's ability are her beliefs that she is able to perform a role, which is in literature often referred to as a customer's self-efficacy (e.g. Bandura, 1997; Hibbert et al., 2012; van Beuningen, de Ruyter, Wetzels and Streukens, 2009)

important to note that customers as a whole (e.g. cognition, emotion, action by Payne et al., 2008) creates value thus bringing differing resources to the process, but also being in need of different resources in order to reach their goals.

Besides her own resources, the customer often needs some other relevant resources that are provided by other actors (providers) in order to reach her goals. This might be a product and in a service setting also the physical resources and the contact employees (Eiglier & Langeard, 1975; 1976, referred to by Grönroos, 2012). When it comes to customers being co-creators, the availability of interaction platforms (e.g. for customization of offerings; Etgar, 2008) can be seen as firm resources that customers can consider as important. With regard to the interest of this study, the co-creation group forms an integral part of the offering that may become a resource for a participating customer's value formation<sup>34</sup>. Fundamentally, there is a multitude of provider-owned resources that are needed in order to be able to facilitate customer value formation and to co-create value with customers. Together these bundles or configurations of resources form the provider's offering to the customer (Heinonen & Strandvik, 2015). As stated by, for instance, Strandvik, Holmlund and Edvardsson (2012) and Heinonen & Strandvik (2015), an offering incorporates the often used concepts, such as, products, services, service, solutions, relationships value propositions and promises. In line with this, an offering can be seen as including "outcome aspects (products/services), process aspects (service) and extension over time (relationship)" (Heinonen & Strandvik, 2015: 478), thus being a more general and holistic concept than the traditional concepts used. An offering incorporates a provider's configuration of different tangible and intangible resources that the provider offers to customers in order to support customer's value formation as well as to reach its own goals (Heinonen & Strandvik, 2015).

In order to drive desired customer value formation, Strandvik et al. (2012: 133) argue that the offering has to match with "the customer's mental model of what the customer intends to achieve and to acquire"<sup>35</sup>. The scholars label this as a customer's needing, but other concepts, such as, desires, desired value and goals that are utilized in this study can be seen as equivalent, with the main point being that it is important to understand what the customer wants to achieve. However,

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<sup>34</sup> Focus in chapter 3 is put on conceptualizing the co-creation group as a resource.

<sup>35</sup> Emphasizing the offering-needing relation refers to the importance of understanding that what the provider is offering might not be what the customer is buying (Heinonen & Strandvik, 2015). This further relates to CDL scholars critique regarding focus in service marketing being on distinguishing between products and services versus service as a business perspective/logic (e.g. Vargo & Lusch, 2004; 2008; 2016; Grönroos, 2008; 2011; Grönroos & Gummerus, 2014), while the vital distinction is according to them between the customer and provider perspectives (e.g. Heinonen et al., 2010; 2013; Heinonen & Strandvik, 2015; 2018).

a provider cannot shape its offerings to suit the needs of each customer individually. Instead, the provider has to make compromises when making choices regarding what it offers<sup>36</sup>. It is also important to note that a customer's value creating activities are often not limited to the offerings of a single provider, which means that they draw on resources from several sources (Heinonen et al., 2010). In simple terms, all actors that the customer embeds (i.e. engages with) in her ecosystem to reach her goals can be seen as (potentially) providing resources (Voima et al., 2011).

While, for instance, role clarity and ability are pointed out as focal types of resources, the social role as a resource in itself has been left out in these categorizations. Considering customers' value creating activities, social roles are found to be important and hence, the following chapter is devoted to addressing this issue.

### 2.3.3 Social roles as resources

In order to understand why actors, such as customers, behave as they do, social roles have traditionally been pointed out as important aspects with regard to value formation taking place in both customer-provider (e.g. Solomon, Surprenant, Czepiel & Gutman, 1985) and customer-customer dyads (e.g. Parker and Ward, 2000). More recently, social roles in a systemic context have become of interest for service marketing scholars (e.g. Akaka & Chandler, 2011; Edvardsson et al., 2011). When it comes to the co-creation of offerings, customers' are not acting as 'passive buyers', but instead they can take the role of, for instance, ideator, designer, valuator, tester, producer, and consumer (Oertzen et al., 2018); in other words, there may be varying roles for the customers. Within a particular phase, there can be even more specific roles that customers take on; for instance, when studying co-consuming brand communities, Pongsakornrungrungsilp and Schroeder (2011) found that customers may take on different provider (i.e. contribute resources) and beneficiary (i.e. gain collective benefits) roles. With recognition for these and the fact that value formation is a highly contextual and dynamic process that depends on the activities and resource of several actors, Akaka and Chandler (2011: 244) find social roles to offer "a way of shedding light on the changing nature of interactions in value networks". The value network can be interpreted as, for instance, a systemic customer unit (Voima et al., 2011), which in the context of this study would be the co-creating group. Similar thoughts have been presented by

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<sup>36</sup> Besides the customer-related aspects, this compromising is influenced by the provider's own resources, capabilities and strategies as well as the surrounding competitive environment (Heinonen & Strandvik, 2015)

Edvardsson et al. (2011) when advocating for the use of social construction theories to better understand service exchange taking place in a broader social system. Although different authors have discussed social roles, the work by Akaka and Chandler (2011) is utilized as it focuses on the use of social roles as resources, which is deemed relevant with regard to how customer value formation is approached in this study.

Inspired by Granovetter (1985), Akaka and Chandler (2011) find social roles to be embedded within the systems meaning that social roles link actors together thus forming the system, and that the system and social roles reciprocally influence each other (Akaka & Chandler, 2011). Enabled by this embeddedness, the authors find social roles to be resources used for value (co-)creation (Baker & Faulkner, 1991), which is congruent with the resource integration approach to activities that is taken in this study. Specifically, based on existing literature on social roles in both marketing and sociology Akaka and Chandler (2011) identify two major perspectives on social roles; 1) social roles as resources for stability, and 2) social roles as resources for change. Using the categorization of operand and operant resources, Akaka and Chandler (2011) propose that social roles can be seen as either of these based on the two perspectives, which means that the two perspectives found in the literature have to be looked at.

In order to have this discussion, the key concepts of social role, role enactment, role expectation and social position need to be clarified. The concepts are defined according to the work by Akaka and Chandler (2011: 251) who draw on relevant literature on social roles and social positions (e.g. Baker & Faulkner, 1991; Solomon et al., 1985; Wasserman & Faust, 1994; Winship & Mandel, 1983) when defining them. A *social role* is defined “as a set of practices (repeated activities) that connect one actor to one or more other actors” while *social position* is defined as “the set of value-creating relationships or links through which a particular actor is connected to other actors in value networks”. This means that an individual’s social position is always a specific location in a system/network of actors, while social roles are abstractions that transcend particular systems/networks (Winship & Mandel, 1983; Baker & Faulkner, 1991). Akaka and Chandler (2011) exemplify this with the social role and social position of a waiter; the general social role of a waiter (pattern of behaviors) is linked to several social positions of waiters (the persons) in the same system (same restaurant) and other systems (other restaurants).

Social role has two dimensions. First, *role enactment* is defined as “the acting out of the set of practices associated with a particular social role”. In other words, this means that the patterns of behaviors related to a social role are conducted, which

in the case of a waiter could be to greet, take orders and serve food. Finally *role expectations* are defined as “the social norms or cues associated with a particular social role”. Using the example of the waiter, these expectations are related to the carrying out of the above-mentioned behaviors (e.g. greeting, asking, serving) and others that another actors, in this case a customer, expects from the waiter.

### 2.3.3.1 Social roles as a resource for stability

The first perspective refers to the traditional conceptualization of social roles in marketing (e.g. Solomon et al., 1985). Even though social roles had been discussed earlier within marketing and especially consumer behavior regarding customers' expectations of firms (Sheth, 1967), the work by Solomon et al. (1985) can be seen as seminal since it highlighted that both customers and providers have expectations on each other when they engage in dyadic interactions (e.g. service encounters) (Akaka & Chandler, 2011). Adopting role theory, Solomon et al. (1985) see social roles as being specific patterns of learned behaviors (practices) which actors take on as a result of their social position in the dyad; for instance, a customer visiting a supermarket can be expected to pick her own groceries from the shelf and perhaps use a self-service checkout, while an employee at the store may be expected to greet the customer and help her if she cannot find some items. According to this view, the aim is to maintain stability in the dyad in order to drive satisfaction for both parties and this is achieved through role congruence, meaning that the role expectations and role enactment meet (Solomon et al., 1985; Akaka and Chandler, 2011). Importantly, the expectations regarding a specific social role are always in relation to the other party/parties involved (e.g. a customer's expectations on the service provider and vice versa) and in order to meet these expectations or pursue a successful role enactment, it is proposed that the actor needs to learn from interactions with and reactions from other actors (Solomon et al., 1985).

Roles are thus seen as resources for stability (i.e. operand resources) when “role expectations are well established and role enactment conforms to or fulfills those expectations” (Akaka & Chandler, 2011: 252). In this traditional approach on social roles in marketing research the actors, most often customers and providers, have their fixed social positions from which they adopt and enact specific social roles guided by social norms (i.e. role expectations) (Akaka & Chandler, 2011) thus maintaining what Solomon et al. (1985) refer to as a mindless state. However, this maintaining and following of the norms may change when something unexpected in the experience occurs (i.e. deviation from service script) (Solomon et al., 1985). What can be noted from studies on social roles in dyadic settings is that the social

position is 'given', which means that a distinction between social role and social position is not needed and, at least explicitly, discussed in this perspective (Akaka & Chandler, 2011). However, this becomes different when moving on to view social roles in a network setting and as resources for change. Moreover, even though this perspective offers insight into how stability in a dyad with fixed positions is maintained in order to enhance positive value formation, it is not applicable to a system or network setting in which constant evolution and change takes place (e.g. Lusch, Vargo & Tanniru, 2010; Akaka & Chandler, 2011). In order to understand this dynamic nature of value formation on a systemic level, social roles need to be approached from the following perspective.

### 2.3.3.2 Social roles as a resource for change

Based on the work by Wasserman and Faust (1994) and Winship and Mandel (1983) involving discussions on the different views on social role, social position and their relationship in sociology, Akaka and Chandler (2011) posit that social roles and social positions are different, yet, related concepts. Interestingly, there does not seem to be any clear guideline on which comes before the other. Hence, adopting a social role is not always tied to an actor having a specific social position that guides the adoption. Moreover, it is noted that even though social roles are generally seen as enacted in order to maintain stability in a relationship, social roles can also be used to create new social positions; in other words, as resources for change.

To understand how social roles can be seen as resources for change, Akaka and Chandler (2011) draw especially on the work by Baker and Faulkner (1991) and their 'role as resource' perspective<sup>37</sup>. According to this, social roles are to be seen as resources that can be used to create social positions and relationships to other actors. To explicitly point out why this is the case, Baker and Faulkner (1991) argue that a role is first of all used to both influence one's social identity and to become part of or claim citizenship in a social community (i.e. used to tell others who you are and where you belong). Second, a role can be seen as a gate through which the actor gains access to various resources (e.g. cultural, social, and material). From this perspective, the role is not enacted from a position (as is the case in both structural and interactionist perspectives, Turner, 1985; compare also to Solomon et al., 1985, but instead the role is taken and utilized in order to gain a position (Baker & Faulkner, 1991). What this means is that there are basically no fixed social

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<sup>37</sup> This role as a resource perspective by Baker and Faulkner (1991) builds on the two sociological perspectives on roles discussed by Turner (1985); the structural (Handel, 1979) and the interactionist, as well as from the social network approach (e.g. White, Boorman, and Breiger, 1976; Boorman and White, 1976).

roles and social positions, but these are instead constantly changing. Moreover, this process of integrating social roles can be seen to take place through different combinatorial patterns including separation and different degrees of consolidation or combination in order to drive value formation (Baker & Faulkner, 1991; Akaka & Chandler, 2011). As various actors simultaneously engage themselves in these separating and combining activities, it is noted that the changes taking place in different systems are multifaceted (Baker & Faulkner, 1991; Akaka & Chandler, 2011) as opposed to the dyadic stability approach where changes are linear, taking place after role congruence is reached (Solomon et al., 1985; Broderick, 1998).

From this perspective, it is thus proposed that actors utilize various social roles in order to alter their social position within a particular (value) system<sup>38</sup> (e.g. a group) and to through that position then gain access to certain resources (Akaka & Chandler, 2011). These social roles may come from different systems (e.g. work or a community) and the social position of an actor is from this perspective a concretization in a system based on the social roles that the actor has adopted and enacted as well as the value creating processes in which the actor is engaged in. The authors thus recognize the emergence of a new perspective on understanding how value creation and ultimately value formation takes place especially in systems where conformity to expectations based on fixed social positions is not evident (e.g. customers becoming designers) (Prahalad & Ramaswamy, 2004; Zwick, Bonsu & Darmody, 2008).

Based on this perspective, social roles are seen as becoming resources for change (i.e. operant resources) when “the enactment of a new (to the actor) set of practices contributes to the creation of new role expectations (i.e. social norms) or establishes a new social position” (Akaka & Chandler, 2011: 252). Thus, the integration of social roles does not drive stability, but instead it pushes forward change in the system. The aim of this activity is to gain new resources (e.g. social position and relationships) (e.g. Baker & Faulkner, 1991) and thus influence desired value formation<sup>39</sup> (Akaka & Chandler, 2011).

When it comes to gaining appropriate resources, such as, the right knowledge and skills as well as attitudes to participate in a service encounter or process, organizational socialization (e.g. Kelley, Donnelly & Skinner, 1990; Kelley, Skinner & Donnelly, 1992) is often pointed out as a focal process (Mustak et al., 2016; Plé, 2013). The supportive or educational activities undertaken by the firm, which become a part of the offering, are important for customer value creation and

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<sup>38</sup> Akaka & Chandler (2011) refer to value network.

<sup>39</sup> This activity is thus free from any predetermined expectations or position (Akaka & Chandler, 2011).

formation; however, it is also important to recognize the customer as an active learner (Hibbert et al., 2012). These issues are addressed in the next chapter.

#### 2.3.4 Learning in order to strengthen and increase understanding on resources and their integration

When it comes to customers possessing relevant knowledge for the use of an offering, main emphasis in service marketing has been on understanding providers efforts in teaching customers how to behave during service production or delivery in order to reach positive outcomes (e.g. Auh, Bell, McLeod & Shih, 2007; Bell & Eisingerich, 2007; Eisingerich & Bell, 2006; 2008; Evans, Stan & Murray, 2008; Zhao, Mattila & Tao, 2008)<sup>40</sup>. Referring to the work of Auh et al. (2007) and Groth (2005), Hibbert et al. (2012) state that there is a sufficient amount of empirical studies supporting the positive link between providers educating customers and customer participation in the production and delivery of service. With regard to some of the previously addressed customer resources, educational efforts by providers' have been found to be important in enhancing, for instance, customers' self-efficacy (e.g. source credibility and argument quality enhance this), which is important for customer value formation (van Beuningen, de Ruyter, Wetzels & Streukens, 2009; Zhao et al., 2008). Communication regarding what is expected from the customer during service (i.e. role clarity) is positively linked to more effective co-production of services (Auh et al., 2007) and Eisingerich and Bell (2006) have found that customer education has the strongest influence on loyalty. Despite more recent findings by Bell, Auh and Eisingerich (2017) implying that customer education may have both positive and negative impact on customer participation<sup>41</sup>, it can still be argued that educating customers is of importance for successful customer participation and service delivery.

Although recognizing its importance, Hibbert et al. (2012) stress that the focus on customer learning as resulting from firm-generated communication (often focus on a single channel) and being tied to a focal service process (e.g. instruct customers how to perform a role) is rather narrow. Adopting a perspective on the customer as acting in a goal-directed manner in her ecosystem (Voima et al., 2011),

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<sup>40</sup> Different areas have been emphasized, however, addressing those developments falls outside of the scope of this study. Instead, it may be noted that, for instance, Hibbert et al. (2012) have addressed the developments in research on customer education. Their work is based on the different research streams on customer participation in service by Dong, Evans and Zou (2008)

<sup>41</sup> Based on their empirical studies, it was found out that educating customers to gain firm-specific expertise might lead to increasing customer loyalty; yet, if the educational efforts are aimed at enhancing customers' market-related expertise, it may lead to decreasing customer loyalty.



it becomes evident that the customer can access input for her learning from various sources (Hibbert et al., 2012). Thus, the customer learning process can be viewed in broader terms than merely taking place in a customer-provider dyad (Hibbert et al., 2012; Payne et al., 2008). First, customer learning is often not to be understood as merely relating to a particular instance. Payne et al. (2008) address customer learning in relation to the holistic relationship experience that a customer has with a provider and further separate between three levels of learning; remembering, internalization, and proportioning. *Remembering* is about customer learning some information that she receives without processing it in more detail, while *internalization* is a deeper and more complex learning process during which the customer takes in and interprets the message and her experience<sup>42</sup>. The most complex form of learning, which the authors present is *proportioning* that involves the customer thoroughly reflecting on her own processes as well as her engagement in activities involving certain providers. Referring to the work of Argyris and Schön (1978), the scholars view it as a form of double-loop learning. It is suggested that as customers more thoroughly reflect on their activities, it may result in them changing their behavior through the adoption of new activities (and new ways of using resources) and/or abandoning old activities<sup>43</sup>.

Hibbert et al. (2012), on the other hand, provide more understanding concerning the holistic customer learning process drawing on theories of self-directed learning in education and teaching research (e.g. Bolhuis, 2003; Merriam, Caffarella & Baumgartner, 2007; Scheerens, Bosker & Creemers, 2010; Tough, 1971; Valle, Cabanach, Nunez, Gonzalez-Pienda, Rodriguez & Pineiro, 2003). Utilizing especially the model on lifelong learning by Bolhuis (2003), Hibbert et al. (2012) create a model of customer learning for resource integration, however, addressing this in detail falls outside of the scope of this study. The main point is that similarly as with customer's value creating activities, also learning is a goal-directed process consisting of different activities<sup>44</sup> that are not necessarily bound to a particular

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<sup>42</sup> In order to enhance remembering, the idea is to gain the customer's attention (e.g. traditional marketing communication), while in internalization, "[t]he customer is usually prompted to take some kind of stand, which is often based on the emotions they experience in relation to the message" (e.g. brand building activity) (Payne et al., 2008: 88).

<sup>43</sup> It is often not only about understanding and liking what the provider offers, but it may influence how the customer lives her life and what her goals are (Payne et al., 2008).

<sup>44</sup> Hibbert et al. (2012) draw on the work of Tough (1971) on so-called self-directed learning projects (SDLPs) in order to define customer learning activities. The specific interrelated learning activities are based on Bolhuis' (2003) cognitive process model of learning and the adaptation of it by Seidel and Shavelson (2007); goal setting, orientation, execution of learning activities, evaluation of the process and results, and regulation. Although the cognitive information processing is emphasized, the role of emotions is not to be neglected (Rager, 2003, referred to by Hibbert et al., 2012).

customer-provider dyad. Usually, there is a trigger event (e.g. value creation opportunity) that gives the individual either intrinsic or extrinsic incentives to become motivated to learn<sup>45</sup> (Roberston & Merriam, 2005) with also the rich and dynamic learning environment with learning opportunities (Ellinger, 2004; Spear, 1988), resources (Robertson & Merriam, 2005; Song & Hill, 2007) and the customer's capacity and opportunity to learn (Spear, 1988) influencing the learning process (Hibbert et al., 2012). Related to this customer centric perspective on learning, Fernandes and Remelhe (2016) provide an interesting insight in their study on collaborative innovation. The scholars find that for the possibility to acquire knowledge seems to be one of the strongest motivators for participating customers. Hence, customer learning is not only about being educated in order to be able to go through with a service process. Instead, customers may be driven by the possibility to learn, meaning that learning opportunities may serve as important impetus for customers' participation in the co-creation of offerings.

To summarize, key takeaways from this chapter are that first of all, resources are not resources as such, but they become ones when linked to an activity that is of importance for the customer (i.e. they support the customer in her value formation). Second, the heterogeneous and dynamic nature of resources is pivotal to recognize. The role of the resource varies for different individuals and they may change when combined together with other resources. In addition, as value formation can also be neutral or negative, one might argue that resources becomes a no-/minus-resources when driving neutral/negative value formation for the actor. Third, it is found that providers' educational efforts may have an important role for successful customer value formation. At the same time, it is important to understand that customers do not necessarily learn in same ways and that learning is not restricted merely to the focal provider's interactions with the customer. Customer learning is to be understood holistically from the customer's perspective similarly, as value creation and formation.

In order to understand why a customer conducts certain activities the underlying logic is proposed to be of relevance (Heinonen & Strandvik, 2015; 2018). Traditionally in marketing and management, when logics are discussed, the focus is on the provider and its business logics (Prahalad & Bettis, 1986). When it comes to traditional service marketing, service from the provider's perspective forms the business logic (e.g. Grönroos & Ravald, 2011; Grönroos & Gummerus, 2014; Vargo & Lusch, 2016). However, in accordance with CDL (e.g. Heinonen & Strandvik, 2015; 2018), focus is instead primarily on the customers' logics. Similarly, as the activities of a provider are presumed to be influenced by a certain logic, also customers have subjectively rational logics that guide their goal-directed activities

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<sup>45</sup> These then shape the goals of the learning process.

and how and why they integrate certain resources in these. Consequently, the customer logic becomes relevant to address.

## 2.4 A customer's logic guiding the value creating activities

When it comes to understanding how providers conduct their business, the concept of business logic is applicable as it refers to the underlying assumptions that guide how the provider views its business and allocates resources (Prahalad & Bettis, 1986). Fundamentally, the different logics within service marketing are business logics that emphasize different aspects with regard to value formation. In line with CDL, the primary focus is, however, not on a provider's logic per se. Instead, what becomes crucial is the customer who can be also seen as acting upon a logic of her own when engaging in activities and processes and integrating resources. The idea of customer logics is novel and it has mainly been discussed on a conceptual level in CDL (Heinonen et al., 2010; Heinonen & Strandvik, 2015; 2018), which means that empirical studies concerning its nature, identification and categorization are deemed relevant<sup>46</sup>.

Heinonen and Strandvik (2015: 478) define customer logics as “customers’ idiosyncratic reasoning of and their sense making about appropriate ways for achieving their goals and conducting their tasks.”. Thus, it acts as a “coordinating concept in which the patterns of customers’ overt and covert activities, experiences and goals are integrated” (Heinonen & Strandvik, 2015: 477). Following this, a customer’s logic is viewed as being influenced by the customer’s goals, but also her earlier experiences, and it guides how a customer lives her life (i.e. how the customer makes decisions, acts, reacts, experiences and so on, Heinonen et al., 2010; Heinonen & Strandvik, 2015). While customer’s activities and experiencing have already been addressed, the customer’s goals (i.e. needings<sup>47</sup>), especially when it comes to the co-creation of an offering, need to be looked at before continuing to with customer logics.

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<sup>46</sup> Previous research may have aspects that are of importance for a better understanding on customer logics, yet, in order to know what to look for and to be able to elaborate on the concept of customer logic, it is presumed that empirical investigation offers one of the more prominent ways at this point.

<sup>47</sup> When it comes to what the customer wants to achieve, the concept of needing, which was addressed in chapter 2.3.2 is often utilized in CDL (e.g. Strandvik et al., 2012; Heinonen & Strandvik, 2015). Customer needings concern what the customer wants to achieve and it is consequently seen in this study as equivalent to concepts, such as, goals, desires and desired value. The main point is to move beyond need and wants as such and strive to understand what the customer wants to achieve (Strandvik et al., 2012; Heinonen & Strandvik, 2015).

Customer goals are not always merely individual, but there may also be relational and collective goals<sup>48</sup> in a group (Epp & Price, 2008; 2011). When it comes to this study, the participating customers' goals can be thought of as relating especially to the offering that is being co-created. Having, for instance, a shared vision (Akman, Plewa & Conduit, 2019) and the possibility to socialize with others' sharing similar interests (Fernandes & Remelhe) are important motivators for customers' participating in group-based co-creation activities. In addition, customers' goals in co-creation may relate to both the process (i.e. intrinsically motivated) and the outcome (i.e. extrinsically motivated) (Deci and Ryan, 1985; 2002, referred to by Füller, 2006). Drawing on this, Füller (2006) finds that the main reason for customers' to participate in virtual new product development is due to intrinsic motivation; in other words, the experience (e.g. intrinsic innovation interests, showing ideas, curiosity<sup>49</sup>). Similarly, Fernandes and Remelhe (2016) have found that besides the social motives, customers want to participate in collaborative innovation due to especially intrinsic motives (e.g. curiosity and enjoyment) and knowledge motives (e.g. improve skills).

Füller (2006) also states that in open source communities and user innovations, the reasons to participate may be more influenced by extrinsic motives such as getting to use the offering that has been developed. In their study, concerning customers' motives to participate in innovation co-creation activities, Roberts, Hughes and Kertbo (2014) found that the motivations seem to vary depending on the type of co-creation effort that is made. Independent innovation is found to be driven by egocentric motives (mainly based on hedonic desire for a better product and personal development), while process-related altruistic and social motives are found to be driving customers' participation in community innovation activities. Finally, when it comes to direct collaboration with companies in innovation, long-term opportunities as well as economic goals influence. Thus, depending on the type of co-creation that is taking place, a customer's motivation is proposed to vary. Hence, it is suggested that customers' goals in the co-creation of offerings, besides being of either individual or social (relational or collective) nature, can be bound to the process and/or to the outcome(s) of the process (e.g. product/service created). Following these discussions, figure 5 illustrates a simple overview of possible customer goals in a co-creation project.

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<sup>48</sup> In a co-creating group, the collective goal(s) relate to the group project (Arrow et al., 2000), as will be addressed in chapter 3.

<sup>49</sup> Also monetary rewards, knowledge acquisition and dissatisfaction with earlier products may work as drivers for customers' participation.

<b>Focus of goal</b>	<b>Process</b>	Making new friends in the process of co-creating an offering.	Having fun together with a friend when co-designing a new product.	Creating a strong brand community online.
	<b>Outcome</b>	Getting a product that suits the needs better than a standardized offering.	Customizing a car that suits the needs of both parents.	Finishing the apartment building in a JBV project
		Individual	Relational	Collective
		<b>Whose goal is it?</b>		

**Figure 5** Potential types of customer goals in to the co-creation of offerings with examples

The customer's various goals together with her experiences and activities drive the complexity that characterizes a customer's logic. Following this, Heinonen and Strandvik (2015) find a customer's logic to be semi-stable, which means that it may be influenced and it may change, yet, it is slow to do so. Furthermore, a customer logic is assumed to be identifiable, but not always explicit or visible (Heinonen & Strandvik, 2015) and that it applies "to specific customers in certain situations and contexts at particular times." (Heinonen & Strandvik, 2018: 5). Integrating the above discussed, it may be viewed that each customer has a logic of their own linked to some specific goal that they try to achieve. This logic is a collection of the customer's reflections and sensemaking on the past, present and future, which leads to the customer to engage in different activities and to integrate various resources. With regard to this conceptualization, it may sound that it is a challenge of uttermost difficulty to address different customer logics. However, it is proposed that striving to identify different forms of customer logics and to create some form of categories is worth striving for (Heinonen & Strandvik, 2015).

Emphasizing the customer logic means that one strives for a more holistic understanding regarding the customer than in many of the traditional perspectives in marketing where purchases or relationships are studied as if they were isolated, provider and/or situation-specific incidents (Heinonen & Strandvik, 2015; 2018). Studying, for instance, customers' experiences when visiting a bank is tied to both a certain provider and a certain situation. Even though it is important to understand how value is formed during a service experience, it may be that the

larger picture is missed. The visit to a bank might be one part of something greater that the customer is trying to achieve (e.g. buying an apartment). A particular actor or unit may become a resource in relation to some other activity that the customer is striving to pursue. Emphasis on the customer logic means zooming out and going beyond specific situations and instead looking at the larger system of customer's activities, resources, and experiences that relate to the service as defined by the customer (Heinonen & Strandvik, 2018; Voima et al., 2011). Moreover, besides providing the opportunity to understand what the customer strives to achieve and how, a customer's logic can presumably be utilized in order to understand why a certain resource is integrated in the value creating process.

When focus is on customers' value formation, besides recognizing the true spectrum of their activities as well as their logics, the context of interest also changes. Instead of focusing on the service encounter or the service ecosystem, the customer ecosystem is proposed to be pivotal to account for (Voima et al., 2011).

## 2.5 Customer ecosystem as the context of relevance

With focus on value as emerging for the customer based on activities and experiencing in her multi-contextual reality, the context of focal importance becomes that of the individual customer's (Voima et al., 2011; Heinonen et al., 2013; Heinonen & Strandvik, 2015; 2018). As previously addressed with regard to the scope of experiencing, this means that the context of relevance for a customer is not only bound to some specific service encounter or relationship, but instead it is built up by all the actors and factors that influence a customer's value formation when striving towards a particular goal. Important to note is the both internal and external aspects of context (Heinonen et al., 2013). Customers do not experience in isolation, which means that what is considered to be of value as well as value formation are affected by, for instance, the collective social context in which the customer finds herself (Edvardsson et al., 2011; Epp & Price, 2011; Heinonen et al., 2013) and the different roles that the customer may have (Akaka & Chandler, 2011). As opposed to the rather diffuse concept of value landscape (Heinonen et al., 2013), which arguably captures all the various dimensions potentially influencing customer value formation, customer ecosystem can be utilized (Voima et al., 2011; Heinonen & Strandvik, 2015). Customer ecosystems are defined by Voima et al. (2011: 1015-1016) "as systems of actors related to the customer that are relevant concerning a specific service". The relevant actors can be, for instance, different service providers and other customers, but also other actors as well as relevant physical and virtual structures (Heinonen and Strandvik, 2015). Importantly, a customer ecosystem is defined based on a particular service as

defined by the customer, not the provider (Voima et al., 2011; Heinonen & Strandvik, 2015). The customer ecosystem depends on the customer unit, which can be, for instance, a single person or a group of persons (Voima et al., 2011). If the customer unit consists of several individuals, each of these can be seen as customers who can perform varying roles. What can be further distinguished from the customer unit is the value unit, as value can only emerge from a single customer's perspective at a time (Voima et al., 2011).

A customer's ecosystem consists of actors linked to a customer that are of relevance when the customer strives to pursue a specific goal or service (Voima et al., 2011), which means that it can be seen as formed of different micro level, dyadic, activities. Importantly, as the customer performs an activity, she becomes, at least temporally, engaged in the other actor's or resource's ecosystem and is influenced by it either directly or indirectly. When engaging with a provider, the customer becomes part of the particular service ecosystem (Vargo & Lusch, 2011; Vargo & Lusch, 2016; Frow et al., 2019), which is defined as "a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange" (Vargo & Lusch, 2016: 10)<sup>50</sup>. Thus, it concerns the actors as well as institutions (norms, rules, beliefs made by human; Scott, 2001) and institutional arrangements (sets of interrelated institutions) that influence the provision of a particular offering to the customers (Vargo and Lusch, 2016). It may also be noted that these (e.g. laws, higher-order cultural and social forces) directly influence customers. The recognition of service ecosystems that a customer becomes embedded in during her value creating activities further adds to the complexity of the customer ecosystem.

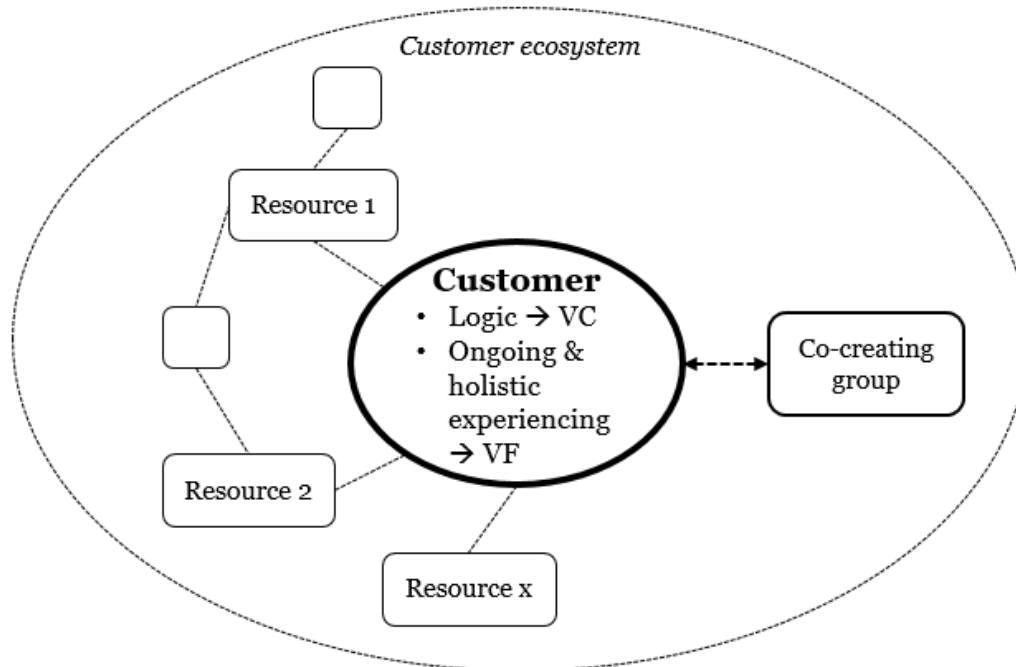
## 2.6 Summary on customer value formation

The intention of this chapter has been to present how customer value formation is approached in this study and a summary of that is illustrated in figure 6. Value as an outcome is seen as based on a customer's holistic experiencing. This means that value formation (VF) is an ongoing process that is linked to a customer's value creating (VC) activities taking place in her ecosystem. In these activities, the customer integrates various resources guided by her own logic, which is the customer's reasoning on what she is striving to achieve and how. Consequently, a customer's logic is linked to why a customer integrates a certain resource in her

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<sup>50</sup> A service ecosystem can also be observed on different levels of aggregation; for instance, micro, meso, macro and meta/mega (Chandler & Vargo, 2011; Gummesson, 2011), however, analyzing them goes beyond this study

value creation process. When it comes to the customer's ecosystem, it needs to be understood that as the customer integrates a particular resource (e.g. an offering) in her value creating activities, she becomes embedded in that ecosystem (depicted by the blank boxes).



**Figure 6.** Conceptualization of a customer's value formation process

In this study, the co-creating group is the focal resource of interest. In order to provide a foundation for being able to understand how the co-creating group may become a resource for participating customers' value formation processes, the next chapter is devoted particularly to the conceptualization of the co-creating group as a resource.



### 3 GROUPS AS RESOURCES FOR CUSTOMER VALUE FORMATION

With emphasis being particularly on the co-creation group as a resource in customer value formation, it becomes pivotal to conceptualize the co-creation group. Looking at contemporary service marketing literature, even though groups have been studied, this type of knowledge seems to be lacking. First of all, it may be noted that studying groups has not been traditionally of interest for service scholars. Focus has instead been on customer-provider dyads (Mustak et al., 2013; Heinonen & Strandvik, 2018) and to some extent customer-to-customer interactions (Nicholls, 2010). From there, the scope of interest has broadened during the last decades with a growing interest in systemic value co-creation and value formation (e.g. Mustak et al., 2013). However, focus has largely been on studying the systemic provider-side in accordance with SDL (e.g. Vargo & Lusch, 2008; 2016)<sup>51</sup>.

Yet, there have also been studies in line with the customer-centered perspective on value formation (Heinonen et al., 2013; Heinonen & Strandvik, 2015; 2018; Voima et al., 2011) and with particular emphasis on systemic customer units. Arantola-Hattab (2013; 2015) has studied how families as customer units experience value, while Epp and Price have proposed a framework concerning family identity enactment (2008) as well as studied empirically how families integrate offerings (2011). Concerning the influence that customers have on each other's in groups, Finsterwalder and Kuppelwieser (2011) have studied the relationship between task contributions and perceived customer-to-customer social interaction, whereas Colm, Ordanini and Parasuraman (2017) have created a typology for different forms of customer copresence that may influence the customers in a group. When it comes to co-creation in communities, there have been studies addressing, for instance, customers' motivations for participation (e.g. Roberts et al., 2014), their different roles in co-creation (e.g. Healy & McDonagh, 2013; Pongsakornrunsilp & Schroeder, 2011) and the relations between drivers, value co-creation activities and value outcomes (e.g. Akman et al., 2019) as well as the management of consumption communities (Närvänen et al., 2019).

However, although scholars have addressed important aspects concerning (co-creating) customers in groups or systemic customer units, there seems to be a lack of understanding regarding the fundamental structure and nature of groups that is deemed necessary in this study. Previous research often seems to address a

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<sup>51</sup> Service delivery networks (Tax, McCutcheon & Wilkinson, 2013), service systems (e.g. Maglio & Spohrer, 2008) and service ecosystems (e.g. Frow et al., 2019) are a few conceptual examples of this with emphasis being put on understanding how the provider-side functions to serve their customers.

particular issue with the group being the context where this issue is studied; yet, here the question is how the group may become a resource in participating customers' value formation (i.e. the context goes beyond the mere group). With regard to this, someone might question why the previously mentioned studies on value formation in service ecosystem are not utilized, as they are concerned with systemic activity between various actors. Similarly, someone might propose that the traditional stream on research concerning the development of relationships in business networks, with the Industrial Marketing and Purchasing (IMP) group at the front (e.g. Håkansson & Snehota, 1995), could be of use. However, they are not considered to be relevant with regard to the intentions of this study. Instead, it becomes necessary to look outside of the current (service) marketing literature in order to conceptualize a co-creation group. Consequently, this study turns to small group theory.

### 3.1 Arguments for the utilization of small group theory to conceptualize a co-creation group

Although emphasis in the research streams concerned with business networks and service ecosystems is on interactions between participating actors and the complexity and dynamism that characterizes them are recognized, there are significant differences that are in favor for the choice of the small group theory in this study. Looking at the focal phenomenon of this study, it is in simple terms characterized by individual customers coming together in a (complex) service to co-create an offering as a joint project. This is congruent with the definition of a group, as it is defined as existing in order to fulfill both individual goals and the group project (i.e. collective goal(s)) (Arrow et al., 2000). Studies on business networks are, on the other hand, emphasizing the longitudinal development of business networks (Håkansson & Snehota, 1995) and when it comes to service ecosystems there is an interest in how they exist to serve customers (e.g. Vargo & Lusch, 2016). Thus, there is a clear difference in terms of the temporal nature (project vs. ongoing) as well as the intensity with which things proceed, which are presumed to have an influence on the group's structure and functioning. The assumption is here that in a group, the individuals come together in an active and intensive manner to complete a shared project, while a network or ecosystem consisting of actors (most often businesses and other organizations) does not have a deadline for its existence. Due to this, small group theory is considered most relevant for this study and hence utilized as the focal source for structuring and understanding group functioning as a resource for participating customers' value formation.

More specifically, the work by Arrow et al. (2000; also McGrath, Arrow & Berdahl, 2000) on their small group theory becomes of critical relevance for conceptualizing a co-creation group in this study. Going back in time, groups in, for instance, social psychology have been studied as isolated (e.g. evident in the use of laboratory experiments) (McGrath et al., 2000). From a systems perspective, this type of approach is linked to a closed system paradigm, which implies a view on systems as mechanic, static and deterministic (Stähle, 1998; 2004). Consequently, the aim of studies adopting this approach is to be able to predict and control the system (Stähle, 2004). Taking it to the extreme, this would mean for a group that it is seen as isolated with generic members and unidirectional cause-effect relations, and where emphasis is on studying the input-output processes that are taking place (McGrath et al., 2000). When it comes to marketing research, although some scholars use the general term of actors especially in studies concerning networks and systems, there is traditionally a distinction made between customers (consumers) and provider representatives (or e.g. employees). Yet, otherwise this type of approach is recognizable in much of the literature concerning co-creation and customer participation in service; for instance, in their literature review, Mustak et al. (2016) have identified various antecedents, inputs, and outcomes from previous research that relate to customer participation in service. In their study on value co-creation in online innovation communities Akman et al. (2019) focus on striving to understand what factors drive customers in performing certain co-creation activities as well as what are the derived value outcomes from these activities.

However, the focus in this study is not on studying causal linkages between different group- and co-creation related variables, but instead on understanding how the group may become a resource for customers' value formation. Consequently, there is a need for an approach that captures the group as it is in reality. Parallels can be drawn to the desire to zoom out from isolated interactions and strive for a more systemic understanding on value formation and in line with the interests of this study especially a more profound, holistic understanding of customers' value formation (Heinonen & Strandvik, 2018). It is thus not appropriate to view groups as closed to their surrounding environment and instead they need to be approached as more open in this study. This does not, however, mean that groups are totally open, since there exist some form of linkages between the actors that tie them together. In order to cope with this diffuse nature of groups, Arrow et al. (2000; also in McGrath et al., 2000) have proposed a theory on small groups according to which groups are approached as complex, adaptive, and dynamic systems that are also bounded and coordinated. Briefly addressing the background this theory, it is built upon thoughts from several streams of theories including general systems theory (von Bertalanffy, 1968), dynamical

systems theory (Abraham, Abraham & Shaw, 1990), complexity and chaos theory (Casti, 1992; Kelso, 1995; Prigogine & Stengers, 1984). On a general level, these streams that have been used are positioned in the two other paradigms within systems thinking; open systems paradigm (i.e. emphasis on the interaction between a system and its environment and the development that occurs through related feedback loops) and dynamic systems paradigm (i.e. focus on the self-organization and self-renewal of systems; in other words, the internal forces within a system) (Stähle, 1998; 2004)<sup>52</sup>.

Considering the purpose of this study, the theory on groups provided by Arrow et al. (2000) is found to offer valuable insights concerning the focal constituents and functions of a group as well as the fundamental conditions and dynamics that influence a group's functioning. It provides a holistic structure (i.e. the foundation) for understanding a group in a manner that is congruent with the approach to value formation taken in this study, since it embraces the complex and multifaceted as well as dynamic nature of a group. Consequently, there is no intention to conduct a review on group literature in this study, but instead, to take these highly relevant insights especially by Arrow et al. (2000) and to enrich current service marketing literature with them.

In the following chapter, the basic constituents of a group are addressed followed by a depiction of the nature of groups as approached in this study. After that, the group formation and functioning as well as dynamics are addressed before a summarizing figure illustrating the conceptualization of a co-creation group is presented.

### 3.2 Focal constituents of a group

In everyday talk when referring to groups, we usually tend to think of the individuals that are a part of it. Even though being a focal part of it, the members are, however, not the only constituents of the group. In order to define the other constituents (Arrow et al., 2000 refer to them as components or elements), one may turn to the focal functions of a group. McGrath et al. (2000) state that a group exist in order to realize the group's projects as well as the desires of its members; in other words, groups are concerned with the previously discussed individual, relational and collective goals (Epp & Price, 2008; 2011). As addressed, when it comes to the co-creation of offerings, the customers' goals may relate to the process and/or outcome (e.g. Füller, 2006). Furthermore, regarding groups, Arrow et al.

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<sup>52</sup> Addressing the different paradigms within systems thinking in more detail is outside of the scope of this study and the reader is advised to turn to Stähle (1998; 2004) for more profound discussions.

(2000) find that the desires and expectations of a member may concern; *affiliation* (i.e. need for social belonging or feeling being a part of the group, hence related to social relations and interaction), *achievement* (related to task responsibility and assigning credit for conducting tasks), *power* (dyadic (relative power) and collective (influence and status structure), hence concerns the utilization and distribution of power) and *resources* (related to allocation of resources during execution and tangible outputs/rewards afterwards). In order to fulfill goal(s), Arrow et al. (2000) point out another important function of the group, namely keeping system integrity, which is influenced by the goals and in turn influences the group's ability to complete them. Consequently, joint goal-orientation is a pivotal characteristic defining a group. Several people sitting in a room do not form a group, however, when given a joint goal or project (e.g. innovate a new product) and start working on it, they form a group. In order to complete the project, the members conduct tasks and use various technologies and tools, which thus form the other two constituents of a group besides members (Arrow et al., 2000; Kopakkala, 2005; McGrath et al., 2000). However, when it comes to the concepts that are used in literature on groups and their congruence with marketing literature and this study, some specifications are made followed by a discussion on their interlinkages in a group.

### *Members*

The concept of 'actor' is often used in marketing literature when referring on an abstract level to the persons and organizations involved in systems, however, the concept of member can be viewed as suitable in a group-setting since it clearly ties the actors to the group. When it comes to the members of the group in this particular study, the focal group of interest can be thought of as being the customer unit that consist of the individual customers, however, one may question whether this scope is sufficient. Even though focus is ultimately on co-creating groups consisting of customers, it has to be recognized that some of the provider's representatives may become a part of the group. Variations concerning a provider's involvement in co-creation can be found, for instance, in Piller et al.'s (2011) typology on co-creation in the (open) innovation process. The lowest involvement of the service provider is naturally when the service provider is not involved at all in a co-creating community. The authors point out outlaw communities (Flowers, 2008) and sports communities (Franke and Shah, 2003) as examples where innovation- activities by and among users take place independent of the firms whose offerings are the objects of innovation. Regarding the empirical phenomenon of interest in this study, Korpela (2014) points out that JBVs can occur both as inhabitant-driven and as provider-driven. While the former takes place in its purest form without the involvement of any provider-side actor (i.e. the

customers plan and build everything by themselves<sup>53</sup>), the latter refers to JBVs where a provider (e.g. construction company) initiates and manages the project.

When it comes to co-creation initiated and managed by a provider, there are differences with regard to the role that the provider has in the process. In their typology Piller et al. (2011), for instance, distinguish between the degree of freedom of tasks given to customers in co-creation (open innovation with customers). These may, in simple terms, vary from being predefined and narrow to being open and creative, thus explicating the varying degrees of provider involvement in co-creation (although originally viewed from the customer's perspective as their autonomy). Moreover, in line with the previously addressed study on river rafting trips by Arnould and Price (1993), boundary open transactions with blurred boundaries between provider representatives and customers may be presumed to also characterize some co-creation groups. JBVs are assumed to share similar characteristics in the form of being a long process where the some of the focal provider's representatives are intensively engaged in the project as they interact with customers individually and collectively and strive to help them in various ways. Consequently, it needs to be recognized that provider representatives may become involved in the co-creation of offerings such deeply that they need to be acknowledged as members of the group who have their own roles in it.

#### *Activities and tasks*

When it comes to a customer's experiencing and value emergence, the customer's activities are emphasized in this study as being the drivers (e.g. Heinonen et al., 2010; Payne et al., 2008) and tasks can be seen as planned goal-directed activities to be conducted by the members. Due to the approach taken in this study, customers' activities are not limited to what occurs in the group (Voima et al., 2011; Heinonen et al., 2013), and hence task is an appropriate concept to be used since it is linked to what has been planned from the provider-side and reflects the goal-directed nature of groups.

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<sup>53</sup> Considering the complexity that characterizes the apartment building industry with all the technical aspects, various actors involved as well as the institutions and institutional arrangements influencing the construction projects, this type of pure inhabitant-driven JBV is probably rare today. However, understanding inhabitant-driven JBV in terms of it being an apartment building construction project initiated and (mainly) managed by a group consisting of future inhabitants, as was the case, for instance, in the so-called Malta-house in Helsinki (Finland) (Korpela, 2014), the project is taking place outside of provider-control in the sense that it is factually the inhabitants' project even though various providers are involved at different stages of it.

### *Resources and task-resources*

In order to successfully perform their activities, it is assumed that customers need particular resources, hence becoming resource integrators when striving towards their goals (e.g. Payne et al., 2008; Hibbert et al., 2012). Technologies and tools, which are found to be referred to in small group theory, can be seen as particular types of resources and hence, from a marketing perspective, the concepts gives a rather limited view of what the members of a group are utilizing to perform their tasks. Following this, the concept of resource is used instead of technologies and tools, which become certain types of resources. With recognition for the above-described scope of customer value formation and related activities, one might more specifically refer to the resources required in group activities as task-resources.

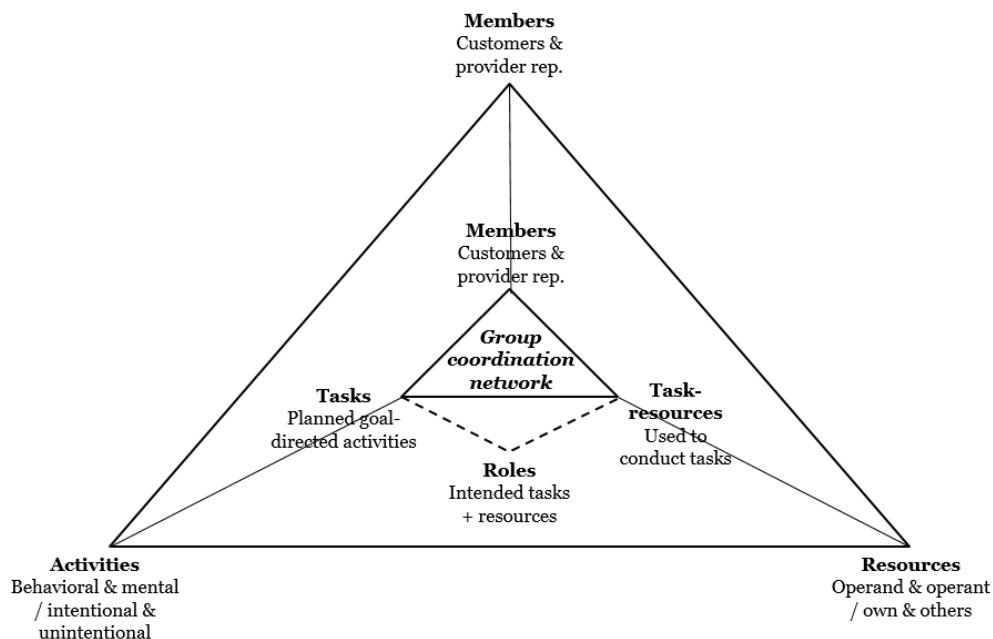
### *Tasks and task-resources combined in roles*

Looking at the tasks and task-resources, they can be thought of as resembling social roles, which were addressed in the chapter on resources. A role is considered to be “a cluster of social cues that guide and direct an individual’s behavior in a given setting” (Solomon et al., 1985: 102) having also been later defined as “a set of practices (repeated activities) that connect one actor to one or more actors” (Akaka & Chandler, 2011: 251). Thus, roles are traditionally seen as consisting of particular activities (tasks) that are intended to be done. It can further be assumed that in order to accomplish these tasks, certain resources are required (e.g. knowledge or soft-/hardware). Based on this, it is proposed here that (social) roles are not only linked to certain activities or tasks, but also to certain resources that are used to perform them. In other words, the tasks and task-resources form roles, which means that on a more abstract level, the group can be seen as consisting of members (customers & provider representatives) and roles (tasks & resources). Importantly, while it often seems that social roles are treated as existing as given in a social system (e.g. Akaka & Chandler, 2011), they need to emerge or be established in order to exist. In this study, it is hence assumed that, for instance, a provider may plan, establish and/or shape roles by defining tasks and task-resources that are to be used by an actor enacting a particular role when using their offering.

### *The coordination network*

The constituents of the group are linked together in what Arrow et al. (2000) call a coordination network, which is a dynamic structure that supports the group in reaching both individual and joint (relational and/or collective) goals. The coordination network is in its totality made up of six different sets of relations that

form networks of their own (original concept used in brackets): member-member (member network), 2) resource-resource (resource network), 3) task-task (task network), 4) member-resource (role network), 5), member-task (labor network), and 6) resource-task (job network) (Arrow et al., 2000). In the first, relations of various kinds may emerge between different members; for instance, some may be characterized by friendship, while other relations by aspirations to influence others behavior. Regarding the second and third network, the authors find them to be about ordering, such as, which tasks are to be completed in which order. Regarding the relations between different categories of constituents, the role network is concerned with how (i.e. with which resources) the members to things, who gets what, and who decides, while the labor network describes who does which task. Finally, the job network specifies which resources are used for which tasks. While this conceptualization by Arrow et al. (2000) is quite detailed, by adopting the idea of roles as capturing the tasks and task-related resources, one may uncomplicated this issue.



**Figure 7.** The group coordination network and its constituents as a part of the customer's value formation

Consequently, the coordination network can be seen as a member-role network where the relation between particular members and roles are specified, and it can further be seen as a part of the customer's whole value formation process. In addition, intra-relations between members and roles are found in their own networks. Figure 7 gives an overview of how the group coordination network and



its constituents as a part of customers' value formation are approached in this study.

### 3.3 Nature of groups as complex, adaptive, dynamic, bounded and coordinated systems

Having defined the constituents of a group, the intention of this chapter is to address the nature of groups as complex, adaptive, dynamic, bounded and coordinated systems (Arrow et al., 2000)<sup>54</sup>. Starting off with *complexity*, in recent years, marketing scholars have been increasingly interested in understanding value (co-)creation and formation as a systemic phenomenon and what is often emphasized is the complexity as opposed to the simplicity that characterize dyads. In these studies (e.g. Pinho et al., 2014), complexity presumably comes from the idea that value emerges as a result of several actors direct and indirect interactions. Similarly in a group, Arrow et al. (2000; McGrath et al., 2000) argue that complexity stems from the amount of regular, detectable, bidirectional and nonlinear causal relations that are present in the structure and behavior of the group. These complexity-driving relations (interactions) exist across the three following levels; 1) the constituent elements of a group, 2) the group as an entity, and 3) the embedding context(s) (in this study mostly referred to as the total ecosystem<sup>55</sup>) (Arrow et al., 2000). Principally, with an increasing amount of intra- and/or inter-relations between the constituents and/or between the group and the surrounding ecosystem (e.g. members' relations to other outside actors), the more complex the group becomes. Importantly, the complexity of a group is presumably not always stable as changes in constituents may occur (e.g. novel roles or changes in members).

Due to its embeddedness in various contexts (i.e. total ecosystem) the group is in continuous interaction with various elements outside of it and as the members are active actors whose goals, preferences etc. may change, the group needs to be able to *adapt* itself in order to cope with the influence of these issues (McGrath et al., 2000). Fundamentally, a group, its structure and functioning, is not static, but

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<sup>54</sup> In service marketing literature, value formation (value co-creation) has been described as a complex and adaptive process taking place in a complex adaptive system of actors by, for instance, Polese, Mele and Gummesson (2017). However, the conceptualization by Arrow et al. (2000) puts emphasis on the systemic unit of a group, which is found to differ from a service system.

<sup>55</sup> While Arrow et al. (2000) refer to the physical, temporal, sociocultural, and organizational contexts, emphasis is in this study mainly on the total ecosystem consisting of the customers' ecosystems (Voima et al., 2011) and service ecosystems (Akaka & Vargo, 2015). The more actors, institutions and institutional arrangements that are linked to some constituent of the group, the more complex the group becomes.

instead, it changes as a result of the various occurrences that influence the group in order to be congruent with the new situation and to survive (e.g. changes in roles due to members' demands or alterations in financial plan due to new policy on financial aids). As the group is adaptive, it is also *dynamic* as opposed to static. This means that similarly as with individual customers (e.g. Heinonen et al., 2013; Lemon & Verhoef, 2016; Verhoef et al., 2009) (and human beings in general), the past activities as well as expectations regarding the future together with the changes that take place in the elements at the various levels influence the group's existence. McGrath et al (2000: 98) capture it precisely by stating that “[g]roups develop as systems over time, and change as a function of changing conditions over time”. Thus, groups that are formed do not stay the same and each group is essentially different from each other.

In order to structure the development of groups, scholars have come up with different categorizations. To name a few, Tuckman (1965) discusses the stages of forming, storming, norming, and performing, and these have been further elaborated by Tuckman and Jensen (1977) with the adding of the stage called adjourning. To give more abstract categorizations, McGrath et al. (2000) present formation, operation, and metamorphosis as the core stages that groups go through. These are naturally some general categorizations with the main idea being that groups are not always existing, but they have a start and most often an end and that they evolve through their existence. The development is presumably not always linear and it is influenced by both group and context related dynamics labelled as local, global, and contextual dynamics (Arrow et al., 2000; Kopakkala, 2005). Considering the interest of this study, the formation of a group as well as the different dynamics that influence its functioning are of importance and hence they will be discussed in more detail in their own chapters, while metamorphosis is not addressed in particular since it falls outside of the realm of this study.

The issue of the *boundedness* (or openness) of groups is of importance. With the way value formation is approached in this study, it is evident that groups are by no means to be viewed as totally closed systems. Simply put, groups do not exist in isolation or vacuum and are instead always influenced by their surrounding context. However, groups are neither totally open, since there is something that differentiates the group from the rest. This boundedness is captured by Kopakkala (2005) as he basically argues that if the members of a group think that they form a group, it is probably true. There should exist some form of connectedness between the constituents of the group and a member of the group should have an understanding regarding who the other members of the group are (Arrow et al., 2000; Harris & Sherblom, 1999; Kopakkala, 2005). However, as the group is dynamic and to some extent open, the boundaries are fuzzy; for instance, if the

group invites someone to join them for a meeting, the group's composition changes temporarily and its functioning is most probably influenced. Thus, groups are not to be understood as given, but instead their boundaries may change, yet, always having some boundaries.

Besides boundaries related to the constituents, Arrow et al. (2000) also discuss the temporal boundaries of a group. Some groups may exist in a more continuous manner, while others may have a clear start and end. With regard to the co-creation of offerings, the temporal boundedness of the group may vary greatly depending on the type of co-creation that is taking place; for instance, an online innovation community can be thought of as having a quite long existence, while people joining a workshop may only function as a group for a couple of hours. In the empirical case of JBV that is focused on in this study, one can assume that the group has a clear start and an end in terms of when the project begins and when it finishes. Having clear boundaries with regard to both the constituents of the group and the temporality are considered to be of importance with regard to the coordination and synchronization of activities. Finally, in order to fulfill its intentions, the group needs to be *coordinated* and Arrow et al. (2000) find in particular three different meanings for this; the coordination of goals, actions (activities) and understanding. As will be discussed in the following chapter, these are all found to be relevant aspects for a group's successful functioning. Basically, in order to accomplish what the group intends, the possibility to conduct division of labor and to coordinate activities and use of resources is characteristic for a group.

### 3.4 Group formation and functioning

In order to generate understanding regarding a group's functioning, this chapter starts off by looking at various propositions regarding group-related focal activities. While views from the applied small group theory (Arrow et al., 2000) and literature on self-organizing human systems (Stähle, 1998; 2004) are relevant, also literature on value co-creation is to be accounted for. Groups are characterized by shared intentionality (and interdependence) between members (Arrow et al., 2000), which is also characteristic for value co-creation activities addressed in service marketing literature<sup>56</sup> (e.g. Grönroos et al., 2015; Neghina, Caniëls,

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<sup>56</sup> This refers to studies approaching value co-creation in a similar manner as is done in this study. In their definition of value co-creation, Grönroos et al. (2015) emphasize intentionality between customer and provider in influencing each other's value formation. In a similar manner, by utilizing the work of Knoblich et al. (2011) in psychological research on joint activity, Neghina et al. (2015) state that value co-creation is characterized by joint activities with shared intentionality between participating actors.

Bloemer & van Birgelen, 2015). In fact, it may be argued that group functioning is (or should be) in its essence concerned with value co-creation (i.e. fulfilling individual, relational and collective goals). Besides value co-creation activities, also related management or coordinating activities are addressed. Eventually, what can be seen as common for the various activities are focal processes underlying them, which will then be looked into in detail. It is also important to note that, as addressed in chapter 2 on the nature of value creation activities, also value co-creation activities are to be understood in terms of resource integration that takes place between actors.

### 3.4.1 Planning and managing a co-creating group

Groups are formed in different ways, as they are either planned or organically emergent as well as created by inner or outer forces (Arrow et al., 2000). In this particular study, focus is put on planned groups (i.e. the provider gathers the group based on certain criteria), although it may be presumed that co-creation groups may also emerge organically. When it comes to forces driving the emergence, a co-creation group is assumed to be characterized by both individual and collective goals that are intertwined. Fundamentally, however, as the type of co-creation group focused on in this study is initiated by the provider, it is found to be formed by an outer force (although provider representatives may be a part of the group). There are also more specific group types with their specificities<sup>57</sup> (see Arrow et al., 2000), but the intention is here to address these issues on a more general level with occasional specifications presented when perceived as being of relevance for this study.

Starting with the members, Arrow et al. (2000) point out that increasing group size leads to increasing complexity and may reside in coordination issues, but also in decreasing motivation among members (Steiner, 1972) and/or conflicts between members (Moreland, Levine & Wingert, 1996). Diversity is another issue that needs to be accounted for and it may be driven by various inherent (i.e. you are born with it) and acquired (i.e. gained from experience) attributes<sup>58</sup> (Arrow et al., 2000; Hewlett, Marshall & Sherbin, 2013) distinguish between inherent (i.e.

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Consequently, value co-creation is goal-directed with the desired outcomes/value and the roles that each actor has influencing their activities (Knoblich et al., 2011; Neghina et al., 2015).

<sup>57</sup> Planned groups categorized into, for instance, teams, task forces and crews as groups that are formed in order to complete a certain group project, and social clubs, economic clubs and activity clubs as groups that are instead motivated by the members' individual desires (Arrow et al., 2000).

<sup>58</sup> McGrath, Berdahl and Arrow (1995, cited in Arrow et al., 2000) provide more specific categorizations; e.g. values, beliefs, and attitudes; knowledge, skills, and abilities; personality, cognitive, and behavioral styles.

you are born with it) and acquired (i.e. gained from experience) attributes that influence diversity. Considering the approach to customer value formation in this study, customer logic can be thought of as an attribute that may cause varying degrees of diversity (Heinonen & Strandvik, 2015). When it comes to whether homogeneity or diversity in a group is for the better, there are studies supporting both depending on what is measured and looked at (for an overview see e.g. Arrow et al., 2000). Generally, it may be presumed that diversity within a group in a co-creation setting is a double-edged sword, since while it can lead to different opinions and perspectives being incorporated in the process, it can also lead to conflicts and delays. Regarding the roles within a group, it is deemed necessary that the tasks and task-resources aid in completing the group project as well as the member's goals (Arrow et al., 2000).

Drawing on the work of Knoblich, Butterfill and Sebanz (2011) in joint activity research, Neghina et al. (2015) state that there also needs to be a plan regarding the purpose(s) (i.e. goal(s)) of the joint activity as well as the roles that the involved actors have. In addition, an understanding regarding the dependence on the input of the other actor(s) to achieve the goal(s) (i.e. reciprocal dependence) is required. Similarly Arrow et al. (2000) find it to be of importance to have relevant tasks and resources grouped, ordered and communicated clearly as well as to have the possibility to make changes to them when needed. It is thus focal that the members are given relevant tasks to conduct and resources to integrate. Drawing on adaptive structuration theory (Poole and DeSanctis, 1990), it is deemed necessary that the members establish relatively accurate "expectations about who, what, when, and how of others' actions and also understand what others expect of them." (Arrow et al., 2000: 104). For this to take place, the scholars propose that norms regarding *the synchronization of activities* (e.g. what is done when), *information processing and problem solving*<sup>59</sup> (e.g. what is relevant information, how is it handled/shared, who follows sources and who gives meaning to the information), and *conflict management* (e.g. how propositions are made, evaluated as such and in relation to others, how and by whom disputes between them are solved as well as when a decision needs to be made) are established.

When it comes to successful value co-creation in social systems from a managerial perspective, similar issues have been focused on in the management of consumption communities by Närvänen et al. (2019). Although the nature of co-creation groups focused on in this study differ from communities, the social and

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<sup>59</sup> Regarding a group's ability to act rationally, Bion (1961, referred to by Ballantyne, 2004), points to the tension between rationality and emotion within a group, where the latter can hinder the former and thus influence group functioning with regard to the process of making informed decisions

co-creation aspects can be seen as common factors, following which they are thought of as relevant to address. In addition, utilizing the ideas of Järvensivu and Möller (2009) regarding management of networks with a facilitative approach, there is common ground to this study on how the group's functioning is understood as being complex and open<sup>60</sup>. Järvensivu and Möller (2009) have proposed four core management functions of *framing* (the creation of rules and setting of goals for the network), *activating* (the identification of actors for the network as well as the structuring of it), *mobilizing* (the commitment building within the network), and *synthesizing* (enabling interaction and cooperation within the network). These have been utilized and elaborated on in a consumption community context by Närvänen et al. (2019).

When it comes to framing, *establishing a shared purpose* and the *alignment of interest* are proposed as focal activities (Närvänen et al., 2019). Regarding the former, it is argued that there is a need for shared purpose on some level (Järvensivu & Möller, 2009), which could be referred to as having a collective goal (Epp & Price, 2011) or group project (Arrow et al., 2000). When it comes the alignment of interests, Närvänen et al. (2019: 396) define it as “influencing the participating actors’ perceptions about the network and its purpose”, and note that consumption communities often involve economic influence, making it a complex question where is the right balance with regard to commercial or profit-making activity from the provider’s side. When it comes to a co-creating group, there may be varying goals (and logics) present in the group and hence there may emerge tensions between them (e.g. Arrow et al., 2000; Epp & Price, 2011). In addition, with recognition for the contextual dynamics, one also has to potentially account for the related outside-actors and their goals.

*The invitation of consumers* and *structuring of the network* are proposed to be focal activities for the function of activating (Närvänen et al., 2019). While the former is concerned with providing the customers a platform for interaction, the latter is about planning and adjusting the roles (i.e. tasks and resources) in order to support the fulfillment of the varying goals that are present. Mobilizing has the two activities of *motivating consumer participating* and *enabling consumer participation* (Närvänen et al., 2019). The former activity is concerned with strengthening the motivation of participating members by, for instance, providing

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<sup>60</sup> Management is seen as facilitating cooperation and structuring the network as opposed to emphasizing controlling and authoritarian action (Järvensivu & Möller, 2009; Närvänen et al., 2019). In this study, groups are approached as being complex, adaptive and dynamic, bounded and coordinated instead of isolated systems (Arrow et al., 2000), which means that the group is not a mechanistic system that can and should be controlled by one actor. Hence, there is an evident congruence between the approach in this study and the work of Järvensivu and Möller (2009) as well as Närvänen et al. (2019).

relevant content, while enabling the participation is about giving the customers resources to come together both online and offline. Finally, when it comes to the function of synthesizing, the first activity is *maintaining rituals and traditions*, as shared rituals and traditions are considered vital for the continuous existence of communities. They encapsulate and carry the meanings, culture and history of the community (i.e. symbolic value creation) (e.g. Múniz & O'Guinn, 2001, referred to by Närvänen et al., 2019). Second, is the activity of *ensuring strategic importance*, which involves a commitment from the provider's side to continue giving support and resources to the community or group (i.e. it has strategic importance). Närvänen et al. (2019) find this to be crucial based on, for instance, the work of Wirtz, den Ambtman, Bloemer, Horváth, Ramaseshan, van de Klundert, Gurhan Canli & Kandampully (2013), and the authors further add based on their empirical study open communication and having clear goals as important aspects of this activity.

Besides the provider's activities, there are also certain contextual factors that influence the process of forming a group (Arrow et al., 2000). For groups to function, the members need to be able to interact and hence the closeness of potential members and the easiness of interaction between them are considered to be important factors; however, considering the digital developments that have taken place, geographical distances are not that big of an issue as before. As groups exist to fulfill individual and joint goals, group formation also depends on whether there is a need for a group in terms of unsatisfied goals among people and the possibility to form a group with regard to already existing groups having similar purposes. In the case of co-creation of offerings, it is an important question whether there are customers who find it of interest to take part in something that may be assumed to be in many aspects more resource intensive (e.g. time and effort) than traditional ways of acquiring offerings (Seeman et al., 2019). In addition, the uncertainty within the environment is pointed out as a factor that may either strengthen existing groups (or the utilization of existing offerings and/or traditional ways of acquiring them) or drive the formation of new groups if existing groups (or offerings) are not sufficient (Arrow et al., 2000).

The initial events are also found to influence a group's formation, especially when the members are unfamiliar to each other and/or there is a lack of structure and the purpose or the way to achieving that purpose is not well defined (Arrow et al., 2000). Although the group and its functioning would be exhaustively planned, due to the humanness in a group and the fact that there are elements that are difficult to precisely define and measure (e.g. how someone acts during pressure), there is also some variance occurring (Boulding, 1953, referred to by Arrow et al., 2000) This further strengthens the need for a clear purpose and vision for what

the group aims to be in order to alter the structure in a desired way when starting to function.

### 3.4.2 Value co-creating activities between members in order to serve a group's purposes

Having addressed different views on the management of groups and other similar systems, focus in this chapter is put on addressing actual value co-creation activities. In these activities, the members share and integrate different resources in order to enhance their own and other's value formation.

#### *Value co-creation activities with focus on interactions*

As it can be derived from the previously addressed management activities, it is focal that the group engages in activities concerning information processing and meaning generation as well as conflict management and consensus development in order to serve its purposes (i.e. fulfilling members' and collective goals and maintaining system integrity) (Arrow et al., 2000). It may also be that the group members are involved in activities relating to the motivation, regulation and coordination of their activities. Similar thoughts are found in literature concerning innovation taking place in self-organizing human systems<sup>61</sup> (i.e. groups) (Stähle, 1998; 2004). Referring mostly to the vast work on self-organizing systems by Prigogine<sup>62</sup>, Stähle (2004) argues that when innovating, a self-organized human system's success depends on its ability to create and reduce entropy<sup>63</sup> (i.e. excess, non-valuated information). Consequently, the system needs the ability to; acquire and manage information, communicate, manage tensions that occur between members' conflicting interests, make decisions, and abandon old structures if needed (Stähle, 2004).

Looking at relevant service marketing literature, the literature review by Mustak et al. (2016) on customer participation (CP) in service reveals different forms of customer inputs during service, such as, information and/or knowledge sharing, decision-making, benevolent (pleasant, appropriate) and/or cooperative behavior, and physical efforts, which can be thought of as relevant activities also in a group-setting. From pervious literature, Akman et al. (2019) are able to identify four

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<sup>61</sup> Even though it can be questioned to which level a co-creating group that is part of a provider's business is self-organized, generally the thoughts congrue well with what is discussed in the utilized small group theory (Arrow et al., 2000).

<sup>62</sup> E.g. Glansdorff & Prigogine, 1971; Prigogine; 1980; Prigogine & Stengers, 1984; Prigogine & Nicolis, 1989.

<sup>63</sup> Entropy is a concept originating in studies concerning chemical and physical, however, being applicable to human (social) self-organized systems. It describes excess, non-valuated information, which is vital for the self-organizing system.



different types of activities related to value co-creation in online communities; information sharing, providing feedback, helping and rapport building. Neghina et al. (2015), based on the work of Karpen, Bove and Lukas (2012), give one of the more profound listings of value co-creation activities (or dimensions). These are briefly opened up based on Neghina et al. (2015), however, for a more thorough discussion on them the reader is advised to turn to the original articles.

The first dimension called *individualizing joint actions* refers to “collaborative actions between customers and employees aimed at establishing a mutual understanding of each other’s resources integration processes, roles, and desired outcomes” (Neghina et al., 2015: 226). This can be linked to, for instance, information and/or knowledge sharing as discussed by Mustak et al. (2016) and Akman et al. (2019), but it also involves the service provider, for instance, listening to the customer and telling what could be possible solutions (Neghina et al., 2015). This is congruent with information processing and meaning generation (Arrow et al., 2000) or the acquisition and management of information (Stähle, 2004). The second dimensions labelled *relating joint actions* concerns activities that have the purpose of generating or strengthening emotional and social ties between the actors involved (i.e. commitment, trust and connection, e.g. Ballantyne & Varey, 2006; Neghina et al., 2015). This is recognized also by Akman et al. (2019) who refer to it as rapport building. This activity can take place, for instance, through the sharing of each other’s interests and perspectives, the point being that there is some form of deeper shared understanding created between the actors that tie them together (Neghina et al., 2015).

Third, *empowering joint actions* refer to joint activities with the intention of “negotiating the power to influence the outcome of the interaction among customers and service employees” (Neghina et al. 2015: 227). For beneficial value co-creation to take place, the empowering joint actions need to result in the involved actors acting in a way that enhances the ultimate purpose of the co-creation. Presumably, this also relates to the need and expectations for power that Arrow et al. (2000) find to be of importance for individuals in a group. Fourth, *ethical joint actions* concern activities with the purpose of creating fair rules or guidelines to support the co-creation (Neghina et al., 2015). In literature on value co-creation, trust (Ballantyne, 2004) and transparency (Prahalad & Ramaswamy, 2002) have been identified as important cornerstones and they are supported through these ethical activities. While it was previously addressed that norms need to be planned (Arrow et al., 2000), it may also be that the whole group is involved in creating or elaborating shared norms.

The fifth dimension is called *developmental joint actions*, which relate to the enhancement of the involved actors' resources. This concerns both customers learning on how to create value (Hibbert et al., 2012) and organizational learning on how to facilitate customer value formation or co-create value better (e.g. Sinkula, 1994). It is important to bear in mind the variety of resources that have been discussed earlier, which means that developmental activities can concern everything from knowledge and skills to tangible objects and social networks and so on. Finally, *concerted joint actions* refer to, for instance, the actors adapting their behavior (e.g. movements and voice), distance and so on to the other actor(s) and the situation. In other words, synchronizing their activities in the moment.

#### *Recognizing the importance of presence in value co-creation*

Although interactions are a focal part of a co-creating group and value co-creation, the broader scope of value co-creation as occurring through presence needs to be addressed. Value co-creation based on presence is described in terms of a provider being available and present in the customer's life, which can take place, for instance, through easy accessibility or being top of mind for the customer (Grönroos et al., 2015; Heinonen and Strandvik, 2015). This means that by being present either physically, virtually and mentally (cf. Grönroos, 2012), co-creation of value takes place when the customer chooses to engage with the provider. Due to the novelty of the approach, there is a lack of concrete activities in the similar way as there is for value co-creation through interaction, however, the work by Colm et al. (2017) offers some relevant propositions for the understanding of value co-creation through presence takes place and how it influences participating customers' experiencing and value formation.

Colm et al. (2017) introduce the concept of customer copresence influence modes and propose a typology consisting of seven different forms divided into three groups. The first group concerns (bidirectional) interactions and they are divided into *proactive instrumental* (i.e. engaging in interaction in order to gain relevant information from the other customer), *proactive social* (i.e. engaging in interaction in order to socialize) and *reactive* (i.e. the other customer initiates a discussion). These relate to previous thoughts presented in this chapter, however, what can be highlighted is that it illustrates the dynamism of interactions. Moving beyond interactions, both the second and third group are concerned with unidirectional activities. The former is about observations that can be divided into *information seeking* (i.e. looking for relevant information from others' activities to enhance one's own activities) and *comparative* (i.e. observing how another customer is treated and comparing with the treatment oneself has gained); in other words, customers' proposedly follow what others are doing and expressing both

individually and in with others. The latter group concerns spillovers that are divided into *spatial* (e.g. too many customers in the same space affecting ones experience) and *behavioral* (e.g. the influence of a cheering crowd on one's experience). Besides other customers, the scope of copresence can presumably be broadened to concern any participating actor in the group.

Basically, Colm et al (2017) show how presence of others may influence the focal customer, and drawing on the ideas of Heinonen & Strandvik (2015) it may be argued that if the way of being present has the intention to influence the focal customer and the focal customer acts in accordance with what has been desired from the actor striving to become present, value co-creation takes place. Hence, presence can be both utilized to co-create value (Heinonen & Strandvik, 2015), but it may also unintentionally influence other participating actors' value formation processes (Colm et al., 2017).

In these recent chapters, several coordination and value co-creation activities have been presented. Although expressed on various levels of specificity, there are certain commonalities to be found especially when going beyond them into the more general underlying processes that become focal in order for them to take place. Despite the specific expression of what activities are of importance, these processes can be seen as generally relevant for successful value co-creation.

### 3.4.3 Focal processes underlying value co-creation activities

When looking at the processes underlying successful value co-creation, there are different types of approaches and categorizations found. In one of the earliest works on value co-creation, Prahalad and Ramaswamy (2002; 2004) present *dialogue* (i.e. sharing knowledge and shared understanding), *access* (i.e. ownership is not always required for value to emerge), *risk reduction* (i.e. co-creating customers demand more information on possible risks and/or have to take more responsibility in managing risk) and *transparency* (i.e. necessary for trust to emerge between the co-creating actors) as the four core building blocks for value co-creation. Ballantyne & Varey (2006), on the other hand, see interaction and subsequently value co-creation as being linked to the three focal processes of relating (i.e. quality of the relationship), communicating (i.e. especially dialogue vital for development of relationship and understanding) and knowing (i.e. knowledge about the other actor as well as oneself). Similarly, Ranjan and Read (2016) find that interaction and knowledge sharing are focal. They further add equity (i.e. firm's willingness to give the customer more control and the customer's willingness to take on more control and perform activities that are required, e.g.

Fisher & Smith, 2011), which can be seen as related to the quality of the relationship.

Neghina et al. (2015) have elaborated a view on the antecedents of value co-creation by enriching the processes proposed by Ballantyne and Varey (2006) with relevant theory. The work by Gustafsson, Kristensson and Witell (2012) provides communication with the more specific dimensions of direction, modality, content, frequency and duration<sup>64</sup>. Relating is enriched with commitment, trust and connection (Randall, Gravier and Prybutok, 2011) and finally, the work by Yi and Gong (2013) provides the antecedents of info seeking, info sharing and feedback for the process of knowing. In addition, Grönroos (2012) offers a conceptual model of value co-creation in service based on an integration of elements from the servuction model (Eiglier & Langeard, 1975; 1976) and the interactive marketing model (Grönroos, 1978). The former provides relevant resource categorizations; physical resources, contact employees, focal customer, and fellow customers. The latter offers the different resources-in-action variables, which form the following activities; accessibility of resources and related effects, communication between customer and employee and communication between customers.

Incorporating the distinction between direct and indirect interaction (Grönroos & Voima, 2013; Grönroos & Gummerus, 2014) it could be argued that the two main processes on the co-creation platform are interactions between intelligent resources (i.e. direct interactions) and accessibility effects of interactions with resources (direct and indirect interactions). When it comes to the former, the role of dialogue is emphasized as it enhances knowledge sharing and understanding between actors, which is pivotal in the process of value co-creation (Ballantyne, 2004; Grönroos & Voima, 2013). Although being a necessary condition, direct interaction is not sufficient condition for value co-creation, as, for instance value co-destruction may take place (Echeverri & Skålén, 2011). Differing from the view by Prahalad and Ramaswamy (2002)<sup>65</sup>, Grönroos (2012) refers to accessibility in terms of access to any kind of resources that are needed for value co-creation, since the locus of the model is the co-creation platform that emerges in interaction. This may be lack of a resource needed for direct interaction (e.g. an employee) or a resource that is needed during interaction (e.g. specific skills) (Grönroos, 1990, referred to in Grönroos, 2012). The accessibility effects are then the physical and/or emotional effects that emerge for the customer from the accessibility (or lack of it) of resources that may influence value formation and it is also noted that they may take place physically, virtually or also mentally (Grönroos, 2012).

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<sup>64</sup> Duration is ultimately left out by Neghina et al. (2015).

<sup>65</sup> Prahalad and Ramaswamy (2002) mean that the emergence of value does not always require ownership, but that mere access to a resource (e.g. a car) can be enough.

Based on how value co-creation is viewed in SL (e.g. Grönroos et al., 2015), it may be interpreted that even though the model incorporates accessibility to resources as an important part, value co-creation only takes place between the intelligent resources. However, recalling CDL's notion of presence as a way to co-create value (Grönroos et al., 2015; Heinonen & Strandvik, 2015), accessibility of resources can be seen in broader terms as another way of expressing the presence of a provider (or group) for the customer. An example of this could be access to or presence of a store or website (Grönroos, 1990; Grönroos, 2012). Furthermore, regarding accessibility on a mental level can be linked to for example a service provider being top of mind for the customer (Grönroos et al., 2015; Heinonen & Strandvik, 2015). Hence, although the model by Grönroos (2012) is linked to value co-creation through interaction, a broader interpretation of access could be seen as offering a way to also describe value co-creation through presence.

Comparing these different models, it becomes evident that the processes promoted by Ballantyne & Varey (2006) and further elaborations by Neghina et al. (2015) offer the most profound and complete basis for understanding how value co-creation takes place. Accessing is the only process that is not captured by these scholars, although being perceived as focal for value co-creation by some (Grönroos, 2012; Prahalad & Ramaswamy, 2002). Taking especially, Grönroos (2012) view on access(ibility) and broadening the scope to incorporate value co-creation through presence (e.g. Grönroos et al., 2015; Heinonen & Strandvik, 2015) access can be seen as gaining a sufficient role in value co-creation (e.g. customer engages with a provider due to easy accessibility). Hence, the processes of relating, communicating, knowing, and accessing are focused on. Although they are presented as pivotal processes for value co-creation through interaction, they are also found in this study to be applicable in the case of value co-creation through presence. This is based on some variation in what is emphasized in the various processes, which will be addressed.

#### 3.4.3.1 Relating

Interactions are always characterized by a relationship between the interacting parties and the experience that a customer has from her interacting with a provider or some other actor influences the relationship quality (Ballantyne & Varey, 2006; Payne et al., 2008). Similarly, other forms of presence require a relation between the actors. In line with the applied experience-based approach to value, also the relationship experience is holistic (e.g. Payne et al., 2008) and influenced by the past and present experiences as well as future anticipations and imaginations (e.g. Heinonen et al., 2013; Helkkula et al., 2012). Importantly, it is relationship quality,

not relationships, that are manageable and good relationship quality is of considered to be of importance, since it forms the basis for future value (co-)creation (Ballantyne & Varey, 2006). In order to understand the influence of relating to value co-creation more specifically, Neghina et al. (2015) incorporate the antecedents of trust, commitment<sup>66</sup> and connection from Randall et al. (2011). These are all seen as positively influencing value co-creation and addressed below.

### *Trust*

Trust is a multifaceted concept with various interpretations and definitions (Ballantyne, 2004; Ganesan & Hess, 1997; McKnight & Chervany, 2001). It can take different forms as trusting others in general, trusting the situation or structure, and trusting a particular individual, which becomes manifested in beliefs about the other possessing relevant characteristics or intentions/willingness to depend or behavior of depending on the other (McKnight & Chervany, 2001)<sup>67</sup>. Moorman, Deshpandé and Zaltman (1993) similarly divide approaches to trust in marketing research into trust as belief, confidence or expectation about the other's trustworthiness and trust as behavioral intention or behavior related to reliance on the other. When it comes to value co-creation, emphasis is often on interpersonal trust (Ballantyne, 2004; Neghina et al., 2015), however, trust can also take place at other levels; for instance, between an individual and own or other organization as well as collectively between organizations (Ganesan & Hess, 1997). A customer's trust towards an organization or its offering can be seen as particularly relevant for value co-creation through presence (Heinonen & Strandvik, 2015). There are also different dimensions of trust; for instance, benevolence and credibility<sup>68</sup> (Ganesan & Hess, 1997). Similarly in service relationships, Johnson and Grayson (2005) find some support for the separation of trust into cognitive (i.e. based on other's competence and reliability, linked to credibility) and affective (i.e. based on feelings that emerge, linked to benevolence) (e.g. Rempel, Holmes & Zanna, 1985). When it comes to value co-creation, the former dimension is emphasized (e.g. Ballantyne, 2004; Neghina et al., 2015), however, the emotional side of it is important to recognize. Finally, it may be noted that trust is dynamic and something that has to be earned through actual deeds (Ballantyne, 2004).

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<sup>66</sup> Commitment also emphasized in small group theory (Moreland & Levine, 1982, referred to by Arrow et al., 2000).

<sup>67</sup> Based on a review of literature from various fields; e.g. economics, management, sociology and political science.

<sup>68</sup> Credibility consists of competence, integrity and predictability (McKnight and Chervany, 2001).

### *Commitment*

Following Moorman, Zaltman and Deshpande (1992) and Morgan and Hunt (1994), relationship commitment is seen as concerning an actor's motivation to keep on putting effort in maintaining the relationship with another actor. Being committed, the actor values the relationship that much that she finds it worth continuing to stay in it and take care of it and engage in it. Thus, in a service marketing context, it relates to what was addressed under resources regarding a customer's willingness (motivation) to participate in a service process and to make the resource contributions that are needed. As Neghina et al. (2015) suggest, in any joint activity with the aim of value co-creation there needs to be some minimum level of commitment. If the engaged actors are not motivated to take part in the joint activity and to keep the relationship alive, it is logical that it has a negative or even destructive effect on value co-creation. In a group, members' commitment is crucial for completing the group project and fulfilling individual goals (Arrow et al. 2000). The group's degree of commitment to one of its members depends on how valuable that member's contributions are perceived to be by the others and the member's commitment to the group depends on how valuable she perceives the group's contributions to be for her (Moreland & Levine, 1982, referred to by Arrow et al., 2000). Reflecting on commitment with regard to value co-creation through presence, it can be assumed that if the customer is not committed to embed the provider or other actor into her value creation, no co-creation of value can take place.

### *Connection*

Connection refers to the emotional attachment that actors show for each other (Randall et al., 2011; Neghina et al., 2015). It may be questioned what is the difference between connection and affective trust, since the latter is seen as referring, for instance, to the creation of an emotional bond (Johnson and Grayson, 2005). In a similar manner, Neghina et al. (2015: 232) argue that they "specifically discuss connection as the attachment reported at the beginning of interaction between service employees and customers". In addition, Neghina et al. (2015) as well as Randall et al. (2011) treat trust as being based on cognition. Hence, it might be that connection and affective trust in fact are similar concepts. The aim of this study is not to elaborate on the issue in more detail; yet, this similarity is recognized.

### 3.4.3.2 Communicating

When it comes to communication, what is of importance to recognize are the different levels of it (Ballantyne & Varey, 2006). Referring to the work of Gustafsson et al. (2012), Neghina et al. (2015) discuss the process of communicating through frequency, direction and content of communication. These dimensions together with modality of communication were derived by Gustafsson et al. (2012) from the framework by Mohr and Nevin (1990). In their study, Gustafsson et al. (2012) found that frequency, direction and content have a significant positive effect on the product and market success of co-created incremental innovations, thus leaving out modality. However, in this study modality is also involved as it is presumed to be of importance to address the medium through which communication takes place. Ballantyne (2004) together with Varey (2006; Varey & Ballantyne, 2006) address the nature of communication with regard to the direction of it and particularly emphasize the role of dialogue for value co-creation to take place, which is also emphasized in SL (e.g. Grönroos and Voima, 2013). However, when value co-creation is also seen as occurring through presence, the other forms of communicational direction can be seen as being of relevance. Hence, the different directions of communication with related processes are first addressed more exhaustively followed by frequency (and duration) as well as modality, and content.

#### *Direction of communication and related processes*

Generally, in marketing, the importance of marketing communication has been long recognized, but the execution of it may take different forms. On a general level, communication may be divided into one-way (i.e. unidirectional) and two-way (i.e. bidirectional) communication and these categories can further be divided into two; communication 'to' and 'for' as forms of one-way communication and communication 'with' and 'between' as forms of two-way communication (Ballantyne, 2004). In a relationship marketing setting, Lindberg-Repo and Grönroos (2004) address a framework introduced by Lindberg-Repo (2001) that is referred to as the trimodal conceptualization of relationship communication. This framework describes how communication can take different modes as either planned communication, contact creation or connectedness where the level of interaction increases as follows. The basic idea is that as a relationship between a customer and a provider evolves, higher levels of interaction are needed to strengthen the relationship and to support value formation. The two different perspectives on communication can be seen as sharing similarities. Planned communication relates to the both forms of one-way communication, but especially the communication 'to', while contact is similar to communication 'with'



and connectedness to communication 'between'. In order to structure the discussion on communication, the work by Ballantyne (2004) will be used as guiding since it offers a clear and logical categorization that is easy to interpret, however, the work of others will be included.

### *One-way communication*

Ballantyne (2004) and Varey (2006; Ballantyne & Varey, 2006) argue that marketing communication has been dominated by an emphasis on one-way communication similar to mass communication, thus resulting in communication and interaction becoming separated. This kind of communication is also referred to as informational (Ballantyne & Varey, 2006) since the aim is merely to inform and persuade customers to do things (e.g. buy a product) without having the intention to engage in further interactions with the customer (i.e. customer learning in terms of remembering, Payne et al., 2008). As Lindberg-Repo and Grönroos (2004) note, the customer remains anonymous in this form of communication. One-way communication can further be divided into communication that is done 'to' (i.e. impersonal communication directed to mass-markets) or 'for' (i.e. tailored communication aimed at specific markets/segments) the customers (Ballantyne, 2004; Varey & Ballantyne, 2006). While one-way communication has its downsides especially with regard to interaction (e.g. the limitations of the language and the response<sup>69</sup> as well as that several of the messages are never opened, seen or heard, Ballantyne, 2004), it can be seen as offering a way to drive value co-creation through presence (e.g. gain customers' attention)<sup>70</sup>.

### *Two-way communication*

Moving from the one-way communication arena to two-way communication takes us to what Grönroos and Voima (2013) refer to as direct interactions. These include both formal and informal communicative interactions between actors and they may also take place spontaneously and emerge as encouraged by one-way communication (Ballantyne, 2004). According to Ballantyne (2004), two-way communication can be thought of as occurring either 'with' or 'between', while Varey and Ballantyne (2006) refer to them as the communicational mode and the dialogical mode of interaction. In addition, Lindberg-Repo and Grönroos (2004),

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<sup>69</sup> Interaction requires a response and the response in one-way communication is limited to the meanings that the receiver derives from the message. The wanted response and actual response might not meet due to the limitations of language and due to the monolog-nature, the possibilities for the sender to make itself correctly understood are more limited.

<sup>70</sup> It may also be noted that there have occurred major technological/digital developments that have inevitably influenced marketing communication.

referring to the earlier work by Lindberg-Repo (2001), present contact creation and connectedness as two forms of two-way communication. The difference between all of these distinctions seems to be that the former mode, even though being interactional, is not as the latter types based on dialogue. Here, they are referred to as discussion and dialogue.

### *Discussion*

What is called discussion in this study consist according to Ballantyne (2004) of planned messages that are integrated and combined as well as interactive processes in which, for instance, knowledge, opinions and information are shared (e.g. face-to-face encounters, direct marketing or call centers). Hence, it is about informing and being informed, thus also incorporating the element of listening (Ballantyne, 2004; Ballantyne & Varey, 2006). From a value perspective, it is about what Varey and Ballantyne (2006) call negotiated value that comes about through the making and keeping of promises. With recognition for the broader scope of value co-creation (Heinonen & Strandvik, 2015), discussions can also be seen as a way of gaining presence in a customer's life. From a relationship perspective, this two-way communication can work as a basis for strengthening the quality of a relationship if the provider is able to get a hold of information that is of particular interest and has the possibility to address the customer at a later stage (Lindberg-Repo & Grönroos, 2004). Even though offering a more profound basis for the support of customer value formation than one-way communication, the scholars note that the relation between the actors may remain distant, as the communication, especially from the customer's side, is formal and perhaps even compelled. What thus characterizes these kinds of discussions is often the planned actions and formality, and even though there is interaction between the actors, the dynamism within the interaction is lacking (Varey & Ballantyne, 2005)<sup>71</sup>.

### *Dialogue*

For a discussion (telling and listening) to become a possibility for value co-creation (and to create sustainable competitive advantage) as understood by the interaction approach to value co-creation, it needs to shift into a dialogue (e.g. Ballantyne & Varey, 2006; Grönroos & Voima, 2013; Prahalad & Ramaswamy, 2002). Dialogical interaction refers to the latter form of two-way communication, which can be seen as characterized by the highest level of interaction (Ballantyne, 2004; Ballantyne

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<sup>71</sup> A practical example would be a salesperson reading a pre-made sales-speech and one either accepts or neglects it. There is thus a promise of providing the magazine and when accepting it a promise of paying for it, which are kept through actual delivery and payment. This discussion lacks the possibility to find out if there would be something else that the customer actually would be interested in (e.g. another magazine).

& Varey, 2006; Lindberg-Repo & Grönroos, 2004; Varey & Ballantyne, 2006). According to Ballantyne (2004, also in Ballantyne & Varey, 2006), dialogue can receive various interpretations (e.g. a longer conversation or reasoning together), yet, they follow an approach on dialogue as learning together. Besides listening and informing, the process of learning needs to be activated in order for dialogue to take place and there needs to be a shared intention between the actors to reach mutual understanding (Ballantyne, 2004). Dialogue is thus linked to the aspiration to reach deeper understanding between the actors (Varey & Ballantyne, 2006), which then provides the possibility to co-create value (e.g. Grönroos & Voima, 2013)<sup>72</sup>. Likewise, Prahalad and Ramaswamy (2002: 10) find dialogue to be one of the core building blocks for value co-creation and emphasize that it is not only about listening and reacting, but that it “requires deep engagement, lively interactivity, empathetic understanding, and a willingness by both parties to act, especially when they are at odds”. A successful dialogue also requires trust between the parties (Varey & Ballantyne, 2006; Ballantyne & Varey, 2006).

Even though dialogue has been portrayed as an intentional process, Ballantyne (2004) points out that it is also important to recognize the spontaneity that characterizes the process. This could be thought of, for instance, in terms of an actor’s ability to act and adapt during the interaction<sup>73</sup>. Hence, as traditional communication is seen as constituting of an integrated combination of planned messages that are performed, dialogue has a certain dynamism<sup>74</sup> incorporated to it (Ballantyne, 2004; Varey & Ballantyne, 2006). Emotions are also involved in dialogue (Bion, 1961, referred to by Ballantyne, 2004), which may give the extra that is required and enhance the creativity, but at the same time, it may harm and negatively influence the rationality that is often required (Ballantyne, 2004).

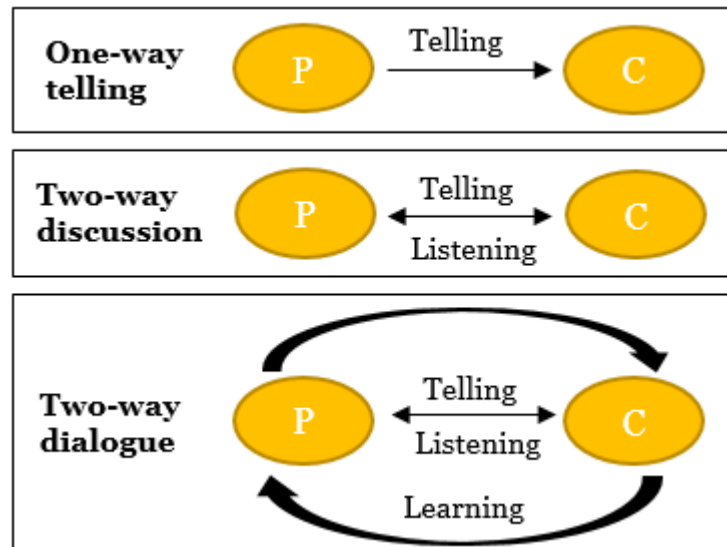
Figure 8 simply illustrates the main directions of communication with focal processes addressed in this chapter. Importantly, what is intended as a one-way communication can turn into two-way communication two-way discussions can turn into dialogues and vice versa. While value co-creation through interaction requires a dialogue to take place, presence may be achieved also through the other forms of communication, thus making them also relevant for this study.

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<sup>72</sup> According to the original meaning of the Greek word *dialogesthai*, Varey and Ballantyne (2006: 16) find that “[d]ialogue holds the promise of revealing something new, and implies a developmental shift in the relationship between the parties involved”.

<sup>73</sup> E.g. when a customer has bought a product that she needs directly, but it is broken, the salesperson look for an immediate solution instead of going the planned way that involves sending it for repair.

<sup>74</sup> Ballantyne and Varey (2006: 339) capture the dynamic nature of dialogue when they state that “dialogical interaction is not unidirectional, self-serving, or accomplishment by control. On the contrary, the purpose is open-ended, discovery oriented, and value creating”.



**Figure 8.** Direction of communication with related processes

In the following sections, the remaining elements of communication are addressed.

#### *Frequency and direction of communication*

Frequency refers to the amount of time put on communication between actors (Gustafsson et al., 2012; Mohr & Nevin, 1990). Mohr and Nevin (1990), referring to Farace, Monge and Russel (1977), point out that the duration of contact is an alternative used to describe the amount of communication. Thinking about what these words stand for, frequency arguably refers to how often a communicative-activity occurs (e.g. having a meeting every second Friday), while duration relates to how long those activities take (e.g. each meeting takes 1 hour). Thus, even though Mohr and Nevin (1990) argue that frequency is more often used and, for instance, Gustafsson et al. (2012) and Neghina et al. (2015) use the concept in their studies, frequency and duration are recognized as different concepts in this study, since they are not synonyms. Simply put, there may be interactions with a long or short duration taking place often (high frequency) or seldom (low frequency) Regarding frequency, it is proposed that higher frequency of communication is positively related to value co-creation (Gustafsson et al., 2012; Neghina et al., 2015). However, referring to the thoughts of Guetzkow (1965), Mohr and Nevin (1990) find that it is important to assess how much communication is actually required. Thus, it may be interpreted that frequency of communication is a rather dynamic and relational issue. Similarly, it might be assumed that increasing the duration of communication is also positively linked to value co-creation to some

extent: yet, it may be that at some point it will start leading to negative value formation.

#### *Modality of communication*

Modality refers to the medium used for communication and Mohr and Nevin (1990) find there to be two approaches to categorize these; 1) the categorization between different medium types and 2) the hierarchy of media richness (e.g. Huber & Daft, 1987). In addition, the different forms of modality can be classified according to whether the medium is (non-)commercial as well as personal or impersonal (Moriarty & Spekman, 1984). Finally, a division between formal and informal modes can be made (e.g. Stohl & Redding, 1987), which was used, for instance, by Ballantyne (2004) in the distinction between different types of one- and two-way communication.

#### *Content of communication*

Content refers to what is being said during communication (i.e. the message) (Gustafsson et al., 2012; Mohr & Nevin, 1990). Traditionally within marketing communication there exists categorizations of content based on either the kind of information that is exchanged or the kind of influence strategy that is used when this information is being exchanged (Mohr & Nevin, 1990). On a more general level, referring to the review article by Sebanz, Bekkering and Knoblich (2006) on joint action, Neghina et al. (2015) propose that what is of importance is the relevance of the content that is being communicated; in other words, relevant content is positively related to value co-creation. In a co-creation setting, relevant content concerns especially information on the needs and wants of involved customers (Gustafsson et al., 2012), which will be discussed more in detail under the process of knowing. However, based on the discussion on resources and learning, it is also important to recognize the role of content provided by the provider (e.g. knowledge, task-definitions and questions).

#### 3.4.3.3 Knowing

While customer learning was previously addressed generally in relation to a customer's value creating activities, emphasis is here on knowing in relation to value co-creation. In the interaction-based approach to value co-creation, learning together is seen as focal for value co-creation, since it provides relevant knowledge for this process (Ballantyne, 2004; Ballantyne & Varey, 2006; Neghina et al., 2015). Even though Ballantyne and Varey (2006) approach learning as a process that concerns all the involved actors, they separately discuss the process of

knowing and put emphasis on knowledge exchange within organizations. While this is of importance (e.g. Sinkula, 1994), the approach to value co-creation taken in this study signals that knowing needs to be understood as pertaining to all actors involved in the joint activity. Going beyond dialogue, the process of knowing is considered to be focal also for successful value co-creation through presence, however, the main emphasis is here on addressing shared knowing (and learning).

Focusing on interactions, dialogue as learning together means that there is a search for deeper, common understanding and meaning between actors (expressed in terms of e.g. double-loop learning by Argyris & Schön, 1978; dialogue as a forum for creation of common meaning, Bohm 1996; authentic level of thinking through dialogue, Ballantyne, 2004)<sup>75</sup>. This has been recognized to be of great importance in both social systems like groups (Arrow et al., 2000) and consumption communities (Närvänen et al., 2019) as well as more generally in value co-creation (Neghina et al., 2015). Dialogue offers the possibility for all involved actors to learn about others, but also about themselves, since properly engaging in a dialogue requires the individual to not only reflect on what the others say, but also on her own assumptions, ideas, opinions etc. that are often latent and not that easy to access (Ballantyne, 2004). In other words, dialogue offers the possibility to access both own and others (learning) resources and make use of them. Accessing these resources “allows interacting customers and employees to fill in gaps in their knowledge base, therefore, contributing to the establishment of a shared mental model that takes into consideration the other participant’s resources and resource integration activities” (Neghina et al., 2015: 233).

Neghina et al. (2015) bring up the importance of creating a shared mental model among the participants<sup>76</sup>. Shared mental models are common in organizational literature. Rouse, Cannon-Bowers and Salas (1992) discuss mental models as an individual’s description regarding why an organization or group exists and what it looks like, explanation regarding the function and state of it as well as prediction of what it will do. The authors especially put emphasis on the expectations and

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<sup>75</sup> Double-loop learning (Argyris & Schön, 1978) is about processing received information and also one’s thoughts, assumptions and behavior more deeply and thoroughly (Argyris, 1994; Ballantyne, 2004; Payne et al., 2008). Bohm (1996, referred to by Ballantyne, 2004) views dialogue as a forum for the creation of common meaning and for deriving insights (i.e. ‘collective thinking’ that goes deeper than individuals do). In addition, Ballantyne (2004) discusses Bohm’s (1996) idea that individuals tend to follow their assumptions and take things around them for granted or as objective truths, however, by engaging in dialogue it is possible for the involved actors to connect on what Ballantyne (2004) calls an ‘authentic level of thinking’.

<sup>76</sup> This can be seen as a common denominator between many of the previously addressed coordinating and value co-creation activities with focus on interactions (e.g. Arrow et al., 2000; Neghina et al., 2015; Närvänen et al., 2019).

explanations aspect of mental models and basically propose that the better these are shared among actors involved, the better the team performance, and related processes such as communication and coordination, will be. Elaborating on the view on team mental models by Klimoski and Mohammed (1994), Madhavan and Grover (1998) view shared mental models as the shared knowledge and assumptions among the members (Senge, 1990a; Nonaka, 1991) as well as there being a (joint) organizational memory (Walsh & Ungson, 1991<sup>77</sup>). With regard to the concepts utilized in this study, similarly as every business (Prahalad & Bettis, 1986) and customer is viewed as having a logic of their own (Heinonen & Strandvik, 2015), the shared mental model can be described in terms of a shared logic among the members of group. It incorporates the members' joint understanding regarding the purpose and goals as well as how they are to be achieved (e.g. roles)<sup>78</sup>.

In order to generate this relevant knowledge, Neghina et al. (2015) find information seeking, information sharing, and feedback as focal (Yi & Gong, 2013) and elaborate on these by treating the activities as concerning any involved actor. Information seeking is seen as the involved actors' aspirations to gain more information about how to co-create value, the involved actors preferences, needs and/or wants, while information sharing means that the involved actors need to also share information for value co-creation to be possible<sup>79</sup>. Feedback, on the other hand, is in accordance with Sebanz et al. (2006) as a particular form of information sharing with the aim of adjusting and synchronizing the joint knowledge and activities and hence the value co-creation process (Neghina et al., 2015). Consequently, what is being shared is of high relevance and while some of this knowledge may be explicit (e.g. documented), there may also exist tacit knowledge that resides in the individual (i.e. subjective, often experience-based and contextually bound) (Ballantyne & Varey, 2006; Nonaka & Takeuchi, 1995<sup>80</sup>). As tacit knowledge often exists on an unconscious level, it is not always that easy to access and communicate, while explicit knowledge can be quite easily shared among actors (Ballantyne & Varey, 2006). Moreover, tacit knowledge is seen as emerging, developing and existing between the members through joint activities, experiencing and learning<sup>81</sup> (Ballantyne & Varey, 2006). Hence, knowledge does

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<sup>77</sup> Also e.g. Argyris and Schön (1978), and Sinkula (1994) address organizational memory.

<sup>78</sup> Creating a shared logic does not mean that actors agree on the issues; on the contrary, it may be that they agree to disagree (Ballantyne, 2004).

<sup>79</sup> Keeping in mind the nature of resources as becoming instead of being (e.g. Zimmerman, referred to by Vargo & Lusch, 2004), all information that may be relevant for value co-creation need to be shared.

<sup>80</sup> It is important to note that when referring to tacit knowledge, Nonaka and Takeuchi (1995) refer especially to the ideas of Michael Polanyi (1966).

<sup>81</sup> This is linked to the previously addressed shared logics/shared mental models (e.g. Madhvan & Grover, 1998) including organizational memory (e.g. Sinkula, 1994)

not always have to be explicit in order to be shared or mutual among actors, but it can also emerge in joint processes. Through these activities, the actors also develop relationship specific knowledge, which influences their assumptions about others and provides guidelines for how to deal with each other (Ballantyne, 2004).

When it comes to issues hindering the sharing of knowledge, related to tacit knowledge is the issue of information stickiness, which relates to the cost of transferring information to the locus of problem solving so that others can use it (von Hippel, 1994). Besides the information itself, also characteristics and decisions of those providing/seeking information may drive this (von Hippel, 1994)<sup>82</sup>. Besides tacit knowledge and lack of motivation, customers' latent needs may also cause issues (e.g. von Hippel, 1986; Ulwick, 2002; Matthing, Sandén & Edvardsson, 2004). Referring to Senge (1990b), Matthing et al. (2004: 479) define latent needs as something that "customers really value or the products and services they need, but have never experienced or would never think to request.". Instead of being explicit to the customer, the access to latent needs is bound to experiencing under right conditions (Kristensson, Gustafsson & Archer, 2004; Matthing et al., 2004). In groups, members also tend to keep information that only they know for themselves prior to a group discussion, even though it would be beneficial for the group's decision-making (Stasser & Titus, 1985; 1987, referred to by Arrow et al., 2000). When it comes to organizations (or groups), there may also emerge systemic constraints (e.g. how the group and its activities are structured) that restrict or inhibit the learning process (Dixon, 1999, referred to by Ballantyne, 2004) or, in other words, the dialogue between organizational members (Ballantyne, 2004).

Even though this chapter has been mostly dedicated to discussing learning in relation to dialogue, it is important to recognize also the vital role of knowing in relation to presence. Without knowledge on customers', it is difficult for providers' to be able to become present in their customers' lives and to have them engage in a desired manner. At the same time, presence in the customer's mind and consequent engagement is based on the customer's knowing. The information that is gathered in, for instance, dialogues may be utilized not only to co-create value in that moment, but also in the future through presence.

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<sup>82</sup> Parallels can be drawn to customer learning where an individual's motivation to learn is of crucial importance and it may vary depending on the person and the situation (Hibbert et al., 2012).



#### 3.4.3.4 Accessing

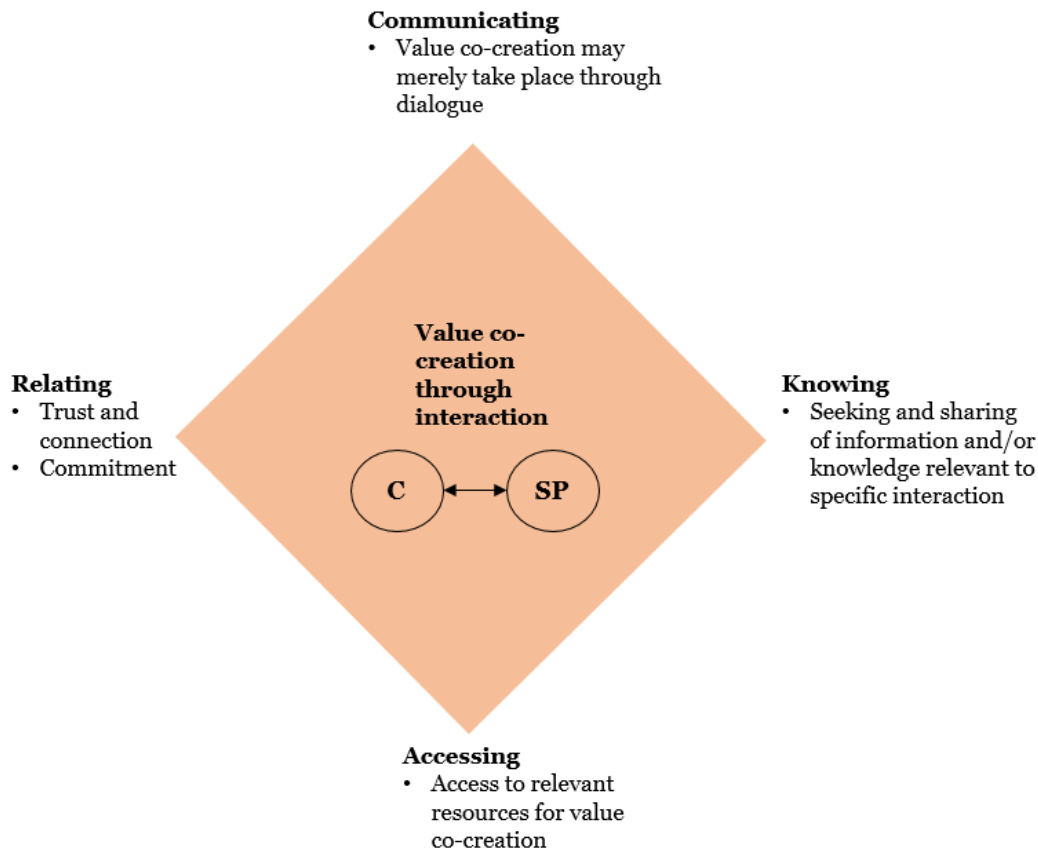
As addressed in the beginning of this chapter, the concept of access can be interpreted in different ways in relation to value co-creation (Grönroos, 2012; Prahalad & Ramaswamy, 2002). In this case, Grönroos' (2012) notion of the importance of accessing resources relevant for value co-creation is utilized as a basis. Based on his earlier work (Grönroos, 1990) and extending it with regard to technological developments that have taken place, Grönroos (2012) discusses different important types of resources that need to be accessed for value co-creation to take place. These are the amount of employees and other customers that are involved as well as their skills and knowledge, the location, opening hours interior and exterior of places where value co-creation may occur (e.g. store, office, call-center), different equipment and documents as well as websites and mobile interfaces. The linkage to CDL's notion of presence (Grönroos et al., 2015; Heinonen & Strandvik, 2015) is obvious in this case, yet, as Grönroos (2012) views access in terms of making value co-creation through interaction possible, CDL views presence as a way to co-create value in itself, which can be the result of, for instance, easy access to a provider's facilities (Grönroos et al., 2015; Heinonen & Strandvik, 2015). Accessing thus relates to the provision of focal resources for customers, which means that it is strongly related to the planning of roles<sup>83</sup>.

#### 3.4.3.5 Summarizing on the focal value co-creation processes

Following the discussion on relating, communicating, learning and knowing, and accessing, figure 9 illustrates how value co-creation through interaction (i.e. narrow approach) may take place, while figure 10 depicts how value co-creation through presence (i.e. broader approach) can take place. This comparison is made in order to show what it means when the broader approach is applied.

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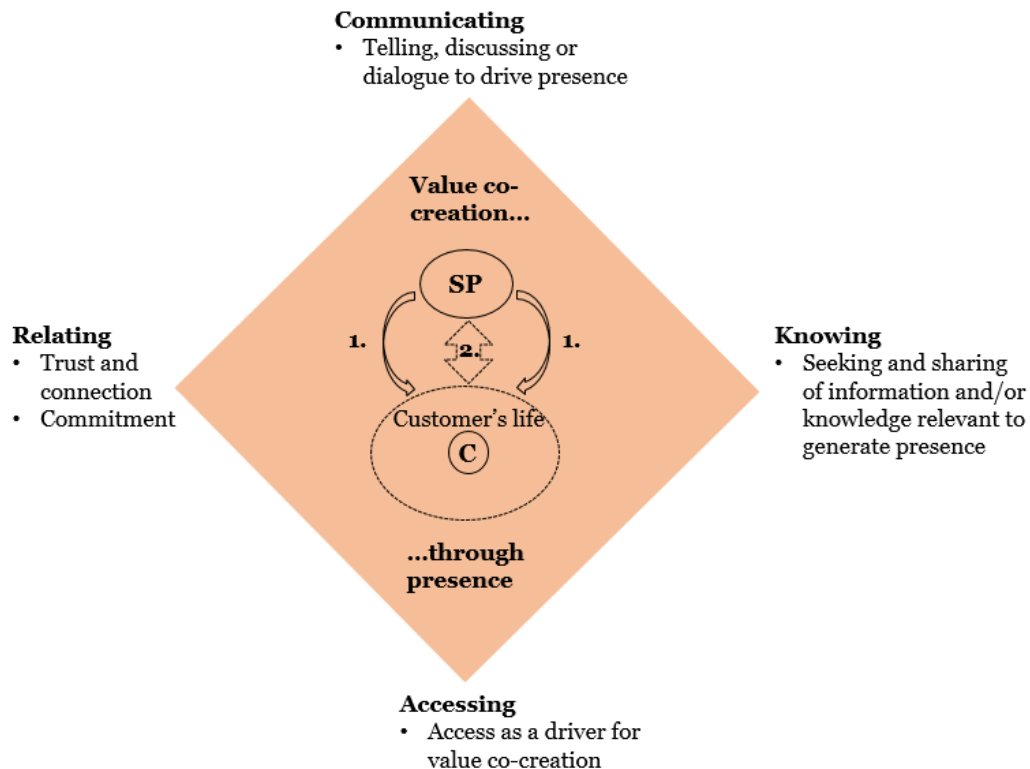
<sup>83</sup> As addressed in chapter 3.2, roles are seen as consisting of tasks and task-resources that are planned by the provider.



**Figure 9.** Value co-creation through interaction

For both interaction- and presence-based value co-creation to take place, a relationship with good quality needs to exist (i.e. high trust, connection & commitment). Concerning communication, value co-creation through interaction puts emphasis on dialogue, while in the case of presence any of the different communicational forms are potential drivers for value co-creation. Regarding knowing, both forms of value co-creation can be seen as related to the activities of seeking and sharing information and knowledge, however, their scope of utilization can be seen as varying. In interaction-based co-creation, focus is on the subject discussed in the particular interaction, while in terms of presence, the gathered information and knowledge needs to be relevant in terms of gaining presence in the customer's life. When it comes to access, in terms of interaction, the actors need to be present; in other words, for a customer to be able to engage a service provider in value co-creation through interaction, the customer needs access to the provider (Grönroos, 2012). In this way, presence becomes a necessary condition for interaction. However, when presence is the locus for value co-creation, there is no need for dialogue or even interaction to occur even though some form of communication in many cases needs to take place for the provider to

become present in the customer's life. Access in terms of presence may also relate to, for instance, easy accessibility to a store, which leads the customer to choose to visit that particular store. Hence, when focus is on understanding value co-creation through interaction, then presence is a necessity; however, it does not replace interaction as the focal concept. Going outside interactions, presence becomes the core concept that can be seen as driven by similar processes as interaction, yet with a different emphasis in some of the processes.



**Figure 10.** Value co-creation through presence

Basically, a focus on presence broadens the scope by zooming out from the interaction to an overview of the customer's whole journey and ecosystem (from her viewpoint), which is explicated in figure 10 with the notion of customer's life. There may be different paths to strive for presence in the customer's life, which is described by the two arrows with number 1. However, as mere presence is not equal to value co-creation (same as with interactions) these attempts can be seen as successful with value co-creation taking place when the customer decides to engage the service provider in her value creating activities, which is shown by the dotted arrow with number 2. Even though the arrow points in both direction, it may be noted that there is no direct interaction required; instead it highlights that value co-creation through presence takes place. Concerning presence, although

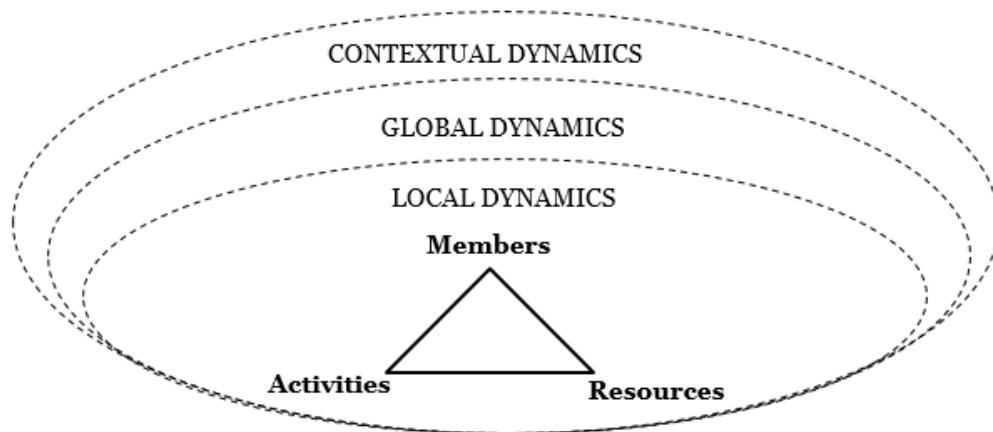
being here discussed with regard to value co-creation, it is important to note that presence may have an unintentional impact on a customer's value creation and formation. A customer observes others and may be influenced by their sayings and doings even though they are not directly aimed at her (Colm et al., 2017).

Presence similarly to the notion of access to resources is relevant since it forces one to recognize that there is a life outside interactions and looking into that may reveal new opportunities for value facilitation and/or value co-creation. In addition, focusing merely on value co-creation that takes place in interactions puts emphasis on dialogue, however, by recognizing presence also one-way communication and discussion gain a (managerial) role. Contrasting value co-creation through presence to other central constructs, it may be questioned when is value co-created in the form of presence and when is value facilitated. Value facilitation is a concept describing the usual role of a provider as producing resources for customer's use in value creating activities (Grönroos, 2011; Grönroos & Voima, 2013), while value co-creation takes place intentionally and in a goal-directed manner when customer's choose to engage service providers. Value facilitation without the intent to co-create can thus be seen as more passive activity from the provider's side in the sense that there is a lack of intent in actively influencing the customer's value formation, while achieving presence (or interaction) and value co-creation requires an active approach. Value facilitation and value co-creation are not excluding each other out and it may be seen that in order to successfully facilitate value formation for customers some form of presence will most often be required. The relevance in highlighting the role of presence and view it as a way to co-create value lies in the fact that provider's may strive to influence customer's value formation in more ways than merely through interaction. Value co-creation is an analytical and managerial concept (Grönroos et al., 2015), which means that when presence is viewed as a possible way to co-create value, presence is something worth managing.

Until now, group-related management and value co-creation activities have been addressed together with the underlying focal processes. Ultimately, in order for the group to function successfully as a resource in the customer's value formation, the group's activities need to be coordinated and especially the processes of relating, communicating, knowing and accessing need to be successfully activated. As a group is formed and functioning, the intra-group activities as well as the contextual influences cause dynamics that influence the group's performing (Arrow et al., 2000). Consequently, these need to be addressed as they are pivotal with regard to the group becoming a resource for participating customers.

### 3.5 Group-related dynamics at a local-, global- and contextual level

As a group is functioning, it is influenced by various dynamics. Forsyth (2018: 18) defines group dynamics as “the influential interpersonal processes that occur in and between groups over time”. More specifically, Arrow et al. (2000) (also in McGrath et al., 2000) based on dynamical systems theory (Abraham et al., 1990), identify three different levels of causal dynamics that influence the development and activities of a group. Figure 11 offers a simple illustration of the different dynamics, which are further addressed based on the work by Arrow et al. (2000). In the figure, activities and resources are understood in the broader sense; in other words, they refer to the tasks and task-resources that relate to the roles as well as other activities and resources that that relate to the parts of the value formation process that go beyond what is planned for the group<sup>84</sup>.



**Figure 11.** Three levels of dynamics affecting the group’s activities and development

#### 3.5.1 Local dynamics within a co-creation group

The local dynamics are linked to the constituents of the group in the coordination network and their interactions (Arrow et al., 2000). They can be seen as emerging from the daily activities that the members engage in when striving towards fulfilling the various goals. In line with the different group-related activities addressed in the previous chapter, the local dynamics can be seen as more

<sup>84</sup> It has been previously addressed that members’ activities and resources do not always limit themselves to the planned tasks and task-resources (i.e. recognizing the customer’s whole value formation process instead of focusing on a particular interaction, e.g. Voima et al., 2011; Heinonen et al., 2013); for instance, a customer may discuss with experts and providers outside of the group although that might not be specified as a task by the focal provider.

specifically emerging from activities related to; 1) establishing and elaborating the coordination network (i.e. the plan for a co-creation group), 2) enacting and maintaining the coordination network (i.e. carrying out the value (co-)creating activities according to the plan), and 3) monitoring and modifying the coordination network (i.e. making changes to the plan) (Arrow et al., 2000). Local dynamics related to these are briefly addressed in order to give an overview of their emergence and character.

First of all, the plan for the co-creation group (Knoblich et al., 2011; Neghina et al., 2015) and how the constituents are linked together (Arrow et al., 2000) eventually influences how the group starts to function (e.g. who does what with whom). Yet, it is important to recognize that due to the dynamism characterizing groups, these relations may be altered (Arrow et al., 2000). It may, for instance, be that as focus in the beginning is on defining the relations in the coordination network that are most crucial for fulfilling the group goals, the members' individual needs and the resulting relations within the group emerge and influence later on during the group's functioning. In addition, as the focal relations are set up by one or a few persons (group designers), it may often be that the coordination network and its patterns are not that perfect in practice. When it comes to activities aimed at maintaining stability, the group and its members act in a goal-directed manner according to the group's plan, but also the members' own individual plans (value creation process) (Arrow et al., 2000; Payne et al., 2008) or logics (Heinonen & Strandvik, 2015). In addition, the situation may also result in unplanned activity through the recognition of a gap between a group's or member's goal/desired state and the current state/direction of the entity (Arrow et al., 2000). As these activities are carried out, stability is striven for in the group and in the members' individual value creating activities; however, these may be in conflict with each other, which possibly results in tensions, which will be addressed later in this chapter.

Concerning modifications in the constituents and relations, they may take place either purposefully or through discovery (e.g. adding a new member or discovering a new task) with influence on existing constituents and relations of the group (Arrow et al., 2000). In addition, relations may emerge and become stronger between some specific constituents leaving out some other. Taking place organically, one may link this to the logic that the member operates with (Heinonen & Strandvik, 2015). Basically, a member engages in particular tasks (or other activities) and draws on specific resources based on her idea of how to reach the desired state. Activities, resources (e.g. according to importance or sequence) and members (e.g. different roles and hierarchies of relationships) may also be grouped in an organized manner (Arrow et al., 2000); in other words, following adjustments in the group-plan that is executed (Knoblich et al., 2011; Neghina et

al., 2015). Consequently, the differences between those being divergent may become more evident, but at the same time, the members may learn more about each other's expectations and behaviors as well as about the group's direction, performance and required activities (Arrow et al., 2000)<sup>85</sup>. It is also important to note that although modifications can be made and that it is normal in groups resembling co-creation groups<sup>86</sup>, there may be varying interpretations regarding the evaluation, critique and modification between the members (Arrow et al., 2000).

### 3.5.2 Global variables and dynamics emerging from local activities

Besides the dynamics caused by the constituents of the group and their relations, the group's functioning is also influenced by global dynamics (i.e. "patterns of stability and change in the state of the group") that emerge from global variables ("the state of the group as a whole") (Arrow et al., 2000: 131). These cannot be entirely explained by the constituents or relations of the group, but instead, global variables emerge from the local activities and interactions within the group and they influence the future local activities. Thus, the global variables are linked to the development of the group, which can in simple terms be described as a matter of stability versus change (e.g. gained experience may drive both). In the following sections, some examples of global variables are addressed based on the structure provided by Arrow et al. (2000)<sup>87</sup>. These variables interlinked in the group as a whole system, meaning that a focus on a specific type of activity does not merely yield in global variables in that category, but it also influences the emergence of global variables that influence other categories. Moreover, it is important to keep in mind that changes in global variables and structures merely occur through local activities.

Related to the group-member interchange are the activities of fulfilling members' and group's goals with the previously addressed <sup>88</sup> commitment, trust and connection being identified as important global variables (Neghina et al., 2015; Randall et al., 2011). When it comes to overall group project activity (i.e. joint goals), the quantity and rate of conducting tasks/projects, and the quality of

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<sup>85</sup> What is brought up here relates to the previously discussed importance of learning and knowing for successful value formation both when it concerns individual customer's efforts (Hibbert et al., 2012) as well as value co-creation (Ballantyne & Varey, 2006; Neghina et al., 2015).

<sup>86</sup> Arrow et al. (2000) find that groups resembling those concerned with co-creation develop over time through the establishment of norms and conflict management. Consequently, modifications are a natural part of their functioning.

<sup>87</sup> They relate to a group's main functions and activities as seen by Arrow et al. (2000).

<sup>88</sup> In chapter 3.4.3.1 on relating these variables were addressed as focal for successful value co-creation.

outcomes are examples of important global variables (Arrow et al., 2000). When it comes to a group's structure and functioning as an ongoing system, there will over time occur horizontal differentiation (i.e. pairing of two constituents), vertical differentiation (i.e. order of constituents), increasing density between constituents (e.g. some members do more tasks) and clustering of constituents (e.g. some members form subgroups), thus becoming global variables (Arrow et al., 2000). This can be seen as relating to the social positions and the emergence of, for instance, a status structure within the group (Akaka & Chandler, 2011). There are also global variables that emerge in the moments of interaction (e.g. not all members are present or the resources needed are not useable).

When it comes to value co-creation in general as well as more specifically in groups, processing information and generating meaning (i.e. seeking and sharing information) have been pointed out as focal activities (Arrow et al., 2000; Ballantyne & Varey, 2006; Neghina et al., 2015). With regard to this, the members' relative contribution of information to the activities that are performed and the extent to which the pieces of information that members possess are overlapping are identified as crucial global variables (Arrow et al., 2000). The latter can be seen as related to the shared mental models (e.g. Rouse et al., 1992; Madhavan & Grover, 1998) or shared logics among members. In addition, the degree of relevance of information shared in interaction and the total amounts of information processed and generated by the group are important variables (Arrow et al., 2000; Neghina et al., 2015). There are also global variables related to the conflict within groups and they may be based on tensions in members' relations, the content of tasks, and/or the process through which tasks are accomplished (Jehn, 1997). Similarly, the level of consensus with regard to tasks and processes are important global variables (Arrow et al., 2000). Regarding coordination and regulation of behavior, Arrow et al. (2000) point out, for instance, the volume and spreading of group activity as well as the congruence between members' behavior and norms of the group as global variables.

Before moving to contextual influences on groups, the following chapter is devoted to addressing dynamics and especially tensions within a co-creation group caused by local and global dynamics.

### 3.5.3 Dynamics and possibilities for tensions within a co-creation group

Looking closer at the inter- and intra-relations between the constituents of a group, some examples of dynamics and possibilities for tensions may be addressed (Arrow et al., 2000). Influenced by the closeness of members and



complementarity and/or similarity of goals and preferences, changes in the relations between members may cause effects (e.g. friendship or rivalry) that drive complexity in the coordination network, but their value may go beyond their value for completing the project. Informal groupings may be formed when some of the members (learn to) know each other better and with increasing density and intensity of relations within a group, also the risk for interpersonal conflict becomes greater. With many members involved, there is the risk of having different opinions, preferences, goals and logics, thus potentially causing tensions between members. Also when it comes to global variables related to the relationships between members, for instance, lack of commitment and trust are found to cause issues (i.e. the interdependence of members<sup>89</sup>) (Ballantyne & Varey, 2006; Moreland & Levine, 1982, referred to by Arrow et al., 2000; Neghina et al., 2015; Randall et al., 2011). Following the group socialization model (Moreland & Levine, 1982), it is also noted that members are often looking to maximize the received benefits compared to what they contribute themselves, thus potentially causing tensions of their own (Arrow et al., 2000).

The group members' activities may also cause tensions; for instance, in the discussion on social roles in chapter 2, it was pointed out that satisfaction relates to role enactments in accordance with expectations (e.g. Solomon et al., 1985). Consequently, if members interpret the situation differently and their role enactments and expectations differ, tensions may emerge. These assessments become more problematic with increasing unfamiliarity regarding the situation and between the members, thus requiring deeper joint understanding (i.e. shared logic) supported by relevant norms and procedures (e.g. clearly defined roles) (Arrow et al., 2000). When it comes to the relations between members and roles in a group, first of all the interpersonal relations between members and their social positions become influential (Akaka & Chandler, 2011; Arrow et al., 2000). In addition to this, the desires, expectations, resources, and intended contributions of the individual members and their knowledge about the other members with regard to these affect these relations (Arrow et al., 2000). While members look to enact roles that are congruent with their goals, issues, such as, commitment, norms, status, and relevant attributes/resources in relation to tasks are assumed to influence how those goals are met and accounted for in the group. The lack of knowledge on other customers' desires may also influence the member-role network in an unwanted direction. Moreover, when it comes to unfamiliar service processes, the customers do not necessarily have precise expectations (Arnould & Price, 1993), their needs are latent (Matthing et al., 2004) and/or they do not realize what useful resources they possess. Over time, some relations in the

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<sup>89</sup> A member is dependent on the group in order to achieve her goals while the group is dependent on the member to be able to fulfill goals.

member-role network may become more valuable to the group than others and this diversity is also driven in cases where there is not a clear right or wrong answer to the same task, but multiple outcomes that are equally right or wrong (i.e. influences the social positions) (Arrow et al., 2000).

However, are tensions always bad? Janis (1972) finds that groupthink may become an issue in groups, meaning that the group is willing to keep conformity and drive consensus at any cost and hence no critical evaluate of alternatives is conducted. Furthermore, in the literature on self-organized systems (Stähle, 1998; 2004), the role of managing emerging tensions is highlighted. To generate so-called entropy, different opinions and perspectives are needed and therefore it is quite natural that tensions will emerge. As Jehn (1995, 1997) points out, task conflict is of importance in some groups' work of which an example in line with this study could be a co-creation group that is concerned with more innovative activities (Arrow et al., 2000). Thus, it is important to distinguish between beneficial (productive) and non-beneficial (destructive) conflicts and manage the situation accordingly (Arrow et al., 2000). At some point, decisions need to be made<sup>90</sup> (i.e. entropy needs to be reduced) (Stähle, 1998; 2004).

Moving from within the group to the outside of it, the final chapter is concerned with contextual dynamics influencing a group's functioning.

#### 3.5.4 Contextual dynamics influencing the functioning of the group

A group can be embedded in different context and based on what was addressed previously, the total (customer) ecosystem consisting of the customers' ecosystems (Voima et al., 2011) and service ecosystems (Akaka & Vargo, 2015) form the general contexts in which the co-creation group is seen as embedded in this study<sup>91</sup>. Changes and interventions in this ecosystem cause contextual dynamics. These may lead to opportunities or constraints with a direct or indirect influence on the group with varying character and influence depending on the stage of a group's existence (e.g. when forming a group the amount of potential members is a relevant variable) (Arrow et al., 2000). It is of no use to strive to describe all the possible factors and actors that may drive the emergence of contextual dynamics. Yet, it is important to recognize the role of the total ecosystem in which the group

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<sup>90</sup> Having pre-defined norms related to this is focal, as was previously addressed in the chapter on managing co-creating groups (Arrow et al., 2000).

<sup>91</sup> In their small group theory, Arrow et al. (2000) refer to the environment when discussing the general context that exists outside the group, but also landscape is used in relation to the concept of fitness landscape (Wright, 1932). However, in accordance with contemporary service marketing literature, the concept of total (group) ecosystem (customer and service ecosystems) will be mainly used in this study.

is positioned. To exemplify, when it comes to a customer's behavior and opinions, they are not merely, if at all, influenced by the provider's sayings, but also her family members, friends and larger social context are presumably highly influential (Voima et al., 2011). Similarly, the activities of customers may be influenced by other providers that are not at first recognized as they are not directly involved in the focal provider's service. On a more distant level, larger, societal issues, such as changes in laws or the economic situation, may be seen as contextual drivers that affect the group's operating.

In order to cope with contextual dynamics (i.e. contextual variables influencing or change of group's position within ecosystem), the group has to be able to adapt itself. Consequently, the group may have either a high or a low fitness to its surrounding ecosystem (Wright, 1932, referred to by Arrow et al., 2000). However, focusing in detail on the adaptation process and its various elements are outside of the interests of this study (see Arrow et al., 2000 for a detailed discussion). Summarizing on this, as changes occur in a group's ecosystem or the group's position is altered within it, there emerge tensions to which the group may adapt either in a directed (i.e. planned & goal-driven) or undirected (i.e. organically) manner. The adaptation is influenced by internal forces with the group's past, current situation and future predictions as well as the type of group influencing the process. In addition, the nature of change that is taking place affects this process. There may also be various barriers to this adaptation (ecosystem-related issues e.g. quickly and unpredictably fluctuating ecosystem and actors with diverging goals/logics; group-related issues e.g. planning and executing adaptation plan and decision-making). When it comes to adapting, the group may strive to reduce or increase the impact of a change before, during or after the change has occurred. Importantly, the group may also decide to not do anything at all.

What all of this means is that even though groups strive towards or strive to stay in states that are desired, it is not a shared or straightforward process. The same event may result in different reactions, unintended consequences due to lack of total predictedness and groups may strive to respond to events beforehand (i.e. according to a plan) (Arrow et al., 2000). Finally, referring to Kelso (1995), the scholars propose that as groups and its members are open systems, the members may bring new activities and resources to the group that were not apparent in it before.

### 3.6 Summarizing on the co-creating group as a resource for customers' value formation

Drawing it all together from this chapter, figure 12 illustrates a general conceptualization of a co-creating group. At the center of the figure are the main constituents of a group (members and roles (i.e. tasks and task-resources)) and with recognition for the actual scope of value creation and formation (Heinonen et al., 2013), also other activities and resources are incorporated. The four boxes in the corners of the figure represent focal group-related issues that presumably influence the functioning of the group, while the circulating arrows depict the three levels of dynamics that influence the group's functioning and development. These components are addressed in the coming sections and the figure is also used later to provide a foundation for summarizing on aspects in co-creating groups that have been identified as influencing customer value creation and formation in the analyzed case. This chapter ends with an illustration of the theoretical framework (figure 13) that builds on both theoretical chapters. Drawing together the conceptualizations on customer value formation and the co-creating group, the framework provides support for the empirical analysis, however, it has emerged as a result of abductive reasoning. Hence, it is not to be understood as a model that is tested or further elaborated based on the analysis, but instead it merely provides guidance for the analysis.

Starting with the conceptualization of the co-creating group, when it comes to the members, although the primary concern in this study are the customers, one also has to recognize the potential participation of provider representatives. As illustrated in the upper left box in the figure, groups exist not only to complete the group project(s) or collective goal(s), but also to fulfill individual goals (Arrow et al., 2000) as well as potential relational goals (Epp & Price, 2008; 2011). In order to achieve these goals, the group members perform different tasks and utilize relevant task-related resources, which are seen as integrated in the members' roles as planned by the provider. As a part of this is the execution of planned value co-creation activities where the creation of a shared logic is fundamental (e.g. Neghina et al., 2015), however, also the broader meaning of value co-creation as taking place through presence (Colm et al., 2017; Grönroos et al., 2015; Heinonen & Strandvik, 2015) needs to be recognized (i.e. not only dialogue is relevant for value co-creation). In addition, members may also perform other influential value (co-)creating activities (Heinonen et al., 2013) guided by their logics (Heinonen & Strandvik, 2015).

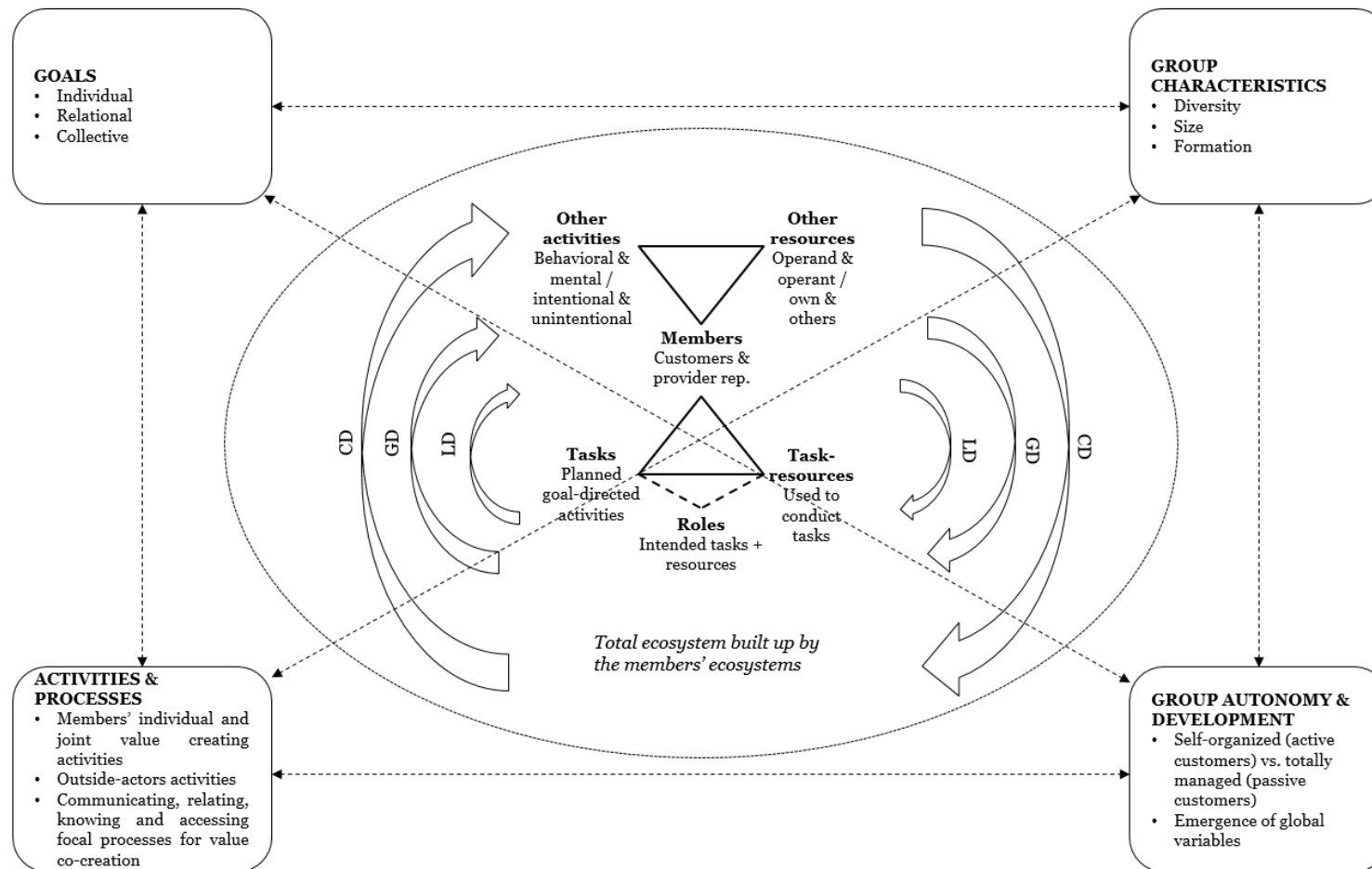


Figure 12. Conceptualization of a co-creating group as a resource

Focusing on value co-creation (through presence), which is a pivotal aspect of a group in order for it to serve its purpose, especially the processes of relating, communicating, knowing (Ballantyne & Varey, 2006; Neghina et al., 2015) and accessing (Grönroos, 2012) become focal. While the former three have been recognized by various scholars as the focal processes in interaction, their relevance for the broader scope of value co-creation through presence has been shown. In addition, accessing has been added with recognition for the necessity of access to relevant resources not only for enabling interaction, but also for co-creating value through presence (Heinonen & Strandvik, 2015). While value co-creation is seen as an intentional and purpose-driven activity (Grönroos et al., 2015; Neghina et al., 2015), the complex nature of group with regard to, for instance, the various actors' goals makes these processes increasingly challenging and resource intensive. Attempted value co-creation does not always reside in actual positive value, but instead it may also result in no value or negative value (e.g. Echeverri and Skålen, 2011; Heinonen et al., 2013; Makkonen & Olkkonen, 2017). In order to cope with this, planning and continuous management is important, which results in activities influencing the structure and functioning of the group (e.g. Arrow et al., 2000; Närvänen et al., 2019). In addition, relevant outside-actors in the ecosystem need to be recognized as their activities may directly or indirectly influence the group's functioning.

In the upper right corner are the characteristics of the group that presumably affect the group. Based on group theory, diversity (e.g. differing logics and resources), size (few or many members) and the way the group has been formed (e.g. how it has been planned and what is to emerge organically) influence how it functions (Arrow et al., 2000). In the last box found in the lower right corner, group autonomy represents 'the degree of freedom' of the group when it comes to how the group acts and conducts tasks. The box incorporates the two extremes, where a group may be totally self-organized, which means that it functions without the interference of others, while at the other end it may be totally managed where the members of the group merely follow orders as passive and reactive actors. In addition, also group development with particularly the emergence of global variables is incorporated as being influential for the group's functioning. Based on group theory by Arrow et al. (2000), the different dynamics that are linked to what is incorporated in the boxes and that influence the group's functioning are also incorporated in the figure. Basically, the group-related 'everyday activities' create local dynamics, which then influence the emergence of global variables (e.g. status structure, commitment and trust) that form global dynamics, which reciprocally influence the future local activities. Finally, as groups do not exist in isolation, but instead are embedded in various contexts or ecosystems that together create the

total ecosystem, the group's activities are influenced also by contextual factors that create contextual dynamics. Hence, tensions are assumed to emerge not only within the group, but also in the interchange between the group and its surrounding total ecosystem.

Following the conceptualization of the co-creating group as a resource (figure 12) and combining it with the conceptualization of customer value formation (figure 6), the theoretical framework can be provided in figure 13. This framework provides support for the empirical data collection and analysis, but it is important to bear in mind that it has been developed in an iterative process between theory and empirical data collection and analysis<sup>92</sup>. Providing merely guidance, this framework or parts of it will not be tested or further elaborated based on the analysis.

Fundamentally, figure 13 illustrates how customer value formation takes continuously place in relation to the customer's experiencing, which is bound to her goal-directed, resource integrating activities in which she is guided by her logic. The customer's logic is thus linked to why the customer engages particular resources in her value creating activities, with particular focus here being on the co-creating group. The co-creating group is portrayed as a highly complex resource for this process, as its structure and functioning are influenced by the constituents of the group (members and roles), the members other activities and resources as well as the focal factors related to goals, group characteristics, activities and processes, and group autonomy and development. The activities and interactions between group constituents generate local dynamics that drive the emergence of global variables (e.g. commitment and status structure). These variables then create dynamics that influence future local activities. Moreover, the group is influenced by contextual dynamics (e.g. outside-actors' activities and regulations), while at the same time having an impact on their surrounding ecosystem.

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<sup>92</sup> Due to the utilization of abductive reasoning the theoretical framework and the empirical data collection and analysis have evolved iteratively. This means that the theoretical framework does not provide e.g. hypotheses that are tested, but instead creates the foundation for how customer value formation and the co-creating group are approached in this study.

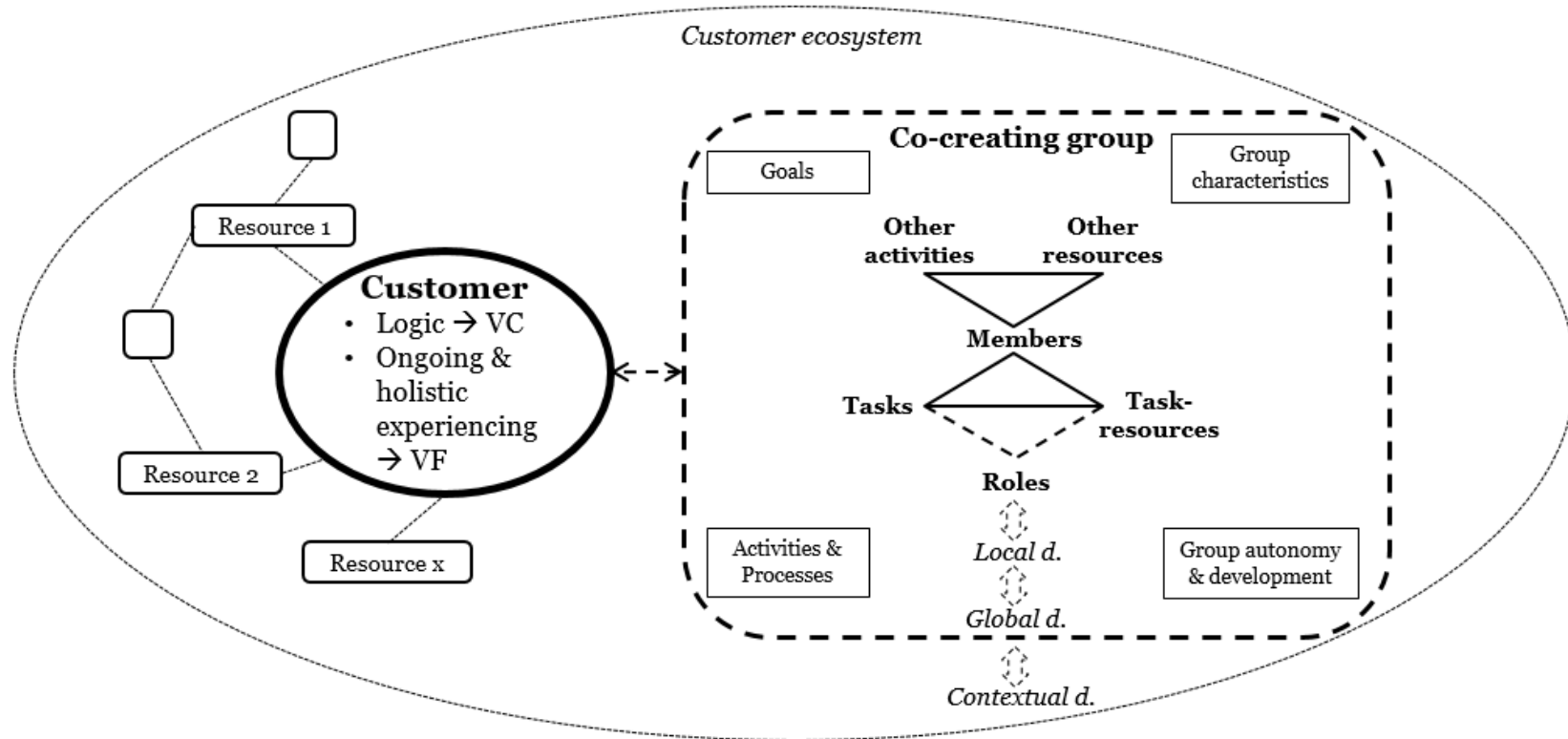


Figure 13. Theoretical framework



When it comes to the empirical analysis of how a group can become a resource for customers' value formation, this approach with the customer as the primary value creator and experiencer of value and the conceptualization of the group as a complex, adaptive, and dynamic co-creating entity acts as the lens through which the phenomenon is viewed. How this becomes evident in the different phases will be argued for in their respective chapter in the analysis. Briefly, it may be noted that the ultimate focus in data collection is on capturing customer experiencing in relation to her own service process. This provides the possibility to gain relevant data on participating customers' value creating activities and their value formation in relation to the group, but also beyond it. In order to understand how the group may become a resource in customer value formation, utilizing the collected data, focus in the analysis is particularly on striving to understand what the customer intends to achieve (i.e. logic) and its relation to relevant group- and ecosystem-related aspects that influence actual value formation. Based on the analysis as well as relevant theoretical insights, it then becomes possible to reveal in which ways the co-creation group may have potential to be a resource as well as under which conditions this takes place<sup>93</sup>. This is carried out in the discussions chapter.

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<sup>93</sup> I.e. the first and second research question.

## 4 METHODOLOGY

The aim of this chapter is to discuss perspectives and choices that relate to the methodological part of this study. Importantly, this study has emerged as a result of abductive reasoning between the empirical phenomenon of interest and relevant theory (Dubois & Gadde, 2002; 2014). With recognition for the underlying philosophical assumptions and the purpose of this study, focus has been put on the empirical in-depth analysis of a single case, involving two subcases, using qualitative methods. The reasons for these choices and other important methodological issues are argued and justified for in this chapter.

### 4.1 Positioning the study in the world of philosophy of science

The purpose of this study, which ultimately guides the researcher in making also methodological choices, is related to the underlying philosophical assumptions guiding the process. As will be discussed in this chapter, coming up with the final purpose of this study (i.e. to generate understanding on how a co-creating group may become a resource for customers' value formation in a complex service, the research questions as well as the approach for how those are addressed, relates to the desire to generate rich and multifaceted understanding in a specific context. With recognition for the lack of comprehensive understanding on the topic being studied, this study has been inspired by the idea of theory sketching (Dumont & Wilson, 1967). Instead of testing hypotheses and searching for generalizable truth or ending up with mere descriptions of events, the intention is on striving to broadly capture vital aspects with regard to the group becoming a resource for customer value formation as well as to go deep into them in order to make relevant propositions. Consequently, focus is on the in-depth study of a particular empirical phenomenon in a particular context.

In order to position this study with regard to the philosophical approach taken, there are different research paradigms that are of help (e.g. Burrell & Morgan, 1979; Tronvoll, Brown, Gremler and Edvardsson, 2011). In order to address these and to be able to argue for the positioning of this study with regard to them, it is important to address the different underlying philosophical assumptions that that every researcher has concerning the nature and study of the social world (Burrell & Morgan, 1979). According to the scholars, these assumptions concern particularly ontology, epistemology, human nature, and methodology. Sometimes merely ontology, epistemology, and methodology are addressed (e.g. Tronvoll et al., 2011), however, in this study, also the human nature is presented.

#### 4.1.1 Underlying philosophical assumptions

The discussion on the underlying philosophical assumptions is divided into two subchapters. First, the assumptions taken with regard to ontology and epistemology are discussed followed by a chapter on assumptions concerning the human nature and methodology as approached in this study. Each of these sets of assumptions are in simple term divided into a subjectivist and an objectivist approach, however, it is important to highlight that the subjectivist and objectivist approaches represent extremes, and are to be understood as such.

##### *Assumptions concerning ontology and epistemology*

Ontology refers to the nature of reality, thus being concerned with what kind of reality that exists, how it looks and what entities there are in that reality and how they interact (Tronvoll et al., 2011). The basic ontological question is whether the reality that is being studied exists outside of human consciousness (i.e. there is an external, objective reality) or is produced by human consciousness (i.e. reality as experienced by the individual) (Burrell & Morgan, 1979). The former approach is referred to as realism and the latter as nominalism by Burrell and Morgan (1979). The researcher's ontological assumptions are argued to influence and guide all the subsequent assumptions the researcher possesses (Tronvoll et al., 2011), which makes it fundamentally important for the researcher to recognize and to explicitly address.

Epistemology is closely related to ontology as it concerns the researcher's assumptions about the bases of knowledge and especially how the researcher perceives the world and how these perceptions as knowledge are communicated to others (e.g. what forms of knowledge may be obtained and how<sup>94</sup> as well as what is true or false) (Burrell & Morgan, 1979). Consequently, Tronvoll et al. (2011) state that epistemology ultimately comprises of two dimensions where the first one concerns how the world is perceived and the second the relationship between the researcher and her research subject. When it comes to epistemological approaches, anti-positivism (i.e. subjectivist) is characterized by viewing the world as relativistic and with the only way of understanding it being by looking at it from the eyes of the individual who is involved in the activities that are under investigation (Burrell & Morgan, 1979). Positivism (i.e. objectivist) is based on a search for causalities and regularities between constituent elements that are being studied in order to be able to understand the phenomenon (the world), but also

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<sup>94</sup> At its extremes, it is a question of whether knowledge is something 'softer' that may be gained only through experiencing (i.e. cannot be transferred from one to another) or 'harder', more tangible that may be acquired.

predict (Burrell & Morgan, 1979). Hypotheses testing is thus at the core of a positivist approach with an evident linkage to (traditional) natural sciences.

Considering this study and its main ontological and epistemological assumptions, it becomes evident that it leans towards the subjective end with regard to both (i.e. nominalism (ontology) and anti-positivism (epistemology)). The starting point for generating understanding on how a co-creating group may become a resource for the participating customers is the individual customer and her experiencing and interpretation of the situation she finds herself in as well as the reactions to it in the form of actions, feelings and thoughts. While there is a particular interest in the customer's relation to the group (and vice versa), what also needs to be accounted for is her experiencing, sense making and acting outside of direct group-interactions (e.g. Heinonen & Strandvik, 2015; 2018). The reality under investigation thus concerns the customer's reality, which means that there may exist various interpretations of activities, processes and incidents as well as the reasons for them taking place. Similarly, the provider and their representatives are making sense of the reality they live, from their perspective. Put it the other way, the focal assumption is thus that there is no one, external reality that holds true for all customers and groups that co-create.

This is also backed up by considerations regarding the nature of groups. The complexity of the co-creating group that is described by the conceptualization of it means that it is difficult to even describe a typical co-creating group in a more detailed manner. Naturally, one may seek and find generalizable aspects with regard to the functioning of a group as a resource (e.g. causalities between some factors). However, the interest being on searching for a richer understanding, there is a need to get closer to the phenomenon and the actors within it to explore the group's functioning as a resource and the participating customers' value formation in the particular context. Hence, the intention is to strive to understand the lived reality of the individual customers; their experiencing and sensemaking of it as well as their aspirations (i.e. customer logic) and how the group as a resource is embedded in this value formation (e.g. Heinonen & Strandvik, 2015; Voima et al., 2011). This involves besides the capturing of focal aspects also the making of propositions in relation to existing service marketing literature. These propositions may then act as a basis for future elaborations into hypotheses.

Besides the focal actors' worlds and their lived, subjective reality, it is also important to recognize the researcher's role as a subjective interpreter. Even though attempting to understand the individual actors' views (e.g. through interviews), the researcher is at the same time involved in making interpretations of that subjective reality as it opens up (e.g. as told by the interviewee). Moreover,

when conducting observations, the researcher is making sense of the primary situations as they unfold in front of the researcher's eyes. While there are different laws in natural sciences, social sciences, such as marketing, are often faced with phenomena that are not obeying to a specific law. Considering the phenomenon at hand in this study, which is a social phenomenon that is complex on many levels, there is arguably room for varying interpretations. Thus, considering the purpose of this study and the context within which it is being studied, it is fair to say that the reality is definitely subjective both with regard to the informants as well as to the researcher itself.

#### *Assumptions concerning human nature and methodology*

Regarding human nature, Burrell and Morgan (1979) especially point out the relationship between human beings and their environment as a focal question. In simple terms, the scholars distinguish between voluntarism (i.e. subjectivist) and determinism (i.e. objectivist). In the former, the individual is viewed as an active actor who is in charge and 'creates her own environment', thus putting emphasis on the human being's free will. The latter takes an opposite stance where the individual is seen as responding to what occurs around her in a mechanistic/deterministic way and the individual and her experiences are often regarded to be the result of her environment. Considering this study, the active nature of the customer, or any actor, is emphasized as she is seen as an active and goal-directed value creator (e.g. Payne et al., 2008; Heinonen & Strandvik, 2015) and subjective experiencer of value (e.g. Holbrook, 1999; Heinonen et al., 2013). Yet, it is recognized that the customer is not isolated from her environment, but instead she lives in continuous interaction with it and hence the customer's value creating activities and value formation are assumed to be influenced by others (Heinonen et al., 2013; Heinonen & Strandvik, 2015). Hence, when it comes to human nature, this study is positioned somewhere in between the two extremes, recognizing both the subject as an active actor, but also the influence of the environment upon her.

When it comes to methodology, the previous three types of assumptions influence the process (Burrell & Morgan, 1979). Basically, it is a question of how the researcher aims to study and to gain knowledge about the phenomenon of interest. Methodological questions are according to Tronvoll et al. (2011) not about a method as such, but instead it is about the connection between theory and method. In service research, the focal methodological question is how the researcher aims to obtain knowledge about the nature of service (Tronvoll et al., 2011), which in this case is more precisely about the nature of how a co-creating group in a complex service may become a resource for customers' value formation. In simple terms,

Burrell and Morgan (1979) distinguish between the ideographic and nomothetic approaches with the former being primarily concerned with getting close to the research subject in order to obtain relevant first-hand knowledge and the latter stresses the use of systematic methods and the testing of hypotheses. Simplified, one might link this to the division between the use of qualitative (ideographic) and quantitative (nomothetic) methods. Following the assumptions regarding ontology, epistemology and human nature, it is natural that the methodological choices in this study are more of the ideographic kind. There is as previously argued an interest in striving to get close to the participating customers in order to understand their desires and experiences. Thus, the methodological choice is that of case study and following the above discussed assumptions, qualitative methods and especially interviews and observations are used. However, as it will be discussed further below, this is by no means a clear path to take, as case study methodology is traditionally characterized by a positivist approach (Dubois & Gadde; 2002; 2014).

#### 4.1.2 Paradigmatic positioning with regard to underlying assumptions

Drawing on the underlying assumptions, this study can be positioned in a particular paradigm or at least indicate towards which kind of paradigm this study leans. Burrell and Morgan (1979) distinguish between basic sociological paradigms where one of the core dimensions is the previously discussed subjective - objective dimension and the other is the sociology of regulation – sociology of radical change dimension<sup>95</sup>. In simple terms, studies belonging to the sociology of regulation emphasize understanding society from a status quo perspective (e.g. the reason for a society holding together), while studies belonging to the other are interested in striving to understand the radical change, structural conflict and modes of dominance within society. Based on these dimensions, Burrell and Morgan (1979) distinguish between the *functionalist paradigm* (objective & regulation), *interpretive paradigm* (subjective & regulation), *radical humanist paradigm* (subjective & radical change) and *radical structuralist paradigm* (objective & radical change). Considering the underlying philosophical assumptions applied in this study, it is obvious that the functionalist and radical structuralist paradigms fall outside, however, whether this study is positioned within the interpretive paradigm or radical humanist paradigm may be discussed.

The connection between the regulation-radical change dimension from a societal perspective and this study is perhaps at a first glance a bit unclear. However, with

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<sup>95</sup> Burrell and Morgan (1979) propose these two dimensions inspired by the order-conflict debate that has taken place between sociologists.

the other emphasizing equilibrium the other radical change in the society, which more generally can be referred to as a system, it becomes evident that there might be some form of connection to studies on groups. Related to groups is a paradigmatic discussion on systemic thinking with closed-, open-, and dynamic systems being focal paradigms (Stähle, 1998; Stähle, 2004). The approach to groups that is adopted in this study (Arrow et al., 2000) does clearly not adopt a closed systems approach, but instead it draws on literature from both the open- and dynamic systems approaches (Stähle, 2004). Based on the work of von Bertalanffy (e.g. 1967), Stähle (2004) states that an open systems approach emphasizes the system as continuously interacting with its environment and developing through alternative paths, however, always striving towards equilibrium. The system is maintained through internal feedback loops, thus opposing a closed system approach where mechanistic, pre-determined processes are emphasized. The dynamic systems approach, which is based on work by, for instance, Prigogine alone and together with other scholars<sup>96</sup> as well as Maturana and Varela (1987), approaches systems as complex, chaotic and in imbalance (Stähle, 1998; 2004). Following this, Stähle (1998; 2004) argues that scholars adopting an open systems approach are interested in feedback loops, adaptation, and change, while those taking a dynamic approach are concerned with issues of self-renewal and self-organization of systems as well as radical change. Hence, the open systems approach is more in line with the sociology of regulation, while the dynamic systems approach resembles the sociology of radical change. Even though they are not perhaps to be considered as substitutes, they share the common denominator of equilibrium and radical change.

When it comes to the perspective of radical change, Stähle's (2004) interpretations of the work by Prigogine reveals that self-organizing human systems do not exist automatically, but instead they may become self-organizing if they are able to deal with the chaos and imbalance that they face; in other words, their existence as self-organized depends on their ability to be far from equilibrium (i.e. unstable). However, even though dynamic systems are characterized by chaos they are not always in chaos, but interact between these two extremes and in doing so the system changes/evolves and creates novel solutions<sup>97</sup> (Stähle, 2004). A group that is able to be self-organized thus comes up with different ideas, propositions, visions and is interactive and open to others ideas, but is also able to make a decision when needed and at the right point. Scholars that adopt a perspective on

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<sup>96</sup> E.g. Glansdorff & Prigogine, 1971; Prigogine, 1980; Prigogine & Stengers, 1984; Prigogine & Nicolis, 1989)

<sup>97</sup> This relates to the creation of entropy (e.g. excess information) when moving towards chaos and the making of an unpredictable and irreversible choice at a bifurcation point far from equilibrium (i.e. temporal stability).

groups as open systems, on the other hand, can be seen as being more interested in understanding how the group maintains and keeps functioning due to, for instance, changes taking place in the environment (Ståhle, 2004). The study is concerned with the group acting as a resource for customers' value formation and it might be argued that it is difficult to position this study based on this since the purpose does not explicitly indicate whether value formation occurs through a more organized or chaotic process. However, it is evident that the underlying idea is that the group is not only concerned with completing group projects, but that the group should also help its members reach their individual goals (desired value). Hence, one might argue that it resembles more of the group striving to maintain and reach some form of equilibrium rather than drive radical change. However, it may also be that all the involved actors and the group as a collective has the goal of creating something (highly) innovative. In such a case, it is evident that radical change is at the heart of the process. In these types of processes, the emergence of occasional task conflict (and chaos) and creation of entropy in a group are focal (e.g. Arrow et al., 2000; Ståhle, 2004).

It may be argued that this study is not ultimately concerned with innovation and radical change, but instead focus is on generating understanding on how a co-creating group may become a resource for all the involved customers' value formation. At the same time, understanding the group's dynamics and how it may be utilized is a focal concern. In addition, the focal type of co-creation that is focused on is provider-initiated and –driven, which means that there is some form of managed process behind the group's functioning. Hence, it is worth arguing that this study is positioned somewhere between the two forms of thinking, however, one may find that the approach taken is more towards the end of regulation and equilibrium although it is recognized that the group may become self-organized in its processes. Moreover, it also needs to be recognized that for some customers', the group may be a resource when it is self-organized. Hence, there is no absolute and definite answer that can be given to the nature of the system, which can be seen as reflected also in how the utilized small group theory by Arrow et al. (2000) is construed (i.e. theories from both the open and dynamic systems thinking paradigms). Drawing on this, the same can be seen as holding true with regard to the interpretive and radical humanist paradigms (Burrell & Morgan, 1979), with the study being positioned between the two, yet, more towards the former. Simply put, this study adopts a subjectivist approach to ontology, epistemology, and methodology (human nature somewhere in between) and is not ultimately concerned with radical change although recognizing its presence in the nature of a group (Burrell & Morgan, 1979).



#### 4.1.3 Anchored in the crossroad between phenomenology and hermeneutics

There are more specific streams of philosophical science within the interpretive paradigm. Burrell and Morgan (1979) argue that even though the roots of the interpretive paradigm can be traced back to the work of early German idealists such as Immanuel Kant, the main work influencing the interpretive paradigm has been conducted during the 20<sup>th</sup> century. The authors particularly distinguish between four main streams; solipsism, phenomenology, phenomenological sociology, and hermeneutics, which differ with regard to their degree of subjectivity (order from highest to lowest). Considering this study, and also similar work in the field of marketing, it is mainly linked to the streams of phenomenology and hermeneutics and hence they are focused on<sup>98</sup>. When it comes to these streams, there has occurred some overlapping between them over time (e.g. Lavery, 2003; Määttänen; 1995; Niiniluoto, 1997). It is also here in the crossroad between phenomenology and hermeneutics that this study is anchored.

##### *Roots of phenomenology*

Phenomenology is an umbrella term under which several different, yet, related streams are included (Burrell & Morgan, 1979; Niiniluoto, 1997), however, typically it seems that there are two main streams discussed<sup>99</sup>. These are Husserl's phenomenology or transcendental phenomenology, which is the original and pure phenomenology, and existential phenomenology (sometimes also referred to as hermeneutic phenomenology<sup>100</sup>), which includes the work of several authors with Heidegger often given credit for the pioneering work in this stream<sup>101</sup> (Burrell & Morgan, 1979; Goulding, 1999; Lavery, 2003; Niiniluoto, 1997; Määttänen, 1995). Husserl's phenomenology was originally concerned with understanding human consciousness of which intentionality was seen as playing focal part (Burrell & Morgan, 1979; Määttänen, 1995). Husserl basically thought that one is always consciousness about something (i.e. there is intentionality) and that human

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<sup>98</sup> Solipsism or Berkeley's phenomenalism (e.g. Määttänen, 1995), has the highest degree of subjectivity as it views reality as merely existing in the mind of the human being (i.e. everything is the product of human consciousness). Phenomenological sociology consists of ethnomethodology (i.e. studying the everyday life of individuals and how they make sense of it) and phenomenological symbolic interactionism (i.e. studying the meanings that people address/give to e.g. things and how they are formed/developed in interactions between individuals) (Burrell & Morgan, 1979).

<sup>99</sup> In addition to these e.g. constitutive phenomenology of the natural attitude, generative-, genetic-, and realistic phenomenology (Embree, Behnke, Carr, Evans, Huertas-Jourda, Kockelmans, McKenna, Mickunas, Mohanty, Seebohm, and Zaner, 1997).

<sup>100</sup> In this study, hermeneutic phenomenology is seen as having emerged from the integration of existential phenomenology and hermeneutics especially in the work of Gadamer (e.g. Niiniluoto, 1997).

<sup>101</sup> Other notable scholars are Merleau-Ponty, Sartre & Schütz.

consciousness is built up by meanings, which give the possibility to refer to something in a state of consciousness or intentionality. Phenomenology is in its original sense concerned with “understanding how the intentional nature of human consciousness influences the experience” (Määttänen, 1995: 222, freely translated). In a similar way, Laine (2001) finds that according to phenomenology, experiences are shaped by meanings, and these meanings are the focal point of interest to study. Although it is recognized that there is some objective reality, these ‘real relationships’ between a subject and an object are not of interest, but instead focus is merely on that part of sensing which involves consciousness and its structures of meanings (Määttänen, 1995)<sup>102</sup>. Burrell and Morgan (1979) refer to this level of meaning as the transcendental field. Existential phenomenologists, even though developing distinguishable thought and work of their own, opposed the idea of focusing on the transcendental field or consciousness, and instead they were more interested in the lifeworld (Burrell & Morgan, 1979). According to Määttänen (1995), Heidegger did not appreciate the idea starting from a pre-determined polarity between the subject and the object and instead proposed for a perspective where “the relationship between the subject and the object may be developed.” (Määttänen, 1995: 225, freely translated). Also Husserl later recognized that “consciousness and its interests are also historically and socially determined”, and this brings us to hermeneutics where it is argued that Husserl found support for understanding or observing the relationship between the life world and the structures of meaning that constitute consciousness (Määttänen, 1995: 227-228, freely translated).

### *Roots of hermeneutics and its relation to phenomenology*

Hermeneutics has the least degree of subjectivity within the interpretive paradigm and originates in the work of Dilthey (Burrell & Morgan, 1979; Niiniluoto, 1997). For Laine (2001) hermeneutics is in simple terms a theory (or an approach) about understanding and interpretation. The origins of hermeneutics can be traced back to understanding “the products of the human mind which characterize the social and cultural world” and these products are referred to as “cultural artefacts, which attain an objective character” (e.g. language and text) (Burrell & Morgan, 1979; 236). Traditionally, the focus of hermeneutics has been on interpreting these cultural artefacts and an important part with regard to this is the hermeneutic circle, which in its original sense is a methodological circle for conducting these interpretations (Burrell & Morgan, 1979; Määttänen, 1995). Principally, this builds

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<sup>102</sup> Pure phenomenology is thus not concerned with any assumption of reality or even any interests that may influence one’s consciousness and the structure of meanings. These are both left outside or reduced using what is referred to as bracketing and focus is merely put on the intentional object of sensing called noema (Määttänen, 1995).

on the idea that the social world as a whole cannot be understood without its individual parts and the other way around (Burrell & Morgan, 1979). Määttänen (1995) discusses the hermeneutic circle as a way to observe the relation between meaning and everyday context (e.g. practices, activities, and goals).

As opposed to merely being a methodological technique for, for instance, analyzing historical texts, Gadamer views the hermeneutic circle as an ontological circle (Burrell & Morgan, 1979; Määttänen, 1995). It is in the work of Gadamer where existential phenomenology and hermeneutics meet according to Niiniluoto (1997), which is also supported by other scholars (e.g. Burrell & Morgan, 1979; Lavery, 2003)<sup>103</sup>. This view concerns how understanding or meaning is created in a reciprocal process between the observer and the observed (Burrell & Morgan, 1979). Määttänen (1995) describes how Gadamer, drawing on Heidegger, also opposes the idea of pre-determined polarity between subject and object, and instead views consciousness as emerging in the interaction between a subject and an object. To exemplify, Määttänen (1995) discusses a play, which comes to be as a result of the interaction between the audience and the actors and actresses. In this ontological sense, the role of language is emphasized as it is the mediator between the subject and the object (Burrell & Morgan, 1979). Määttänen (1995) emphasizes that language is not only the tool for understanding, but it is through the use of language that the object that is being understood comes alive, which means the subjective consciousness plays a minor role, since meanings are not pre-determined and easily accessible for the human mind. Instead, meanings are socially created and shared (i.e. intersubjective, Laine, 2011), which also makes them partly accessible. It is in this stream, which from now on is referred to as hermeneutic phenomenology (Lavery, 2003), where this study is anchored. This approach to scientific research is discussed by various scholars, as it has become evident, however, Laine (2001) offers a logical interpretation of what the importance of each stream brings to a unified perspective.

#### 4.1.3.1 Hermeneutic phenomenology

To begin, Laine (2001) notes that both phenomenology and hermeneutics share some common assumptions. When concerned with studying 'reality' (the subject of interest) they both emphasize (subjective) experiencing and meanings as well as the communal aspect. When it comes to conducting research, they are both concerned with issues such as understanding and interpretation. As discussed, this

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<sup>103</sup> Burrell and Morgan (1979: 238) state that "[t]he role of language assumes ontological status and brings Gadamer's view of hermeneutics close to a phenomenological perspective.", while Lavery (2003) discusses the work of Gadamer under the stream of what she calls hermeneutic phenomenology.

study is primarily concerned with answering to the purpose through understanding the customers' experiencing of their service involving a co-creating group. In phenomenological spirit following, for instance, Heidegger and Gadamer, it is assumed that this experienced reality emerges in the interaction between the individual and the 'object' or 'objective reality', which in this case is the service process, the other customers, provide representatives, but also other actors, activities and so on that the focal actor engages with and experiences. These interactions, their emergence in the first place (e.g. why the customer chooses to take on a certain activity), but also their further development (e.g. a customer interacting with a service provider) influence the focal actor's (e.g. customers) value formation depending on her structure of meanings. As Laine (2001) puts it, phenomenology assumes that human beings experience or perceive the world as full of various meanings, which is linked to the assumed intentionality of human beings. The fact that a human being's relation to the world is full of different meanings, the human consciousness, but also behavior is intentional. This characterizes the view of this study as becomes evident in the theoretical framework involving the assumptions of, for instance, customer logic and goal-directed activity both mentally and physically (e.g. Heinonen et al., 2013; Heinonen & Strandvik, 2015; 2018).

Following hermeneutics, these meanings are considered to be intersubjective as opposed to being pre-made in the consciousness of the human being, as becomes evident in the work by Gadamer, but also by Husserl during the later stages in his career (Määttä, 1995). Even though being subjective experiencers, customers are, as previously addressed, embedded in various ecosystems that influence their meaning-structures and thus also their value creation and formation (Voima et al., 2011; Heinonen et al., 2013). It is, however, pointed out by Laine (2001) that even though meanings are created and shared among a community, it does not mean that individuals would not be different and have their own characteristics that also need to be accounted for. Consequently, phenomenology is not concerned with striving to generalize or find out universal truths, but instead it is "in a sense local research oriented towards the single", which is also characteristic for hermeneutics (Laine, 2001: 29, freely translated), and which makes sense with regard to this study. Group-based co-creation is presumably a highly complex and unique phenomena, which means that it is questionable whether there is anything universal that would be of importance to say. Hence, it is natural to adopt the phenomenological approach of looking closer and on a deeper level at the individual, both with regard to the involved actors and the specific type of case.

Besides gaining access to various subjective experiences, there is a need to analyze and derive something more from them than merely presenting different views of

the involved actors' lived reality. Laine (2001) notes that it is here that hermeneutics comes in and plays an important part as it is concerned with interpretation and understanding. Hermeneutics puts emphasis on the role of language as the mediator between the observer and the observed, which Laine (2001) finds following Dilthey as being in a broader sense about expressions (e.g. verbal communication and gestures). These expressions are seen as carriers of meanings and these meanings can only be approached through understanding and interpretation, which according to hermeneutics is often in our everyday lives guided by the pre-understanding that we possess (Laine, 2001). With regard to this study, it is assumed that a customer has some pre-understanding regarding issues such as the process of co-creation, the offering that is being created and related goals. In interactions with, for instance, other customers, these meanings are interpreted by others based on their pre-understanding and vice versa. However, as previously addressed, there is not only one level to research in hermeneutics and phenomenology, but also the second level, which is the researcher making interpretations and striving to understand involving her pre-understanding (Laine, 2001). According to the author, this kind of pre-understanding is in fact pivotal for being able to understand and interpret these meanings that are expressed (i.e. conduct this kind of research).

At the same time, one has to be critical regarding one's pre-understanding as a researcher. Even though this kind of phenomenological research does not use a primarily created theoretical framework that strictly guides the way data is collected and analyzed (i.e. deductive reasoning), it is noted that different theoretical and empirical pre-understanding exists. However, in accordance with phenomenology, the researcher has to strive to put it aside when conducting one's own (empirical) research and then afterwards discuss the findings with what is known from before (Laine, 2001). This is linked to the hermeneutic circle. In line with what has been discussed earlier on the hermeneutic circle, Laine (2001) states that the understanding emerges in an iterative process between the researcher's interpretation (first pre-understanding) and the data (the other's expressions). By critically reflecting and going back and forth between the data and one's interpretation, the researcher is striving to get rid of her pre-conceptions and ultimately to understand what the other means. Although it might not be fully possible to get rid of one's own perspective as well as the influence of existing theory and previous empirical findings, the main point is presumably that it is through this iterative process that deeper understanding may emerge. In other words, it is not enough to merely look at the data once and draw conclusions based on that.

When it comes to methodological choices that have been made in this study, the hermeneutic phenomenological approach is manifested in different ways. While these issues are addressed in detail at later stages in this whole chapter, brief examples of the main aspects are given here. First, as opposed to, for instance, theory testing, the purpose of this study is formulated in terms of interest being on *generating understanding* on how a co-creating group may become a resource for customers' value formation in a complex service. In order to achieve the purpose, focus is in line with phenomenology primarily on the customers; their subjective intentions, experiencing and expressions. Hermeneutics, on the other hand, gives the idea of how this data (expressions) can be interpreted and turned into understanding. The focal role of the context needs to be recognized, as it is not merely subjective experiences per se that are dealt with, but instead, they are linked to (joint) meanings in specific contexts (Niiniluoto, 1997; Määttänen, 1995). Consequently, this study adopts case study methodology and more specifically the abductive approach called 'systematic combining' (chapter 4.2.1) (Dubois & Gadde, 2002; 2014). This process shares similarities with the hermeneutic circle; however, while the influence of phenomenology and hermeneutics seems primarily to concern the process of data collection and analysis, 'systematic combining' concerns the whole study and its development. This means that there is an iterative process not only between the researcher's personal assumptions and the data, but also between theory and data. Following this, the theoretical framework and the empirical analysis are not distinct from each other with either or coming before the other, but instead they are related and influence each other's development. Empirical findings guide the direction of future data collection, but also how the theoretical framework is being elaborated and shaped (Dubois & Gadde, 2002). Nevertheless, abductive reasoning and the hermeneutic circle can be seen as being congruent in terms of how the research process proceeds.

Focusing on data collection, in line with the phenomenological approach and as addressed above, there is a desire to get close to the customers' lived reality. In order to make that possible, narrative interviews and observations are primarily utilized (chapter 4.3.3). With regard to the importance of contextualization for understanding meanings, the particular case creates a general context within which more specific context can be identified. The customers' value formation processes taking place in their own ecosystems that are of relevance for the service process as experienced by the customer are natural contexts of relevance. More specifically, one may point out the group as a social context as well as the business context in which the focal service takes place. Naturally, these are to some extent overlapping, but the main idea being that customers draw meanings from different contexts, which is something that needs to be accounted for when striving to understand how they act, think, and feel. In other words, it is important to capture

holistically the particular phenomenon at hand, which is reflected in, for instance, the choice of focusing on a particular case (chapter 4.3.2). Moreover, when it comes to analysis of the collected data, content analysis with an ongoing movement between the whole and details of it are utilized in order to come up with, for instance, relevant conditions that are found to influence the group becoming a resource for customer value formation (chapter 4.3.4).

#### 4.1.4 Paradigms in the field of service research

Besides these traditional paradigms and streams of research, there is also a discussion on paradigms in the field of service research by Tronvoll et al. (2011). Their paradigmatic distinction concerns the epistemological level, which they construct based on the two basic epistemological levels discussed before; 1) how the world is perceived and 2) the relationship between the researcher and her research subject (Burrell & Morgan 1979; Tronvoll et al., 2011). With regard to service research, the first dimension becomes more specifically a question about the nature of relationships; whether the researcher's views them as dynamic (processual) or static (snapshot). The second dimension is identified to be particularly about the origin of concepts and (research) problems, which may either be based on an emergent approach or an a priori approach. The former approach is concerned with a phenomenological approach, with its characteristics as have been discussed, while the latter is theory-driven and focused on finding generalizable truths (i.e. positivist approach). Based on these two dimensions, the authors present the following four paradigms; 1) positivistic paradigm (static & a priori), 2) hermeneutic paradigm (static & emergent), 3) dialogic paradigm (dynamic & emergent), and 4) monologic paradigm (dynamic & a priori). With references to the previous discussion on the philosophical assumptions and approach taken, it is obvious that this study is positioned in the emergent end of the dimensions concerning the origin of concepts and problems. Yet, with regard to the other dimension, it is not perhaps that explicit which end this study leans towards. Considering what has been brought up in the theoretical framework, it becomes, however, clear that this study is positioned towards the dynamic end. The idea is not to have a snapshot of customer value formation in relation to a group-based complex service, but instead to follow this kind of service (project) as well as to account for a longer time period in the interviews in order to capture the dynamic nature of value formation as well as the group. Hence, this study can be seen as positioned in the dialogic paradigm within service research.

## 4.2 Case study methodology with focus on systematic combining

In line with the hermeneutic phenomenological approach, the purpose of this study is to generate understanding on how a co-creating group may become a resource for customers' value formation in a complex service. Consequently, the next question is how this is proposed to be done, which refers to the methodological choice. Even though this leads to the use of specific methods, methodology is primarily concerned with the approach that the researcher intends to take (Burrell & Morgan, 1979) and concerns the linkage between theory and method(s) (Tronvoll et al., 2011). Considering the philosophical approach and the purpose of this study, an approach that can be described as leaning towards ideographic is utilized. This means that there is a strong emphasis on getting closer to the subject and understanding her in what can be argued as a deeper and more holistic manner (Burrell & Morgan, 1979). The aim of this study is not theory testing and making generalization, but instead, focus is put on theory building through the generation of understanding with a broad and a deep scope. The empirical data collection and analysis is not about creating hypotheses based on theory and testing them, but instead, guided by the hermeneutic phenomenological approach, there is an aspiration to get closer to co-creating groups and participating customers' activities and experiences. Through this, the intention is to generate broad understanding on the complex phenomenon as well as to go deep into the identified relevant aspects in order to make propositions. It is also evident that this study is concerned with a real-life phenomenon, which means that it exist in continuous interaction with its context.

Considering these above discussed characteristics, there is extensive support for the adoption of case study methodology in this study (e.g. Dubois & Gadde, 2002; 2014; Eisenhardt, 1989; Piekkari & Welch, 2018). Piekkari and Welch (2018: 345) note that case study in fact has received several interpretations, ranging from being merely an empirical inquiry (Yin, 2014) all the way to that of "an ideological commitment to qualitative positivism (Mir, 2011; Moore, 2011)". In this study, it is viewed as a methodology, which is in line with what Piekkari, Welch and Paavilainen (2009: 569) refer to as "a research strategy that examines, through the use of a variety of data sources, a phenomenon in its naturalistic context, with the purpose of "confronting" theory with the empirical world.". In other words, it is an approach to conduct research that does not merely concern the empirical part, but also involves theory (Tronvoll et al., 2011). Moreover, there is support from scholars such as Eisenhardt (1989; Eisenhardt & Graebner, 2007) and Dubois and Gadde (2002; 2014) to the idea of using case study methodology as a way to build or develop theory, despite the former viewing it merely as "an instrument or



'bridge' to develop hypotheses that can subsequently be tested through the statistical analysis of large-scale surveys" (Piekkari & Welch, 2018: 347). Both Piekkari and Welch (2018) and Dubois and Gadde (2014) note that this is even more explicitly stated in the more recent work by Eisenhardt and Graebner (2007), which makes Dubois and Gadde (2014: 1280) draw the conclusion that the authors view case study as "a second-best method, or a pre-study approach to generate theoretical propositions before proper studies aiming at testing and verifying can be conducted.". As it becomes evident, there are some issues regarding the adoption of case study methodology that need to be addressed.

#### 4.2.1 Adopting case study methodology - different paths

Case study methodology is chosen as the overarching methodological approach; however, adopting it is not as straightforward as it might be assumed. Instead, there are different approaches to it, although it has been pointed out (e.g. Piekkari et al., 2009; Piekkari, Plakoyiannaki and Welch, 2010; Piekkari & Welch, 2018) that the mainstream case study methodology revolves around the work of Eisenhardt (e.g. 1989; 1991) and Yin (e.g. 1984; 2003; 2009), which on a general level is characterized by a positivist and linear approach to research. However, there are also scholars with opposing views and challenging assumptions and approaches (e.g. Alvesson & Sandberg, 2011; Dubois & Gadde, 2002; 2014; Dyer & Wilkins, 1991; Siggelkow, 2007) that are relevant for this study considering its purpose and the underlying philosophical assumptions it rests on.

Briefly addressing the traditional case methodologies by Eisenhardt (e.g. 1989) and Yin (e.g. 2003; 2009), what is considered as superior is in line with a positivistic approach to scientific research (e.g. Dubois & Araujo, 2007; Dubois & Gadde, 2014; Piekkari et al., 2009). Drawing on various sources involving Eisenhardt (1989; 1991; Eisenhardt & Graebner, 2007) and Yin (1984; 2009; 2012), Dubois and Gadde (2014) find that both of these scholars prefer multiple-case setting to a single-case setting. This is due to the assumption that it results in more convincing and holistic theory. To exemplify, Eisenhardt and Graebner (2007: 27) state that all else being equal, multiple case study results in theory that "is better grounded, more accurate, and more generalizable". Yin (2009: 60-61), on the other hand, argues that "when you have the choice (and resources), multiple-case designs may be preferred over single-case designs" as "even with two cases, you have the possibility of direct replication" and "analytic conclusions...will be more powerful than those coming from a single case...alone.". Piekkari et al. (2009) find that Eisenhardt (1989) and Yin (2003) admire multiple-case study as it provides analytical generalization. Besides admiring the replication logic, on a general level

it may be argued that both Eisenhardt (1989) and Yin (2009; 2012) favor a linear research process and adopt a positivistic approach, although they have some differences in terms of how case study is to be conducted (Dubois & Gadde, 2014; Piekkari & Welch, 2018). Following these arguments and statements, one may question how this current study may draw on a methodology that seems to be dominated by a totally opposite approach than is adopted in this study.

#### 4.2.1.1 Opposing - non-positivistic - views to traditional case research

Throughout the years, there have been opposing ideas to the dominant assumptions presented by Eisenhardt and Yin (Dubois & Gadde, 2002; 2014; Piekkari & Welch (2018). Similar references are pointed out by the authors, however, following Dubois and Gadde (2014) there are three types of opposing ideas or critique that are considered important to address in this chapter. These concern 1) the glorifying of the multiple case study setting and the replication logic (e.g. Dyer & Wilkins, 1991; Dubois & Gadde, 2002; Gummesson, 2007; Peattie, 2001; Ragin, 1992; Siggelkow, 2007; Tsang & Kwan, 1999; Weick, 2007), 2) the type and relevance of theory that is generated through a positivistic approach to case study (e.g. Alvesson & Sandberg, 2011; Poole & van de Ven, 1989; Sandberg & Tsoukas, 2011; van Maanen, Sørensen & Mitchell, 2007; Weick, 1989) and 3) the linear research process (e.g. Dubois & Gadde, 2002; 2014; Ragin, 1992; Sandberg & Tsoukas, 2011; Suddaby, 2006). As Dubois and Gadde (2002; 2014) as well as Piekkari and Welch (2018) offer good discussions on these opposing views, the intention here is to merely briefly address these concerns.

When it comes to the first one, the common view is that single-case studies offer possibilities for richly taking into account the context in which a phenomenon occurs and thus gives the possibility to identify novel aspects. When multi-case studies look for commonalities and generalizations, they probably miss out on the rich context and specificities in a particular case. There is an extensive array of good references to this particularly in the work of Dubois & Gadde (2014) of which a few are addressed in order to give the reader a view of the kind of arguments as well as to support the choices that are made in this study. When it comes to Eisenhardt's (1989) praise for multiple case studies, Dyer and Wilkins (1991: 614) aim a direct critique by stating that "she seems to lose the essence of case study research: the careful study of a single case that leads researchers to see new theoretical relationships and question old ones.". The authors add that historically many classical case studies consist of one or a few cases. Considering the positivist camp's urge for generalization and replication, Peattie (2001: 260) argues that "[i]t is simply that the very value of the case-study, the contextual and interpenetrating

nature of forces, is lost when one tries to sum up in large and mutually exclusive concepts like rationality and power". Dubois and Gadde (2002: 558) themselves argue that "when the problem is directed towards analysis of a number of interdependent variables in complex structures, the natural choice would be to go deeper into one case instead of increasing the number of cases". This can be seen as congruent with the intention of this study where the phenomena under investigation has been identified as highly complex and unique. The phenomena is also timely bound both with regard to its occurrence as well as its analysis, meaning that replicability of the same study is highly questionable even if it was the same researcher (Tsang & Kwan, 1999). As perhaps the most simple guideline for this study and the application of a single-case study is Gummesson's (2007: 230) question; "is it not better to understand a phenomenon in depth than to know how often the not understood phenomenon occurs?".

Looking at the type of theory that is being generated in positivistic research, Dubois and Gadde (2014) make important references to literature. Utilizing those and a few other references, important highlights are made. It is evident that the positivistic camp is ultimately aiming at testing and verifying theory or making generalizations, which means that there is a lot of richness surrounding a particular case lost in the process as there is a focus on what is common between the cases (Poole and van de Ven, 1989). Alternatively, as van Maanen et al. (2007) describe it in terms of trade-offs that are made by positivists (non-positivists), they choose simplicity (complexity), semblance (originality), and generality (specificity). The question of generalization is interesting. Usually it refers to something that is achieved through hypotheses testing using quantitative methods and large amount of observations. As opposed to this, Gummesson (2000: 89, italics in original) directly cites Normann (1970: 53), who states that "the possibilities to generalize from one single case are founded in the comprehensiveness of the measurements which makes it possible to reach a *fundamental understanding of the structure, process and driving forces* rather than a superficial establishment of correlation or cause-effect relationships". With regard to this study, through in-depth studying of a case one may be able to identify, for instance, different conditions, processes and dynamics that are of relevance in the particular type of group-based complex service as well as to make propositions that go beyond it (Gummesson, 2007).

Payne and Williams (2005), to whom also Dubois and Gadde (2014) refer, give another view on generalization. They present moderatum generalization as another option to the traditional view on generalization and where the moderate aspect is found in the scope of the generalization (i.e. one is not attempting to provide an all-encompassing truth) and the holding of the generalization being

open for change. Considering the usefulness of theory based on traditional generalization, Sandberg and Tsoukas (2011) note that a positivist approach often results in theory that is not well applicable in practice. Concerning the non-positivist approach, the aim is not to test theory, but instead to build theory through discovery (cf. theory sketch, Dumont & Wilson, 1967). Hence, emphasis is on striving to reveal novel aspects of the subject of study, which is a pivotal part of theorizing (van Maanen et al., 2007) and considered by some as the main strength of social sciences (Weick, 1989). Besides showing that case study research need not only to be concerned with the ultimate goal of theory testing and that theory development through discovery is of great relevance, this also points to a need of refinement when it comes to the research process itself.

Considering the purpose of this study, the philosophical approach taken, and the unique character of the phenomena of interest, this study adopts a single-case study approach. This awakens the question regarding the research process. While having their differences, both Eisenhardt (1989) and Yin (2009; 2012) view case research as conducted through a mainly linear process, although there might be some overlapping between the steps. The former views generalization through theory-testing as the ultimate goal and the latter emphasizes the role of theory development when designing the study, even though it would not be concerned with theory testing (Dubois & Gadde, 2014; Piekkari & Welch, 2018). When the emphasis is not on replication, looking at commonalities nor theory testing, but on going broadly and deeply into a single case in order to discover and reveal novel aspects and associations, another approach is needed. Considering the phenomenological approach one might adopt a pure inductive approach, such as in grounded theory and link the findings to existing literature afterwards as discussed earlier. However, considering the purpose of this study and how understanding is intended to be generated, the linkage between theory and empirical data collection and analysis is more emphasized than in pure inductive research (Dubois & Gadde, 2002; 2014). This relates to Davis' (1971) notion of interesting theory being something that is not only true, but which challenges existing theory. Hence, theory development can be seen as tied to both novelty and continuity, which further requires a shift from gap-spotting to problematization (e.g. Alvesson & Sandberg, 2011; Clark & Wright, 2009; Sandberg & Alvesson, 2011) and the adoption of an abductive approach as opposed to pure deduction or induction (e.g. Dubois & Gadde, 2002; 2014; Suddaby, 2006; van Maanen et al., 2007). The former concerns the traditional positivist approach to theory generation where existing literature is reviewed to identify a gap that needs to be filled. Even though this is a seemingly logical approach to conduct research, the issue is that existing theoretical assumptions and field related boundaries remain unchallenged and taken for granted as well as discourages researchers to look at

things from different aspects, challenge the existing assumptions, and to intake new fields (e.g. Alvesson & Sandberg, 2011; Clark & Wright, 2009; Sandberg & Alvesson, 2011). As Alvesson and Sandberg (2011: 247) summarizes regarding the issue, “gap-spotting tends to underproblematize existing literature and, thus, reinforces rather than challenges already influential theories”. In order to deal with this issue, the authors propose problematization as a methodology to set novel research questions. Related to this is the abductive research process, which builds on ongoing interaction between the theoretical and empirical parts and which is pivotal for the process of discovery in research (e.g. Dubois & Gadde, 2002; 2014; Suddaby, 2006). It is based on the process of abduction that Dubois and Gadde (2002) have developed their approach to case research called systematic combining (also in Dubois & Gadde, 2014). This approach is considered highly relevant for this study and consequently applied.

#### 4.2.1.2 Case study research through systematic combining

Systematic combining is “described as a nonlinear, path-dependent process of combining efforts with the ultimate objective of matching theory and reality” building on the idea that “by constantly going ‘back and forth’ from one type of research activity to another and between empirical observations and theory” the researcher “is able to expand his understanding of both theory and empirical phenomenon.” (Dubois & Gadde, 2002: 555-556). There is thus an ongoing confrontation between the two (Piekkari et al., 2009). Simply put, the theoretical framework and the empirical data are highly intertwined and they evolve and change influence by each other (e.g. an empirical finding requires that the focus of the theoretical framework is altered). This is opposed to pure deductive or inductive approach; however, the authors note that systematic combining is closer to the latter than the former as interest is in theory development (Dubois and Gadde, 2002). Through this iterative process, it is possible to end up with insights that are linked to previous theoretical discussions, but that are novel and may problematize existing knowledge if needed.

Considering the purpose of this study and the assumptions that are guiding, the process of systematic combining (Dubois & Gadde, 2002; 2014) is chosen as it offers a more relevant way to conduct research than the traditional positivist approaches to case research (e.g. Eisenhardt, 1989; Yin, 2009). Moreover, it supports the idea that multiple-case studies and replication logic have their vulnerabilities when it comes to striving for deep and rich knowledge and when dealing with unique and complex cases, and hence recognizes the relevance in merely addressing a single case, which has been argued for in this study. The

process itself has some key aspects or cornerstones that need to be addressed. First, the process of matching refers to the researcher “going back and forth between framework, data sources and analysis”, which means that direction and redirection become fundamental characteristics of the process (Dubois & Gadde, 2002: 556). This relates to the use of multiple data sources, however, the primary concern with it is not the idea of reaching verification of findings through data triangulation (e.g. Yin, 2009), but instead various data sources are utilized as they may reveal aspects of the research problem that are novel for the researcher (Dubois & Gadde, 2002; 2014). Hence, data collection is not only directed by the existing theoretical framework (i.e. one seeks for data that fits the theoretical framework), but instead, the data collection process is open towards the identification of data that contradicts the existing theoretical framework, which may result in redirection of the theoretical framework or even the whole study (Dubois & Gadde, 2002; 2014).

Regarding the empirical world and the choosing of cases, besides arguing for the relevance of single-case research that has been discussed in previous sections, Dubois and Gadde (2002) point to the important discussion on boundaries. When going deeper into a case new insights are revealed and possibilities to expand the boundaries of the case emerge. The authors also point out the time boundary, which means that even though the phenomena continues to exist in the real world, the research process needs to stop at some point. Hence, the researcher cannot describe and analyze everything, but needs to make decisions regarding how to expand the case. This also relates to the role of the evolving case, as Dubois & Gadde (2002) note that the case is both a tool and a product; in other words, the process continuously shapes the final case that is presented, which also means that some data needs to be left outside.

Moving to the theoretical part, as noted before, the theoretical framework also evolves throughout the research process. This means that the theoretical framework should be approached as tight and evolving (Dubois & Gadde, 2002; 2014) as opposed to the traditional distinction by Miles and Huberman (1994) between either a tight and pre-structured framework (similar to a deductive approach) or a loose and emerging framework (i.e. similar to an inductive approach). Dubois and Gadde (2002; 2014), supported by several scholars (e.g. Blumer, 1954; Bryman, 1995; Ragin, 1992; Sandberg & Tsoukas, 2011), view both theoretical concepts and the initial theoretical framework as offering guidance for the researcher when entering the empirical world and conducting data collection and analysis, and are hence not to be treated as fixed or given as such. Hence, concepts are viewed by the authors as being both input and output when utilizing abductive reasoning. In other words, the concepts are (potentially) modified and

shaped during the research process. Regarding the theoretical framework, Dubois and Gadde (2002: 559) argue that “the original framework is successively modified, partly as a result of unanticipated empirical findings, but also theoretical insights gained during the process.”. This makes them argue regarding the role of theory in systematic combining that “[t]he researcher should not be unnecessarily constrained by having to adhere to previously developed theory” and that “[i]n systematic combining, the researcher would not be able even to identify ‘all the literature’ since the empirical fieldwork parallels the theoretical conceptualization (Dubois & Gadde, 2002: 559). Hence, the ‘need’ for theory is created in the process”.

Even though the reporting of this study is structured in a traditional way, starting with an introductory chapter including the purpose of the study followed by the theoretical framework where after the methodological and empirical parts come and so on, the research process is not deductive. Instead, it is abductive with the characteristics of systematic combining influencing the whole research process in this study. This becomes evident in the following discussions.

### 4.3 Conducting the study

In their article, Dubois & Gadde (2014) refer to Ragin (1992) who argues that a case is not something that the researcher can specify before the research process, in the study phase, but instead it is something that has to be found during the research process. Based on their experience in conducting case research, Dubois and Gadde (2014: 1280) state that while those adopting a linear approach see case selection as conducted by the research based on some criteria, “the opposite situation is not uncommon – the case selects the researcher”. This is also closer to how this study got its beginning.

#### 4.3.1 Finding the phenomenon of interest

Going back a few years, I was acquainted with a new type of office service, which is often referred to through the occurring behavior; co-working. My first visit to this kind of co-working hub took place as I went there for an interview. The place had everything from desk-spaces to larger offices and from negotiation rooms to kitchens. There were spaces for relaxation and different services that firms could need. What one could sense was that there was some stronger feeling of community than in traditional office buildings. This got me intrigued and I actually ended up interviewing the person leading this office building. Through that discussion, it became evident that this community aspect was an important part in

their puzzle, which was supported through this multifaceted ‘infrastructure’, but also with the help of events and relevant services. It was about keeping the customers of the office building satisfied by having their individual needs met, but also through enabling social interactions, which had led to, for instance, spin-offs.

Around those times, there was also a lot of discussion in Finland concerning joint building ventures (JBV); a construction method for housing that deviates from the norm. Basically, there was this rather large apartment building called the Malta house that had been ‘built’ by its inhabitants (e.g. Korpela, 2014). The inhabitants were not actually building, but it was their project as they were the once initiating and financing it. Thus, the customers were the constructors, which in these types of projects is a position that is usually taken by a big construction company. By being in charge, they were able to create accommodation that better suited their needs, but also made the housing more community-focused. The house has, for instance, different shared saunas, a winter garden, rooftop terrace, and a joint large kitchen with dining area. Having heard involved actors speak, it also becomes evident that there is an exceptionally high level of sense of community among the inhabitants, which is concretized in different ways. Similarly, the sense of community, customized solutions as well as cost-effectiveness are found as examples of JBV-related benefits identified by Seeman et al. (2019).

Although JBVs have been conducted in Finland in the beginning of the 20<sup>th</sup> century (Korpela, 2014), for several decades the dominant construction logic has been that of high standardization (Krokkfors, 2010). Looking at the market of new apartments, it is rather common that the process of constructing is managed by a construction company solely and the customers (i.e. future inhabitants) are involved earliest when there can be some, often minor, changes made to the apartment itself. It is neither unusual that when wanting to make changes, one has to pay for the original solutions also. Against this background, a JBV can be seen as an exception as the fundamental idea behind it represents in many aspects the opposite way of doing things (Korpela, 2014).

Since this Malta-house had been finished, JBV has received attention in media as well as by the government, which lead to, for instance, a specific law concerning joint building ventures (Ryhmärakennuttamislaki 190/2015). Even though there have been other inhabitant-driven projects, there have also emerged businesses where a provider takes on the role as a consultant for the construction project. Personally, this became even more interesting than the purely inhabitant-driven JBV, since offering this kind of service was not only about the customers, but there was also the business reality highly involved. In other words, the provider intends to make profit. This is presumably reflected in, for instance, deadlines meaning



that there might emerge tensions between the creative process and the processual proceeding.

Moreover, through readings and discussions I understood that the construction business is in fact rather conservative, at least when it comes to the construction process itself. Even though there had been other forms of more customer-oriented services introduced in the industry, it seemed that involving the customers as the constructors and with the provider merely acting as a consultant was rather groundbreaking in the business of constructing apartment buildings. However, as opposed to the inhabitant-driven JBV, in this service process the aspect of customers co-creating and being able to influence was set against the service provider's need to make profitable business, which ultimately formed an interesting tension. Hence, I ended up focusing on provider-driven (or consultancy-driven) JBVs and through an iterative process both in the empirical case world, but also between theory and empirical data lead me to focus on the purpose of generating understanding on how a co-creating group may become a resource for customers' value formation in this kind of complex service.

#### 4.3.2 Justifications for focusing on a particular case

There are not that many cases of provider-driven JBVs and I ended up getting in contact with one firm that is conducting this type of business and being devoted to it. It soon became clear that due to the complexity of the offering itself with a lot of involved actors, but also of the industry and the meanings that are attached to housing, it would be wise to focus on this specific provider whose service can be seen as forming the initial case for this study. In accordance with the purpose of this study and the hermeneutic phenomenological approach, by focusing on a single case in-depth it would be possible to capture the breadth and complexity of the phenomenon, but also to go deep into the different aspects in order to make relevant propositions. What is also important to note here is the time boundary, which has been discussed by Dubois and Gadde (2002; 2014). Construction projects take several years, they do not begin every day, and at the same time, the dissertation should be finished in 4-5 years of which a certain time had already been put on identifying the relevant purpose and case. Considering these circumstances and based on initial discussions with a representative from the provider, two subcases were, at different points of time, identified as suitable for this study. The first was a construction project about to finish during the coming approximately six months, and the other had its 'development group phase' (DGP) started some weeks before it was 'identified'. Both of these subcases were concerned with the construction of an apartment building in a bigger city in

Finland through a similar service process of provider-driven JBV, although there were some differing details. Chapter 5.1 gives an overview of the two subcases, their similarities and differences.

With these two subcases, it was possible to collect rich data from the case. The strength was particularly in that they provided complementing possibilities to satisfy 'data needs' that were identified during the research process. Based on the initial discussions and readings on JBVs and service marketing literature, focus was put on the relationship between customer value formation and the co-creating group. Influenced by the hermeneutic phenomenological approach, focus was put on generating understanding based on a broad and deep going analysis of this complex and unique process, which meant that getting close to the involved actors, especially the customers, was of priority. Hence, subcase 1 with the construction project that was about to end gave the possibility to collect data relating to the whole project, while the second subcase gave the possibility to follow the evolvement of the project and the groups within it.

Concerning the latter subcase, the activities of the development group (DG) were found to be of particular interest as it was an intensive phase in terms of co-creation between participating actors. The DG involved customers who represented a handful of the future apartments who were involved already in the planning phase (i.e. the development group phase, DGP). Thus, the DG members had the ability to exert some influence on the proceedings and the outcome. However, as it becomes evident in the data analysis phase, this did not mean that everything was open for discussion and changes. After the DGP, the remaining apartments became available for other customers to buy. During this phase, there were also information sessions for potential customers. After all of the apartments were sold, the housing cooperative (HC) was formed. Hence, being involved as a researcher during this project gave the possibility for first-hand experiencing on participating customers as they were interacting and co-creating. The data collection methods used in were mainly narrative interviews and non-participant observations. The justifications for the use of these methods are discussed in detail in chapter 4.3.3.

Considering the two subcases and their boundaries, the initial idea was that focus in the first subcase would be on individual customers' experiences of their involvement in the joint building venture process, but also recognizing the possibly broader service as outlined by the customer (Voima et al., 2011; Heinonen et al., 2013). Regarding the other subcase, it quickly became evident that the main time period of interest would be the first year at which end all apartments were sold, thus putting emphasis particularly on the DG's activity as opposed to the whole

JBV process. With an increasing interest in striving to understand the dynamics and conditions that influenced the group's functioning and that consequently influences its ability to become a resource for the customers' in their value formation, I also attended meetings for potential inhabitants and some meetings involving the newly formed board of the HC. Due to time constraints regarding the process of doing a doctoral dissertation, I have not been able to continue following the project and the meetings, but at the same time, I was able to follow it for a sufficient amount of time as well as longer than first thought.

Table 2 gives an overview of the subcases as well as the particular ways of collecting data and the reasons for doing so.

**Table 2.** Overview of subcases

	<b>Subcase 1</b>	<b>Subcase 2</b>
<b>State of project</b>	Finished	Finished July 2021
<b>Duration</b>	~3 years	~2,5
<b>Size of DG (apartments)</b>	9	~12
<b>Size of HC (apartments)</b>	88	49
<b>Type of data collected</b>	Narrative interviews and secondary data	Narrative interviews, observations and secondary data
<b>Particular areas of emphasis in data collection</b>	Customers' experiencing during the whole project.	Customers' experiencing before, during and after the DGP. Observations of customers' and other involved actors in a group setting (e.g. DG meetings, information sessions, HC meeting).

Importantly, the case is not to be understood as pre-defined, but instead, it emerged through the process of systematic combining (Dubois & Gadde, 2002;

2014). However, before describing the evolvement of the case, the data collection and analysis methods used need to be presented.

#### 4.3.3 Methods for data collection

Based on the hermeneutic phenomenological approach taken and the purpose of this study, it became evident that qualitative methods are to be used in this study. There is an interesting in gaining deeper understanding by getting closer to the customers and strive to capture and understand their reality as well as the richness of the context. However, there is a wide array of qualitative methods that the researcher may choose from (e.g. Belk, Fischer & Kozinets, 2013; Cassell, Cunliffe & Grandy, 2018) and it is thus important to choose that or those, which are of relevance with regard to what is being studied. With regard to this, also the possibilities and limitations in the empirical world needed to be accounted for carefully. With value being approached as experience-based (e.g. Heinonen et al., 2013), it was deemed relevant to hear participating customers' share their experiences. Thus, it was thought of as important to conduct interviews. Regarding the first subcase, as it was about to end, there was the possibility to interview customers who had been involved from different stages in the process, while the second subcase gave the possibility to focus on customers' who had participated in the DG. It was considered of importance to let the customers tell their story and the best solution for that was to use narrative interviews, which will be argued for in the following subchapter. Besides these narrative interviews, thematic interview was used when interviewing the service provider representative at the early stage of data collection; yet main emphasis has been on utilizing narrative interviews.

Besides collecting participating customers' narratives, it was deemed necessary to get closer to the actual co-creating group. With permission from the participating actors in subcase 2, I was allowed to follow the DG's meetings and later on also other relevant events. Before that, I had also visited a meeting from the first subcase; however, it was more with the intention to collect potential interviewees than to observe, although I ended up observing the session while being there. As will be addressed and argued for in chapter 4.3.3.2, non-participant observations were chosen. To explicate the presence of abductive reasoning also in the utilization of data collection methods, it was through these observations that I ended up conducting narrative interviews also with the involved customers in the DG. Instead of the whole project, focus was on the first phase that ended with all apartments being sold. Besides these two main data collection methods, also secondary data sources in the form of project-related documents, news articles and other publications were used.

What is important to note before going deeper into the different methods is that even though this setting resembles the idea of data triangulation (i.e. the combined use of multiple data sources) it is not to be understood in its traditional sense. What is referred to as the traditional view is that of, for instance, Yin (2009) who argues that data triangulation offers the possibility to for check for accuracy of the findings by using different sources within the same case. However, following the approach of systematic combining where the main issue is not on verification, but instead of discovery, different data sources, and following that different methods are used in order to enhance the possibility of revealing novel aspects within the case (Dubois & Gadde, 2002). To exemplify, observations are not primarily used to verify what the interviewees said, even though there may be support for a statement, but to give the chance for some new aspect to become known.

#### 4.3.3.1 Narrative interviews

In order to get to know customers' experiences of the JBV (or service) process involving their engagement in co-creating groups, it became important to get closer to the individual customers and interact with them, thus advocating the use of interviews (Rowley, 2012). However, there are different types of interviews with the typically addressed in literature being structured interviews, semi-structured or thematic interviews and, unstructured or in-depth interviews (Eriksson & Kovalainen, 2016; Koskinen, Alasuutari & Peltonen, 2005). Following Koskinen et al. (2005), the different types can be described as follows. The first type involves pre-determined questions often with alternatives to choose from and the questions are asked in a specific order. The second type is more open in that even though question or themes are pre-determined, the interviewee is allowed to answer to them in an open manner and the order of the questions or themes may also differ. The final type is in its purest about the interview revolving around an area of interest, however, the basic idea being that the interviewee is not as much involved, but that it is the interviewee who is encouraged to talk.

Considering the purpose of this study and the possibilities that the empirical case offered, it became evident that both structured and semi-structured interviews were not considered as the best possible methods to be used. Due to the complexity of the process and the focus being on subjective experiencing, it was thought that having pre-determined questions would result in a fear of missing important aspects. It became evident before the interviews (e.g. when participating in meetings) that the customers differed in many ways and hence it was assumed that there would be different areas of emphasis by the customers. Thus, it was evident

that the researcher could not anticipate what aspects the customers would consider as meaningful.

With the search for this in-depth understanding, what was required was instead a technique or method that was closer to that of in-depth interviewing (Belk et al., 2013). However, adopting an unstructured interview would have its challenges in that there would perhaps come too much information and the interview process would be out of the interviewer's control, something that Medberg (2016) also discussed in his dissertation concerning customers' perceptions of value-in-use. In his work, Medberg (2016: 51) told that he was interested in eliciting "stories about bank service episode in a similar way with all...informants" which resembles the situation of this study with focus on having the customers tell about their experiencing during the JBV process. Hence, I ended up with the same conclusion as Medberg (2016: 51) that there was a need for "some structure and direction in my interviews.". Even though there being the focal service process, following the thoughts raised within the customer-dominant logic (e.g. Voima et al., 2011; Heinonen et al., 2013; Heinonen & Strandvik, 2015), there was a desire to not limit the interview too much. In other words, there was a preference for accepting dynamism within the interview with regard to the boundaries of the case. This means that the JBV or service process is always viewed from a customer's viewpoint and may hence vary and often involve activities going beyond mere customer-group interactions (i.e. service as defined by the customer, Voima et al., 2011). Drawing on this, similarly as for Medberg (2016) the so-called narrative interview presented itself as a method that would be useful (Elliott, 2005; Eriksson & Kovalainen, 2016).

According to Eriksson and Kovalainen (2016: 218) a narrative is "the textual actualization of a story at a specific time, in a specific context and to a specific audience.", while a story is often "the entire sequence of events from the very beginning to the end" and it may "be either fictional or factual, and it is often chronological.". In this study, there is a particular interest in the participating customers' experiences of the JBV, which can be seen as their story of the process from their viewpoint that is interpreted and turned into a narrative. Narrative interviews are thus about producing stories. What is characteristic for them is that they do not have any form of pre-defined list of questions or themes, but instead the interviewee is encouraged to talk and tell her story in her own words as she has experienced it (Eriksson & Kovalainen, 2016). According to Elliott (2005), the role of the interviewer, on the other hand, is that of an activator of the production of these narratives. In their book, Eriksson and Kovalainen (2016) point out that narratives can concern varying time-periods and even though the interviewee is encouraged to talk freely, it does not mean that the interviewer should be without

asking more than once in the beginning. Instead, it is important to listen and to ask further questions (i.e. to activate the process). Besides active listening, the authors also point out the importance of giving the interviewee time to think and to keep in mind the non-verbal communication.

Ultimately, narrative interviewing was chosen as a data collection method since it was assumed to offer a profound way of collecting relevant data concerning customer experiencing and value formation in the analyzed case (Elliott, 2005; Eriksson & Kovalainen, 2016).

### *Selecting the interviewees*

In order to conduct the interviews, respondents needed to be identified, which proved to be a critical part of the research process. Within these kinds of projects people are making big investments (for many the biggest of their lives) and are dealing with sometimes rather personal issues. At the same time, due to the uniqueness of the phenomenon, there are not many JBV projects going on. Hence, there was no large mass to choose interviewees from and at the same time, there was a concern whether anyone would be positive to the idea of being interviewed on this subject. It was thought that gaining the potential interviewees trust would be of great importance together with providing the interviewees strong anonymity.

Hence, with regard to the first subcase, which at the time was a potential subcase, I attended one of their meetings where I could present my research and myself and thus build up trust through transparency and the people being able to ask me questions if they wanted to. Ultimately, I was able to find 13 people, of which one was a couple who wanted to be interviewed at the same time, who accepted to take part in an interview. Considering the size of the project (49 apartments with approximately 75 inhabitants), this can be considered a satisfying amount of interviewees. In the second subcase, where focus evolved to be on the DG, the interviewees were also identified from the meetings. In the end, there were five customers who accepted to become interviewed, which meant that almost every apartment in the DG was represented (there was some fluctuation within the group, but the interviewed customers were a part of it all the time). After this data had been collected and as it was analyzed in an ongoing manner, it became evident that a satisfying level of data had been received with regard to the purpose of the study.

In order to secure the strong anonymity, it was promised to the interviewees that besides no names being presented, the given aliases would not be linked to ages, type of apartment and so on in the study. If an interviewee stated that there was some saying she or he did not want to have included in the study, that saying was

not taken to the analysis of the data. Regarding the age, it can be stated that the first subcase involved ages from 34 to 64 (three did not report any age, but they are assumed to exist within the gap) and in the second from 58 to 65. In the first subcase there were both families and couples represented, while in the latter there were merely couples or single persons who were mostly living in the future apartment. Apartment sizes varied from one-room flats to apartments with several bedrooms.

In addition to these, the service provider's main representative (the consultant) was interviewed in order to get the provider's view on the process and informal discussions (face-to-face and email mostly) with the representative were had throughout the data collection period. In addition to that, there were multiple informal discussions with other representatives from the provider as well as with the participating customers.

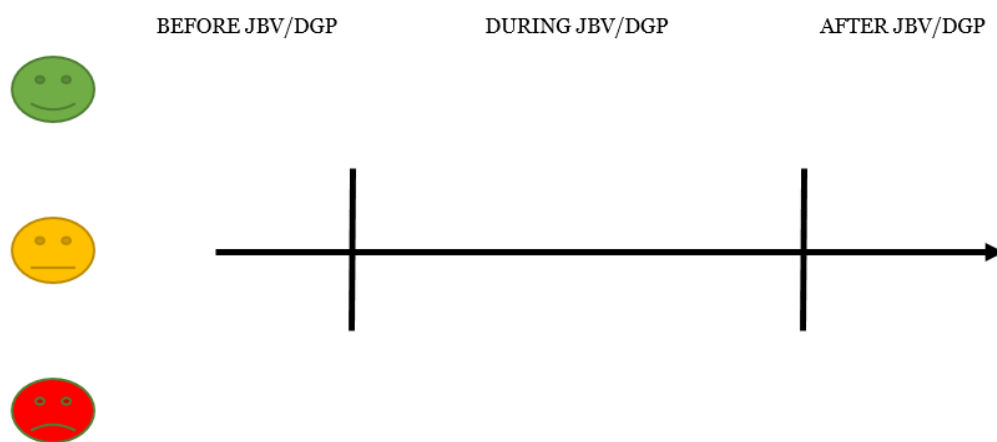
### *Conducting the interviews*

It is assumed that approaching customers' experiences of the JBV process as narratives offers a way to strive for broader and deeper understanding on their value formation. However, to make the most out of it, it was thought that some support during the interview process would be necessary. The idea was to incorporate a simple process timeline with the three stages of before, during, and after service similarly as Medberg (2016) did with critical incidents. In the first subcase, focus was on the entire process (i.e. JBV), while in the second subcase focus was on the phase where the DG was active (i.e. DGP). The idea was that respondents could decide where to start on the timeline; however, it can be noted that everyone wanted to move in a chronological order. It was thought that as interviewees perhaps remembered something from another time than where the story was at the moment, the timeline would work as a tool to help make it clearer and more understandable what was experienced when.

Moreover, as the experienced value relates to the feeling of being better or worse off (e.g. Grönroos, 2011), the value chart developed by Medberg (2016: 53), illustrated in figure 14, was adopted. Yet, the happy, neutral, and sad faces were not incorporated on the original timeline. Instead, when the interview was coming to its end (i.e. the interviewee did not have anything more to tell), the faces were drawn on the paper and the interviewee was asked to go through her feelings during the process. This was aided by the events that had been pin pointed on the timeline. Based on this, the timeline involved both activities (events, incidents, happening etc.) and thoughts as well as feelings. However, it is important to note that the main data collection method was the narrative interview that was recorded in all but one interview (the interviewee did not give permission) and transcribed.



The value chart merely offered assistance during the interview process, as the aim of this study is not on understanding how customers perceive value, as was the case for Medberg (2016). Instead, focus is on the group as a resource for value formation and uncovering related dynamics and conditions. It may also be noted that the version of the value chart that was used in the interviews was bigger (A3) and in Finnish. The illustration in figure 14 hence merely serves an explanatory purpose for the reader. Finally, recalling the idea of a customer ecosystem (Voima et al., 2011), it was thought of as interesting to ask the interviewees in the end to go through the actors they had dealt with during the process. This was also aimed as a supportive tool for the researcher to give insights to the breadth and depth of the interviewee's interactions (relations) during the process.



**Figure 14.** Elaborated value chart based on Medberg (2016: 53)

Appendix 2 and 3 presents a translated structure for the narrative interviews that was used as support for the interview. The interviewees were briefed in advance on a general level regarding the interest of this study and it was emphasized that what was of focal interest in the interview was the customer's own experience of the process. The interview itself started with a brief recap of this study and what was the aim of the interview as well as where the data would be used and how anonymity was guaranteed (i.e. the interviewees were given a new name). Both of the briefings had an important role in building trust and making the interviewees feel comfortable telling their story, which was deemed crucial for a successful interview. In addition, some detailed questions were asked regarding age, size of the apartment and the amount of inhabitants in the future apartment. However, these were, as already mentioned, not to be specifically shared in this study. Consequently, the timeline was presented as a supportive tool to help structure the story. After that, the interviewee was told that she could start from anywhere and it was emphasized that it was acceptable to move between different points of time.

However, everyone wanted to start from the beginning and moved in a rather chronological order, even though there was some movement between different points in time when, for instance, the interviewee suddenly remember an event.

Even though the interviews were ultimately concerned with the customers telling their story, some supporting questions were thought of in advance. These also became useful for facilitating the interviewees' narration. After the interviewee had nothing more to say and the interviewer had no more questions regarding to events, the interviewee was presented with the different modes of feeling and was asked to point out and/or draw how her feelings shifted throughout the process. Finally, the interviewee was also asked to go through the main actors she had dealt with during the process. The interviews in the first subcase lasted between approximately 43 and 113 minutes with a total of approximately 862 minutes of recording and in the second subcase between approximately 74 and 109 minutes with a total of approximately 401 minutes of recording. In addition, there was one interview in the first subcase were recording was not conducted due to the interviewees refusal. The narrative interviews were transcribed with regard to their relevance for data analysis.

#### 4.3.3.2 Non-participant observations

Besides using narrative interviews to understand the individual customers' experiencing and value formation, it became evident that getting close to the actual group co-creation would be beneficial. It was thought to offer another type of perspective to the process with particular emphasis on understanding the functioning of co-creating groups. Hence, observation was chosen as the other main data collection method, as it gives the possibility to collect data about sayings, other expressions and behaviors simultaneously to its occurrence (Eriksson & Kovalainen, 2016).

Observations can be further separated into participant and non-participant observations (Eriksson & Kovalainen, 2016; Koskinen et al., 2005). The former refers to a process in which the researcher does not merely aim to observe, but also to become a part of the context that she observes. As an example, when wanting to learn about a tribe living in a remote place, a researcher could move in and live with the tribe for a longer time period thus becoming a part of it. Participant observation is often used in ethnographic research (Eriksson & Kovalainen, 2016). Non-participant observation, on the other hand, is about the researcher doing the opposite in the sense that she does not strive to become a part of the research context, but instead strives to influence the observed phenomena as little as possible (Eriksson & Kovalainen, 2016; Koskinen et al., 2005). In this study, non-

participant observation was chosen as it was assumed to be most beneficial for this study. The aim was to collect primary data from the meetings where potential and/or factual customers are involved in co-creation processes, such as, DG meetings. Through this activity, it was assumed that more holistic and deep-going understanding regarding the dynamics and conditions that influence the co-creating group and the participating customers' value formation could be generated. Hence, it was presumed that as little involvement in the process as possible from the researcher's side would be most beneficial for the data collection process.

When observing, a focal question is naturally 'what to observe'. Based on Spradley (1980), Eriksson and Kovalainen (2016) have modified a list consisting of different aspects that can be observed; space, actors, activities, objects and artefacts, events, goals, and feelings. Koskinen et al. (2005: 94, freely translated) express it as "who did what, where, when, how and why.". Observing is thus rather multifaceted and it may be thought of as difficult to decide what to focus on. Considering the purpose of the study, it evolved through the research process and was influenced largely by the meetings that were observed as there was a lot of novel aspects. Hence, it was not evident in the beginning what would be the most interesting or focal themes to focus on, something that also Koskinen et al. (2005) point out. Instead, even though keeping an open mind especially in the beginning, all of the aspect listed by Eriksson and Kovalainen (2016) were observed. Yet, focus was more and more sharpened towards the individual's behavior in the group-setting, the interactions between the customers and the provider's representatives, the other activities during as well as the goals of the meeting, and finally the general proceeding of the meeting. This was in line with the growing interest on conditions influencing the group's functioning and participating customers' value formation.

In order to assist in collecting data and not having to rely on perception and memory, field notes are considered vital when making observations (Koskinen et al., 2005) and it was something I utilized to great extent. Concerning field notes, Koskinen et al. (2005) point out that they are often broader in the beginning than in the end, which relates to the earlier discussion on finding focus in the study. In addition, the authors point out the style of notes, which should be concrete in order to understand the notes after time has gone and one should use the language that the actors use as it may offer more depth to the analysis and taking into account that there may be specific terms used in the field. Besides field notes, I also kept a more general memo between the meeting where I reflected on a more abstract level regarding what had occurred and related it to other findings (Koskinen et al., 2005). Besides making notes, each observation event was also audio recorded,

which was thought of as important as the observations would be taking place during such a long time (in the end over one year's time).

### *Conducting the observations*

Going through the actual conducting of the non-participant observation, while observation were primarily linked to the actual meeting taking place, I started to observe well before that and ended well after the actual meeting. In my experience, observation is not anything that can be switched on an off, but instead, it is a part of our nature to observe driven by curiosity. This included the observation of who was discussing with whom and what they were discussing about. In addition to that, even though non-participant observations are about the researcher being 'invisible' during the observed phenomena, the situations before and after the meetings offered great chances to have informal discussions with the involved actors. Particularly the service provider representatives were good to talk to as they provided their primary views in the natural setting. They also aided in understanding what was going on and why, who were there and so on. This was vital particularly in the first meetings. Moreover, as the customers within the DG got acquainted with me being there, they also started to have informal discussion with me before or after the meeting. Another important aspect was the environment (space), which differed sometimes and hence as it could be observed well before the meeting took place I always strived to arrive early.

Going to the actual meeting, if there were people present who had not attended a meeting with me being there before, I presented my research and myself briefly and asked for permission to observe the meeting and to audio record it. Koskinen et al. (2005) discuss this aspect of when one should tell about being a research conducting observation and how much should one tell. Considering the nature of the project and these meetings, it was considered important to tell everyone the reason for me being there and this became increasingly important, as I wanted to record the meetings. Regarding the presentations of my research, I told the participants that the general purpose was on understanding more about co-creating groups and that I was particularly interested in that during a JBV process. I told the participants that they were given anonymity and encouraged them to ask if there was anything they wanted to be specified or told.

Having received permission to be present and audio record (which occurred at every meeting), I continued by emphasizing that the participants should not pay attention to my presence; in other words, they could ignore me. I usually picked a place in the corner or at the side where I would have as little influence as possible over the proceedings. When observing, there was a lot of issues that were paid attention to; for instance, what took place (activities), what kind of feelings were

apparent, what was said and expressed in other ways, what kind of actors were involved and where they were placed, what were the individual and collective aims. It is difficult to distinguish what all was observed, as it emerged in the presence. One cannot prepare oneself fully for what will come, but instead, one has to have an open mind even though having some areas of interest. However, as noted before, as the focus of the study was shaped it also sharpened the observation process to some extent. During the process from one observation to another and with regard to the iterative process involving theory and the other formal and informal empirical data collection, one starts to find the areas of interest and automatically pay more attention to those. In that sense, even though there is a lot going on, the process shapes ones observation to deal with certain issues.

In the end, I participated in 13 meetings in subcase 2. These included three of the five DG meetings in the beginning of the project as well as three meetings that were open to the public and aimed at potentially interested customers and three meetings were potential customers and those having made reservations were invited. In addition, one meeting concerning the situation of project for those having signed the JBV contract was observed followed by one meeting for all the new inhabitants, which was at the same time the first meeting for the HC. It was at this meeting that the board of the HC was chosen. In the final two meetings, persons from the board of the HC and DG discussed the use of the so-called extra funds. These were organized virtually. It may also be added that when searching for interviewees from subcase 1, I participated in one of their meetings with a big part of their HC present together with Company X's representatives. Although I was not intending to observe the session, I automatically got engaged in that process.

Besides the main data collection methods being narrative interviews and observations, also secondary data was incorporated in the analysis. This included different kinds of documents provided by the service provider to the customers during the projects, but also documents that were provided by the service provider. In addition to that, also different news articles, publications and events with JBV related content were included. Appendix 4 gives an overview of the details concerning data collection that have been discussed.

#### 4.3.4 Analyzing collected data

There are different approaches or strategies as well as techniques for analyzing in case research (Dubois & Gadde, 2002; 2014; Eriksson & Kovalainen, 2016; Yin, 2009). In their work, Eriksson and Kovalainen (2016) distinguish between two main strategies for analysis, which are also found in the work of Yin (2009; 2014);

analysis based on 1) pre-defined theoretical propositions, and 2) on the development of case description. Yin (2009) also discuss two other options, the mixed used of qualitative and quantitative data, and the examination of rival explanations. However, the intention here is to focus on particularly one of the two first mentioned.

With the hermeneutic phenomenological approach and the abductive process of systematic combining that has been utilized, it is evident that the analysis of data is a continuous and iterative process in interaction with the continuously evolving theoretical framework (Dubois & Gadde, 2002; 2014). Hence, the analysis is not based on pre-defined propositions or hypotheses, but instead, as the case evolves, the points of interest emerge through the iterative process that resembles of a more inductive approach than a deductive one (Dubois & Gadde, 2002; Eriksson & Kovalainen, 2016). As Eriksson and Kovalainen (2016: 140) note with regard to this type of approach, “the case researcher is interested in the themes, categories, activities and patterns that they find and extract from the natural variation of the empirical data”. Besides the iterative process (the hermeneutic circle) in the analysis of the empirical data, also theory is involved iteratively as interpretations are done with regard to existing concepts in a process called matching (Dubois & Gadde, 2002). As discussed, the theoretical framework is not pre-defined, but instead it evolves throughout this process similarly as the case.

Looking at different ways to proceed with the analysis, Eriksson and Kovalainen (2016) discuss that the analysis always starts from an analysis of the individual cases, which is called within-case analysis. This is also emphasized by Eisenhardt (1989) in her work (Luokkanen-Rabetino, 2015). Even though this study has two subcases, it is fundamentally treated as a single case study and hence there is no need for the second phase involving cross-case analysis, which is used in multiple-case studies (Eriksson & Kovalainen, 2016). This is because the two subcases have been incorporated within the evolving case as they offer the possibility for different, yet relevant, insights that complement each other and are not meant to be compared with each other. Hence, the primary case analysis is nothing else but a within-case analysis.

It has been emphasized that the study of a single or few case has one strength in the ability to capture the richness of the case(s) (e.g. Dubois & Gadde, 2014; Gummesson, 2007) and hence it is important to ‘create the case’ by linking the empirical data together to give a holistic picture of the case (Stake, 1995). Here, it may be seen as important to describe both subcases, as they are their own projects, even though forming the single case. However, besides these descriptive forms of presenting data to give an understanding of the case, there is also a lot of actual

analysis that needs to be conducted. As it has become clear, the main data in this study is of qualitative nature and gathered through narrative interviews, observations and from secondary sources, which means that there are huge amounts of data to be analyzed. On top of that, while quantitative data analysis has clear formal procedures and instruments, the researcher is the analysis-instrument in qualitative studies and there are merely guidelines that the researcher may follow when transforming the collected data into insights or findings (Patton, 2015). When it comes to the analysis of qualitative data it is, however, noted that there is usually some form of coding involved in the analysis (Belk et al., 2013) although Eriksson and Kovalainen (2016) note that this may not always be the case (instead e.g. mind mapping, memo writing, direct interpretation from reading or even intuition). Importantly, the analysis of qualitative data is and should not be separated from the gathering of it, but instead they are intertwined processes (Belk et al., 2013) as also discussed before in this chapter.

In this study, two main methods are used in order to collect data. Looking at the type of qualitative data that has been collected by using these methods, the narrative interviews result mainly in transcripts, yet, also in the project timelines (value charts). Observations, on the other hand, provide particularly the field notes, but also audio recordings and memos. One may also add to these the secondary sources that consist mainly of written text. They are mostly in the form of textual data and the purpose for including them is in that they can offer support particularly for understanding the JBV process (service process) from the service provider's perspective as well as in general regarding the proceedings. Besides project-related documents, also news articles have been incorporated in order to support in the process of deepening the understanding the phenomena under study. The secondary data sources can thus be considered as having a supporting role, while narrative interviews and observations are the primary data collection methods. Based on this, the main form of data is in textual form, but at the same time, the way to analyze the text depends particularly on the purpose of using the specific method.

#### 4.3.4.1 Analyzing narratives

Concerning the analysis of narratives, the way to analyze depends on what aspect of the narrative is focused on (Elliott, 2005; Eriksson & Kovalainen, 2016). First of all, it is important to distinguish between 'narrative analysis' and 'analysis of narrative'. The former is concerned with narrative being a mode of analysis (i.e. one or several narratives are created based on the organization and interpretation of the empirical data) and the latter with narratives told being the focus of the

study (Polkinghorne, 1995, referred to in Eriksson & Kovalainen, 2016). In this study, focus is on the latter form, as interest is in the customers' experiences during the process, which is captured in the narrative.

With regard to the analysis of narratives, literature offers various aspects for the researcher to focus on. Referring to the work of Mishler (1995), Elliott (2005) and Eriksson and Kovalainen (2016) note that the author distinguishes between different aspects based on the central functions of language; 1) meaning (i.e. what is told, the content of the narrative), 2) structure (i.e. how the story is told), and 3) interactional context (i.e. the storytelling in a particular context). Interestingly, Elliott (2005) describes the interactional context as the performance of narratives. However, Eriksson and Kovalainen (2016) find performance as an aspect of its own that they draw from the work of Riessman (2002). Here, performance is viewed as concerning the way the story is told, using both spoken language and body talk, to reach a particular result (Eriksson & Kovalainen, 2016).

Even though literature includes these different areas of emphasis, both Elliott (2005) and Eriksson and Kovalainen (2016) note that combining different focus areas with regard to the analysis of the narrative is not uncommon (e.g. content/meaning and form/structure). In addition, Elliott (2005) points out the typology by Lieblich, Tuval-Maschiach and Zilber (1998) where content (i.e. meaning) and form (i.e. structure) are also incorporated as forming one dimensions, but where novelty is found in the dimension of holistic analysis versus categorical analysis. Utilizing the former approach, the researcher intends to preserve and understand the narrative as a whole and parts of it as a part of the whole context. In the latter, parts of the whole narrative are taken out and categorized in order to be analyzed without the intention to take into account the whole narrative (i.e. the context) in the analysis.

Considering these various aspects and the purpose for using this method, it is argued that the focus is on analyzing the meaning or content of the collected narratives. Narratives are seen as representations of the customers' subjective (interpretations of their) experiences during the JBV process. In order to be able draw relevant insights, the content of those narratives are to be analyzed. Considering the other dimension, this study can be thought of as leaning towards the holistic approach. While there is coding and categorizing made during the analysis, as will be discussed further below, the interpretations leading up to these build on an understanding of the whole story. Thus, different parts of the narrative are not extracted, categorized and treated as if they were isolated, but instead they are interpreted as part of the whole narrative. Some particular sections of a narrative may be highlighted in the analysis since they function as examples. It is



not about quantifying the content (e.g. how many different times something was said), but instead it is about understanding the narrative as a subjective experience where some sayings reflect, for instance, a theme that has been found out based on the analysis. Looking closer at analyzing the meaning or content of a narrative, Eriksson and Kovalainen (2016) refer to Riessman (1993; 2004) who argues that thematic or pattern analysis is the most common way of analyzing the content of narratives.

#### 4.3.4.2 Analyzing observations

Moving to the analysis of observations, the main subject of analysis are the field notes (Belk et al., 2013) even though there are also audio recordings of the meetings and memos including interpretations. These field notes consist of descriptions of the observations made during the meetings and hence, there may be everything from sayings and behaviors to feelings and spaces described. Observation data is hence multifaceted even though it appears in textual format. However, the main reasons for conducting observations was to get first-hand experience of the co-creation taking place in groups and this developed to focus particularly being paid to the interactions between the involved actors.

With focus on interactions, one may questions whether the interest is put on the content (i.e. what is being said) or, for instance, on the discourses (i.e. how are things being said). A focus on discourse and discourse analysis implies an interest in how language is used in a particular social context (Eriksson & Kovalainen, 2016). When observing interactions, focus is naturally paid to what is being said, but one also takes into account the way in which things are said, the emotions and tensions that are present or emerging, body language that is used beside spoken language and so on. Hence, it can be seen as resembling besides discourse analysis also the analysis of focus group interviews as focus is not merely on what is said (Eriksson & Kovalainen, 2016). In addition, drawing parallels to the analysis of narratives, the distinction by Lieblich et al. (1998) referred to by Elliott (2005) points out the difference between having a categorizing or holistic approach to analysis. When looking at the data from the observations they need to also be interpreted as a part of the larger context in which they have occurred. Having said this, the main emphasis is in the end on the content of the data; however, it does not mean that these other aspects would not be considered. On the contrary, they are influential with regard to the interpretation of the data. This influences the way the content is analyzed as will be discussed.

It becomes evident that the main focus of the analysis is on the content of the data that has been collected. Yet, as the strength of conducting a single-case research

lies in the possibility for rich contextualization and deep-going analysis, it is evident that the content needs to be interpreted as a part of the context.

#### 4.3.4.3 Content analysis of the data

It is important to highlight that analyzing the data has been an ongoing process during the data collection. Besides 'formal' approaches, the data analysis has also been conducted in ways that are more informal (e.g. reflecting on saying, events etc.). Considering the purpose of this study and the influence of the hermeneutic phenomenological approach, qualitative content/thematic/pattern analysis has been found as suitable; however, this can be conducted in different ways (Eriksson & Kovalainen, 2016; Schreier, 2012). In their discussion on qualitative content analysis, Eriksson and Kovalainen (2016) distinguish between two main approaches; categorization and interpretation. According to the authors, categorization is about structuring the data in such a way that it offers a holistic representation of the studied phenomena and the process takes place through systematic coding of the data. Categorization is thus concerned with the explicit part of the data, which can be linked to what, for instance, Lieblich et al. (1998) discuss with regard to a categorization approach to narrative analysis (Elliott, 2005).

Interpretation, on the other hand, is more concerned with the meanings or implicit aspects that emerge the collected data and it can be conducted either with or without formal coding (Eriksson & Kovalainen, 2016). These two approaches are not to be treated as closing each other out, but instead they may be used to support each other, which is also the case in this study (Belk et al., 2013; Eriksson & Kovalainen, 2016). This study is more interpretative as there is an interest in searching for deeper meanings in the content than merely describing it as such as is the case in categorization. Moreover, this would render in parts of the data being treated as objective or isolated from the surrounding context. It has been emphasized that parts taken from the transcribed text in the narrative interviews are to be interpreted as a part of the whole narrative. Similarly, the observational data is to be interpreted as a part of the context in which it is observed. Importantly, this context does not limit itself to the mere physical space in where the meeting takes place. In addition, for instance, the social and business contexts that are a focal part of the case need to be accounted for. Likewise for the narratives and the secondary sources, they need to be analyzed as a part of the case context, which includes various contexts as mentioned.

Through the iterative process of analyzing data from the evolving case in relation to the evolving theoretical framework, particular areas of interest have emerged

that relate to the analysis of the content of the empirical data. In order to generate understanding on the resource potential of the co-creating group and to identify conditions that influence the group becoming a resource for customer value formation, focus is first put on understanding customers' value creating desires and especially customer logics. Following that, focus is put on identifying different group- and ecosystem-related conditions that influence customer value formation. Thus, this relates to the identification of relevant themes and patterns in the data. Examples of how this analysis has taken place are given in the following chapter on the evolving case.

Fundamentally, this study draws on interpretive content analysis where the emphasis is on identifying themes and patterns and hence, it also involves coding and to some parts categorization of the data (e.g. different logics). The interpretive content analysis resembles the constant comparative method by Glaser and Strauss (1967), which is also a major influence in the article of Spiggle (1994) where different operations conducted in the analysis of qualitative data are presented. The basic reason for the use of this method is to build theory based on the collected data (grounded theory). As discussed, the process of systematic combining resembles more that of the inductive approach than the deductive and Dubois and Gadde (2002) refer to grounded theory, which can be seen as justifying the use of this method. Basically, narratives and passages within narratives have continuously been compared to each other, observations and the emerging themes within a particular category. In accordance with the hermeneutic phenomenological approach and the hermeneutic circle, there has been a continuous iteration between the whole and a part of the whole. Throughout the analysis, there emerged increasingly abstract themes, meaning that the initial rounds of analysis consisted of more concrete themes (or categories). To exemplify, having recognized that customer logics would form a relevant and intriguing area of emphasis, the narratives were analyzed in relation to each other and the observations with the aim to identify different types of logics (themes). As some initial logics emerged in the analysis, the collected data was further analyzed in relation to these, thus continuously shaping the formation of these logics.

In relation to this is also the process of dimensionalization, which involves identifying particular characteristics of a category, construct (Strauss 1987; Strauss & Corbin, 1990, referred to in Spiggle, 1994) or theme. With the example of customer logics, this can be seen as the characteristics of a certain identified, general type of logic, but also the characteristics and dimensions of customer logics in this particular case. This was important as some customer logics seemed to be rather dynamic particularly in relation to the focal service. By identifying the relevant dimensions within which different customer logics could be positioned,

but also gave the possibility to discuss their changes in relation to the context, it was possible to account for the process as opposed to merely a cross-section at a particular time.

#### 4.3.5 The evolving case – directing and redirecting

Following abductive reasoning and the process of systematic combining, the analyzed case has evolved throughout the research process (Dubois & Gadde, 2002; 2014). As proposed by Dubois and Gadde (2002; 2014), matching has been utilized in order to maintain relevance in the case. This involves the continuous iteration between the developing case and theoretical framework where the depth and breadth of the case and the analysis of it can be managed. In the following sections, an attempt is made to describe how the case evolved. Appendix 5 provides an illustrating example from the process.

Initially, as presented in chapter 4.3.1 and 4.3.2, this study got its inspiration from the empirical world where this group-based co-creation emerged as an interesting topic. With regard to theory, there were different paths to take; however, as interest was aimed at provider-driver JBV it became evident that service marketing would be the main theoretical stream in which to position the study. What was found to be of interest in the provider-driven JBV was the assumption that there were varying interests present in a high involvement and investment context. At the same time, looking at the ongoing discussions in the field of service marketing, customer value formation and value co-creation were topics that received a lot of interest from scholars. Hence, customer value formation in provider-driven JBV emerged as an intriguing topic that was to be focused on. There are, however, various aspects to how customer value formation can be approached in service marketing literature (i.e. the different logics and the different approaches to value as an outcome) and the more specific issues of interest thus emerged during the data collection.

It has been previously noted that the researcher may have different presumptions that need to be challenged or put aside. This was also evident in this study, with especially the observations of the DG meetings being highly relevant and eye opening. I was initially expecting there to be a lot of ‘active creating’ and tensions between the customers and the provider representatives in this type of project. The primary presumption was that there would be a very innovative atmosphere. However, the reality of the phenomenon turned out to be much calmer and ‘down to earth’, but at the same time, when looked from the right angle, very interesting. The focal aspect in the case was not to derive insights on how the group can end up with more innovative and ‘rich’ housing, as perhaps first assumed. Instead,

what emerged as intriguing was that the members of the groups were striving to reach desired value with the help of the group, while at the same time contributing to the other members' value formation. Interestingly, the participating customers' behaviors as well as their desires and expectations regarding the project seemed to vary. The case turned out to be, in some ways, more multifaceted than expected (e.g. not all actively participating). Moreover, it became evident that there were relevant conditions influencing group functioning and customer value formation that could be identified.

Through the analysis and readings of literature, the experience-based approach to customer value was eventually adopted. With regard to the locus of interest, the CDL perspective was deemed most relevant, since what became of particular interest was the participating customers' value formation where the group was found to play an important, yet, varying role for the customers. Based on the analysis and reflections in relation to literature on customer value formation, it was specified that this case would be concerned with generating understanding on how a co-creating group may become a resource for customers' value formation in a complex service like provider-driven JBV. This was deemed relevant not only in terms of it being an intriguing empirical phenomenon, but also as it could offer relevant insights to ongoing discussions in the field of service marketing. Due to the infancy of the topic in the field and inspired by the idea of theory sketches (Dumont & Wilson, 1967), it was found to be of particular importance to increase understanding on the relationship between groups and customer value formation by making relevant propositions. Recognizing the possibilities given by the rich case of provider-driven JBVs, one could strive for both a broad and a deep scope in the analysis. This meant that besides capturing the various relevant aspects related to the phenomenon, the intention also became to analyze them in-depth in order to be able to make propositions beyond the particular case. Thus, in order to achieve the purpose of this study, two particular research questions were formed with the first being about identifying the different types of resource potential that a co-creating group offers for participating customers and the second about understanding under which conditions the group becomes a resource for customer value formation.

In order to structure the complex phenomenon of interest and generate understanding for how to approach it, a relevant theoretical framework was necessary. While (service) marketing and especially CDL literature provided the foundation for understanding customer value formation, a lack of comprehensive understanding on how to approach groups was encountered. Generally, focus had been put on the individual customer in relation to a service provider (e.g. Grönroos, 2011) or on a service ecosystem with several providers involved (e.g.

Vargo & Lusch, 2016). Despite there being some emerging interest in larger customer units (e.g. Voima et al., 2011; Arantola-Hattab, 2013) what was found to exist was a lack of holistic understanding regarding the structure of the group (e.g. focal elements) and its functioning (e.g. focal dynamics). Hence, it was found necessary to turn to theory on small groups. Following that, the approach to groups as complex, adaptive, dynamic, bounded and coordinated systems was found and adopted (Arrow et al., 2000), since it provided relevant insights with regard to what was lacking. Consequently, this was combined with theory on value co-creation and eventually a conceptualization of the co-creating group as a resource was created. The theoretical framework that started to emerge depicted a highly complex picture of the phenomena. Besides the holistic approach to customer value formation, the group's structure and functioning was found to be influenced by various group-, and ecosystem-related aspects, which also became evident in the analyzed case. As Easton (1995) and Weick (1979) point out, a potential weakness in case study research is that the researcher ends up with detailed descriptions of everything, which merely makes it all unclear for the reader (Dubois & Gadde, 2002). Hence, with the case being rich on intriguing data, there was the risk of the analysis becoming too broad and/or too deep and hence, by utilizing matching, more focus was striven for (Dubois & Gadde, 2002; 2014). This eventually influenced both the theoretical framework and the empirical analysis as well as the consequent discussion; however, it is here opened up mainly from the empirical analysis' perspective.

In order to generate understanding on customer value formation, the emphasis was in accordance with the purpose of this study put on the customer and her experiences. However, to be able to conduct an analysis with regard to that, the concept of customer logic was found to be focal. Customer logic is a rather novel concept introduced in the stream of CDL and it refers to the customer's sensemaking with regard to achieving her goals (e.g. Heinonen et al., 2010; 2013; Heinonen & Strandvik, 2015). The customer logic goes beyond a specific activity and describes why a customer behaves as she does in her holistic value creation process. Basically, it was deemed important to understand what the participating customers are striving for in order to be able to understand their value formation. It emerged as an insight that customer logics could be utilized in order to understand the resource potential of the co-creating group for the participating customers (RQ1). Besides being presumed to be a major condition influencing customer behavior in service, this proved also to be a concept with not much empirical research conducted on, thus strengthening the importance of utilizing it. In order to generate understanding on actual customer value formation and under which conditions the group may become a resource in this process (RQ2), both group- and ecosystem-related aspects emerged as focal. Within the group, focus

was put on the customers and the provider's representatives as well as potentially other actors involved in co-creating activities and their relation to participating customers' value formation. With regard to this, especially observations provided valuable and multifaceted data; however, also the data from the narrative interviews was deemed highly relevant. When it comes to the observations, focus was narrowed and in the end put especially on analyzing the interactions between the involved actors. What was found to be of particular interest was how the different types of goals (individual, relational, and collective) were enhanced (or not) by the actors and potential tensions in the member-group interface. The narrative interviews, on the other hand, provided the customers' personal experiences with regard to group's functioning and the proceedings of the project.

Through the analysis of both observations and narratives in relation to relevant literature, specific themes and patterns emerged. To exemplify, in order to understand customer value formation in the group setting, the customer logic solely was not sufficient, but instead, it needed to be understood in relation to something. It was evident that certain customers' were pleased with their tasks in the group while others were not, which ultimately led to the recognition of social roles (i.e. intended tasks and task-related resources within group/service, drawing on e.g. Akaka & Chandler, 2011; Arrow et al., 2000; Solomon et al.) as the counterpart to customer logics. With regard to social roles, it was also recognized that customers wanting to be influential utilized their social roles and related expertise from other contexts (e.g. their profession) in order to gain certain status within the group, which was found in theory to relate to social roles being used as resources for change (Baker & Faulkner, 1991; Akaka & Chandler, 2011). In addition, it was found out from the data that depending on their logics as well as some other situational characteristics, the customers had varying desires concerning intra-group communication. Concerning literature, emphasis was consequently put on value co-creation through presence (e.g. Grönroos et al., 2015; Heinonen & Strandvik, 2015) with emphasis on communicational elements (e.g. Gustafsson et al., 2012; Mohr & Nevin, 1990).

Drawing on the emerging theoretical framework and the analysis of collected data, it was evident that also the ecosystem's influence on customer value formation and the group needed to be accounted for. Different actors, institutions and institutional arrangements in the surrounding customer and provider ecosystems were found to influence the structure and proceedings of the projects (i.e. subcases) and customer value formation (Voima et al., 2011; Vargo & Lusch, 2016). Data regarding the former was deemed as necessary background information for understanding why the projects were designed and conducted as they were. In order to establish a relevant focus in the actual analysis, the particular interest on

the role of the co-creating group as a resource was utilized. Thus, focus was put on those conditions that were found to influence customer value formation (i.e. holistically from the customers' perspectives, Heinonen et al., 2013) and in which the co-creating group as a resource had an influence. The influential role of banks and architects in some customers' value formation are good examples of this. Finally, with recognition for the subcases being projects, it was deemed necessary to also address how the completion of the project was related to customer value formation, with the expected and unexpected playing varying roles, as supported by relevant literature (e.g. Arnould & Price, 1993).

Moving to the discussions chapter, the interaction between theory and empirical findings led to the adoption of also other relevant concepts (e.g. other relevant processes for value co-creation). Hence, the case has evolved through a continuous iteration between the theoretical framework and the empirical data collection, analysis and findings. Instead of being approached sequentially, these have reciprocally been guiding each other. While the empirical data has revealed intriguing aspects to account for in a broad and deep-going sense, the theoretical concepts have been used to maintain focus and relevance in the study.

#### 4.3.6 Assessment of the quality of the study

Traditionally, when assessing the quality of the case study, validity (construct validity, internal validity, and external validity) and reliability are used (Yin, 1994) according to Dubois and Gadde (2014). This can be seen as holding true for business research in general as validity and reliability together with generalizability are described by Eriksson and Kovalainen (2016: 305) as the "classic criteria of good-quality research". However, these criteria have not been developed to be used with qualitative data, but instead with quantitative data and from a paradigmatic perspective can be found as useful when realist or critical realist assumptions are applied (Dubois & Gadde, 2014; Eriksson & Kovalainen, 2016), and hence their suitability as assessment criteria for this study are questionable, meaning that they are not used.

In general, it seems that there are not that many suitable criteria to choose from for the assessment of qualitative research (Dubois & Gadde, 2014; Eriksson & Kovalainen, 2016; Hannah & Lautsch, 2011). Despite this, as one alternative to the traditional criteria, Lincoln and Guba (1985) have replaced validity and reliability with trustworthiness, which has the four dimensions of transferability, dependability, conformability and credibility (Cohen & Crabtree, 2006; Dubois & Gadde, 2014; Eriksson & Kovalainen, 2016). Although criticized, for instance, by Dubois and Gadde (2014) as resembling too much of quality assessment criteria



for positivistic research, these are utilized to assess the quality of this study. In addition, the two quality assessment criteria presented by Dubois and Gadde (2014) for systematic combining are also discussed in detail after this. These concepts and examples of important techniques related to them as argued by Lincoln and Guba (1985) are presented based on what is written by Cohen and Crabtree (2006) and Eriksson and Kovalainen (2016) with regard to the original source.

Concerning *transferability*, the authors find that it relates to whether there is some sort of similarity to be found in one's own research and other research that has taken place in different contexts. In order to secure this, thick description is proposed to be of importance. As it becomes evident especially in this chapter and the analysis, the evolvement of the case and the subcases have been presented in detail. One may also interpret this issue in the sense that whether certain findings have been also found in other studies. With regard to finding similarities between this study and others, it is important to recognize that this research deals with rather novel concepts; for instance, customer logics, value co-creation through presence and the complex, adaptive and dynamic group as a resource for customer value formation. However, there are certain parts that have been either theoretically proposed or empirically recognized in other studies and these are highlighted especially in the discussions phase. Not all of these aspects are found in the theoretical framework, since they have emerged from the empirical data as intriguing aspects that ought to be paid more attention to by scholars. Hence, one may argue that the linkage to other research has been striven for also in this sense.

*Dependability* refers to provision of information regarding the process being logical, documented as well as traceable. In this chapter, the research process and more specifically, for instance, the collection and analysis of data have been opened up in a detailed manner to the reader. Moreover, this study has been presented in a so-called pre-defense with opponents having reviewed the work and the session being held in a similar manner as a real doctoral defense. This can be seen as relating to the technique of external audits, which Lincoln and Guba (1985) have proposed.

*Credibility* concerns the researcher's familiarity with the topic under investigation and how logical the linkages between observations and developed categories are. Consequently, the question becomes whether another researcher with access to the same data would end up with similar interpretations or agree on the interpretations. *Conformability*, on the other hand, means that the findings that have been made are easy and well linked to the data. Concerning both of these, Lincoln and Guba (1985) have proposed, for instance, triangulation as a method

to be utilized. In fact, triangulation of data sources has been utilized; however, not always in the traditional way, which concerns the examination of the consistency of data sources and the data gathered (Patton, 2015). The main point for triangulation has been to gain complementary insights in order to meet the intentions of a broad and deep analysis. By using narrative interviews, it has been possible to collect data on participating customers' (interpretations of their) experiences, which is congruent with the approach taken to customer value formation. Observations, on the other hand, have given vital information on group functioning and development, which is necessary for generating understanding on how the group may become a resource for customer value formation (e.g. relevant conditions identified). Finally, it may be noted that secondary sources and discussions with relevant actors have been especially necessary when striving to understand the JBV more generally, but also Company X's idea behind their provider-driven JBV.

Yet, more traditional triangulation has also been conducted. As an example, when it comes to understanding the proceedings of the subcases that relates to the credibility of the study, there has been crosschecking of data utilized in order to capture as real picture as possible with regard to the 'objective' aspects of it. Basically, various sources have been utilized in order to become familiar with JBV and this particular type of it as well as to understand the specific characteristics of the subcases. Besides interview data, this has also been enhanced by the fact that I have participated in the different sessions where the service and particular project have been presented. Moreover, in order to secure that I have understood correctly the processual structure of the subcases and the focal provider's intentions including the proposed customer roles, the written parts on these issues have been sent to the consultant (i.e. focal representative of the focal provider in these subcases) for validation. During the research process, as questions have emerged, I have also been asking and discussing with representatives from the focal provider (particularly the consultant).

When it comes to the linkages between the observations and categories, they are found to be logical particularly due to the process of systematic combining, which quality assessment criteria are further discussed below. Concerning conformability, in order to demonstrate the clear linkage between data and finding, several quotations from interviews have been used in the analysis together with descriptions of events and perceptions during the observations. Although secondary sources are not frequently referred to in the analysis, they have been utilized especially in the creation of an understanding concerning the process of JBV and the particular subcases. Although being developed to be used when assessing the quality of qualitative data, Dubois and Gadde (2014) find that these

criteria resemble the positivistic approach to research. They find this to become evident, for instance, in the emphasis on triangulation in order to confirm findings instead of various methods being used due to the complementary they offer, as is the case in systematic combining and in this study. Hence, when it comes to the evaluation of single-case study research, Dubois & Gadde (2014) propose two vital criteria that will be used.

To begin, Dubois and Gadde (2014: 1282) point out “the presentation of the case study and its relation to theoretical concepts”, which is considered as one of the two focal issues in single case research. Concerning this, it has been previously discussed that critique has been aimed at what is called deep-probing case research as there are scholars describing every single aspect thus making it merely a description where the interesting and relevant aspects that should be highlighted are lost and it is the reader who becomes responsible for making interpretations (e.g. Easton, 1995; Weick, 1979). The breadth and depth of the case boundaries become important to manage, which in this study has been done by utilizing matching (Dubois & Gadde, 2002; 2014). This also relates to the importance of selectivity in the process of writing a single case research (Dubois & Gadde, 2002; Ruddin, 2006; Siggelkow, 2007). Fundamentally, it is important to have a right balance of selectivity where not too much nor too little information is presented, and where theoretical concepts are used in order to reach the right balance (Dubois & Gadde, 2014). It is assumed that through this process of selectivity where theoretical concepts are used to manage the analysis, the reader can better understand the text as well as get more out of it (Dubois & Gadde, 2002; 2014). How matching has been utilized is described in chapter 4.3.5.

The second issue pointed out by Dubois and Gadde (2014: 1282) is the “description of the methodological procedure underlying the case study.”. This relates to it being vital for the researcher to have a detailed presentation on the methodology applied, how the research has been designed and conducted; in other words, to reflect on what has taken place (Dubois & Araujo, 2007; Piekkari et al., 2010). In their discussion, referring to Suddaby (2006), Dubois and Gadde (2014) point out the issue between the actual iterative research process and the sequential or linear presentation of data. The authors argue that editors often require this linear ordering and looking at this study, the traditional structuring is used. Introduction, theoretical framework, methodology, empirical analysis, discussion, and conclusions are the main chapters sequentially ordered, even though the process has been largely non-linear.

It is also important to distinguish between the main writing process and the larger research process. During the research process, I have made different notes,

memos, models, and drawings and so on that involve a lot of the analysis that has then been written at a later stage. Similarly, I have written various documents (e.g. conference papers and coursework) and made models on theory that has proven to be more or less relevant later in the process. This has helped me gain better focus when starting the actual writing of the study and it has been easier to adopt to the traditional, linear structure that is required. During the actual writing process, I have thus been better able to focus on one part at a time, which makes the process of writing easier. To exemplify, a large part of the theoretical framework was first written before the analysis was written at all, however, the theoretical framework was revised and shaped many times also during the writing process. This was made possible due a clear idea of what to incorporate in both the theoretical framework and in the case analysis, yet, it became evident that at some time the writing process had to start in order to further clarify what to focus on in the case.

Even though having a traditional structure, the aim has been to give a detailed description of the actual research process in order to give the reader a possibility to go beyond the explicit structure and to understand how the study has actually emerged and evolved. It is important to note that this process has by no means been straightforward and there are aspects that have been left outside both when collecting data and when analyzing it, but also when writing the theoretical framework.

## 5 ANALYSIS

Following the iterative process between theory and empirical data collection and analysis, the theoretical framework provides the lens through which customer value formation as well as the structure and functioning of a group as a resource in this process is approached in this study<sup>104</sup>. In accordance with the chosen approach on customer value formation, empirical data collection has mainly been about striving to collect relevant data concerning customers' experiencing as well as the functioning and dynamics of co-creating groups in provider-driven JBVs. Consequently, utilizing the theoretical framework as support, this chapter is concerned with the analysis of the collected data with emphasis on those issues that have emerged as particularly intriguing and important with regard to customer value formation and the group's role in that process. The findings from this analysis together with relevant theory are then utilized to provide answers to the research questions in the discussions chapter.

First, in order to understand how the group may become a resource in participating customers' value formation processes, it is found to be focal to understand what the customer is striving for when engaging in activities and integrating resources<sup>105</sup> (e.g. Heinonen et al., 2013). Consequently, identifying and categorizing the participating customers' logics are a primary concern in the empirical analysis (Heinonen & Strandvik, 2015). Besides that, also other relevant observations regarding customers' value creating activities are made; however, main focus is on the customer logics.

Having addressed the customers' value creating desires, the following two sections are concerned with examining conditions related to the group and the ecosystem that influence the participating customers' value formation. From the conceptualization of the co-creation group, it becomes evident that the group is complex with various constituents, relations and dynamics potentially influencing the functioning and eventually customer value creation and formation (e.g. Arrow et al., 2000). Consequently, the aim is not to look specifically at each and every possible aspect of the group. Instead, focus is on identifying and analyzing those conditions that are crucial for enabling or hindering value (co-)creation between members and customers' value formation in the particular empirical setting that is studied. What is emphasized is understanding the relativity of these conditions and hence the identified customer logics play an important role in the

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<sup>104</sup> This understanding has been generated with the help of relevant literature from especially service marketing, but also more broadly marketing and management combined with that on groups and systems.

<sup>105</sup> The customer is seen as acting in a goal-directed manner being the primary value creator for herself.

analysis. Besides understanding how the group functions at a particular time and place (local activities and dynamics), also its development over time (global variables and dynamics) when striving to pursue individual, relational and collective goals is recognized as an important aspect.

As the customer's value formation nor the group is isolated, the contextual factors and dynamics also need to be accounted for. With recognition for the customers' actual value formation processes that go beyond the customer-group interactions (i.e. other activities in their ecosystems), it is of particular interest to look at what related outside-actors and -factors have an impact on the participating customers' value formation. As focus in this study is on the role of the co-creating group as a resource for customer value formation, particular attention is paid to aspects where the group has or may have a role. Finally, as the analyzed case consists of projects, it is important to address the influence of the completion of the whole project for customer value formation, which particularly concerns the influence of expectations and the unexpected.

Before going to the actual analysis, the two subcases of provider-driven JBVs are presented. Besides addressing their similarities and differences, there is also an assessment of the focal provider's desires concerning the various phases of the JBV as well as the provider-side ecosystem's influence on how the planning and proceedings. The intention is here to provide a general overview of how these projects have been structured and carried out and what has affected this.

## 5.1 The structures of the provider-driven JBVS analyzed

Traditionally when new apartment buildings are built, there is a company acting as the constructor. However, in JBV, the customers are the constructors (Korpela, 2014). Instead of being the buyers towards the end of the process, the customers are involved earlier and being also the constructors, they should thus have better possibilities to influence on the outcome. As discussed, there are both customer-driven and provider-driven JBVs (Korpela, 2014) and focus in this study is on the latter form. More specifically, focus is put on Company X's two projects that form subcases within the case.

Both of the subcases are separate JBV projects organized in Finland by the same company that is referred to as Company X and is thus the focal provider in the analyzed case. Basically, Company X acts as the JBV-consultant as well as the main construction company and provides customers with their JBV-offering, which can be referred to as the focal service process from the provider's viewpoint. It is recognized that customers' own service processes may extend outside of this and

they may differ, and hence, in order to maintain focus, JBV is referred to as the focal service process. Subcase 1 and 2 share the same basic structure of the process (i.e. the focal service process); however, they take place at different times and there are some details that make them different.

The planning and execution of the projects are influenced not only by the participating actors' interests, but also by the specific JBV-law (Ryhmärekennuttamislaki 190/2015) as well as potential municipality-regulations. Concerning Company X's representatives that were actively engaged in the projects, some variations occurred; yet, the main person referred to as the consultant was in charge of both of the projects from the focal provider's side. Besides the consultant, the provider's team involved a few service engineers with whom the customers discussed about choices concerning their apartment (e.g. material, furniture and equipment) as well as a few persons who were assisting in the projects and had a certain area of expertise (e.g. financials). Besides these persons who were more involved in the projects and thus forming the core from the provider-side, there were also other Company X representatives occasionally visiting the meetings or information sessions. Moreover, relevant actors related to the project and/or the housing cooperative (HC) (e.g. construction site representatives and deputy landlord) could be present at certain occasions or be visited by a group (e.g. development group (DG) paying visits to a certain provider's showroom). Hence, the composition of the group during particular occasions could vary depending on the themes that were addressed. In the following sections, the structure of the projects will be discussed in more detail.

Starting off by looking at the core of the offering that the service provider sells, it consists of a pre-planned apartment in a pre-planned apartment building in a particular, already decided location (fixed spot in a residential area). Importantly, the specific location of the building and its surroundings are given, and the customers cannot in this case influence where the building will be placed. Planned apartment and apartment building means that the layout and structural elements are already designed by an architect, engineers and so on. However, the customers may alter some features; for instance, some aspects in the layout of apartments and shared spaces, placing of sockets as well as material, furniture and equipment choices. It is important to note that the layout is not a tabula rasa and not all walls can be moved, as the whole building is already drawn and some basic structural issues have been decided upon. The possibility to influence these issues depends on when the customer joins the project.

Concerning the basic structure of the process (for an overview see Appendix 6), both projects have started with a smaller group of customers referred to as the

development group (DG) in this study. This is a group with customers who have the possibility to take part in decision-making regarding the building (e.g. how will spaces be used and decorated) and providers that will be used (e.g. material and kitchen provider(s)). Besides meetings in conference rooms, the DG also paid visits to showrooms to look at materials, furniture and equipment that could be included in the basic or standard level of the apartments. In subcase 2, which I followed closely in real-time, the customers in the DG phase were encouraged to think about how it would be to live in the apartment in order to find what changes could be made at that moment and that would be beneficial also with regard to future selling of similar apartments. Besides this developer (planner) role, customers in this phase were also urged to market the project to their friends and family and to take part in open information sessions and in a marketing video for the project, thus showing that there is an engaged group of people already active in the project. This is seen as important as the construction of the building thus not start before all apartments are bought, and hence there is a pressure on finding engaged customers. Based on this, the DG can be seen as a multifaceted resource for the project and hence both the focal provider and the customers themselves.

After the development group phase (DGP) or towards its end, the project moves into a phase where the apartments are made public for reservations; however, in both subcases the customers involved in the DG were able to make reservations beforehand. When there are several reservations for an apartment there is a lottery organized in order to find out who gets which apartment. After all apartments are reserved, all actors sign the JBV contract, which means that the construction project becomes official. In order to be able to sign the contract, the customers need to have money to cover for their personal bit of the whole sum, while the rest of the project is financed with a loan taken by the HC. In both cases, the percentages were as follows; 30 percent of the whole sum covered by customer's personal financing and 70 percent by the loan taken by the HC.

Having gathered the group together, the construction project officially starts and at the same time the HC is officially formed. In a JBV, as the customers are the constructors, the members of the board of the HC are customers and they are chosen by the HC. During the project, the HC has meetings once in a while and information is given and contact held through e-mail and social media. As the customers are involved from the beginning of the construction process, they are able to make decisions regarding materials, furniture and equipment as well as to make various adjustments to the layout and use of rooms. In order to choose materials and furniture, there is an online page where the selection is presented and the customers can also visit the provider chosen by the DG to look at kitchen-



, toilet- and bathroom-furniture. For other materials there is a showroom managed by the focal provider that can be visited.

As the customers are the constructors, there are also multiple decisions made that concern the HC; however, in both of the subcases the board of the HC in fact made most of the decisions. These decisions involved, for instance, the choosing of HC's representatives in the construction project. The board of the HC also made decisions regarding the use of common and business spaces, which the DG had started to plan. The common spaces are, for instance, corridors, laundry room, and clubroom, and when it comes to the planning of these, there were slight differences between the two subcases. In the first subcase, the customers' opinions were heard before the pricing of the apartments, while in the second subcase, a particular sum of extra money was reserved already in the beginning of the project for the continued planning decoration of these spaces. The business spaces are spaces that are rented to businesses and there are in both buildings, for instance, a space rented to a restaurant in the ground floor. When it comes to the preparations of decisions that HC makes, the board of the HC also has an important role; however, in subcase 2, representatives of the DG continued to be involved at least in preparations concerning the common spaces in the building. In addition, as will be discussed, there were also customers occupying particular roles in this process granting them having more influence on preparation concerning particular aspects. It also became evident that some of the participants in these smaller groups were more actively engaged in the preparatory work than others. It is also important to note that during the construction time Company X's representatives were also offering their support in some of the preparatory work concerning HC's issues. Concerning the interactions between the HC and other project- and HC-related actors, the board of the HC was mostly dealing with these. Towards the end of the project, the customers can pay visits to the construction site and when the building is ready, the customers move in. The first subcase took about 3 years to finish when counting the start of the project to be when the DG was formed, while the second subcase is to be finished in July 2021.

It is important to highlight that even though the basic structure of the focal service process is the same, there are variations depending on various group-related issues, such as the composition of the group, and contextual issues, such as the availability of relevant customers (members) and activities of other linked actors, such as subcontractors. These kind of issues were pointed out in the theoretical framework (e.g. Arrow et al., 2000) and they also became evident during data collection and analysis. In general, it seems that the more complex the process or phenomenon the more variation there will be between "similar" processes or phenomena.

One aspect that particularly influenced the proceedings of subcase 1 was the availability of relevant customers as there were a lot of changes in the participating customers due to financial issues, but also lack of participants as the few last apartments were not sold. Eventually, Company X needed to make changes in those apartments splitting them up to smaller in order to get them sold. Based on learnings from this, the focal service process in the subcase 2 involved the customers having to make some kind of freely formulated clarification of their plan to finance the project when making the reservation (participating in the lottery). Besides that, subcase 1 was also influenced by delays in the supply of materials from subcontractors. The construction project in subcase 2 was influenced by a system of regulation concerning the price and the quality of apartments in that city. Without going into the details, it can be noted that apartments in this system are generally a little cheaper than normally and there is a regulated maximum price set for the apartments by the system already when the lot is signed over for construction. This price also applies when the apartment is sold in the future (however there is a certain amount of years that this regulated price applies). Moreover, the customers buying apartments in this system basically need to move in and they are thus not suitable for investors, however, monitoring this is difficult. Comparing with the first subcase, this offers an interesting comparison, since that project has also investors involved. Finally, even though the buildings in both subcases initially were built on a lot rented by the city, the HC in the 2nd subcase that is under the influence of this system of regulation is not able to buy their lot.

#### 5.1.1 Company X's business logic in relation to the project's phases

Based on analysis of the collected data and reflecting on what has been told in this chapter, an attempt to define Company X's business logic (i.e. purposes and ways of reaching those) in relation to the various phases in the project is made. Company X has ultimately the desire to make profitable business by selling all the apartments before construction starts, which makes it possible that Company X does not have to own the apartments and hence carry any risk for unsold apartments. Thus, the primary goal for the company is to find all the customers, as constructing cannot start before every apartment has a secured owner.

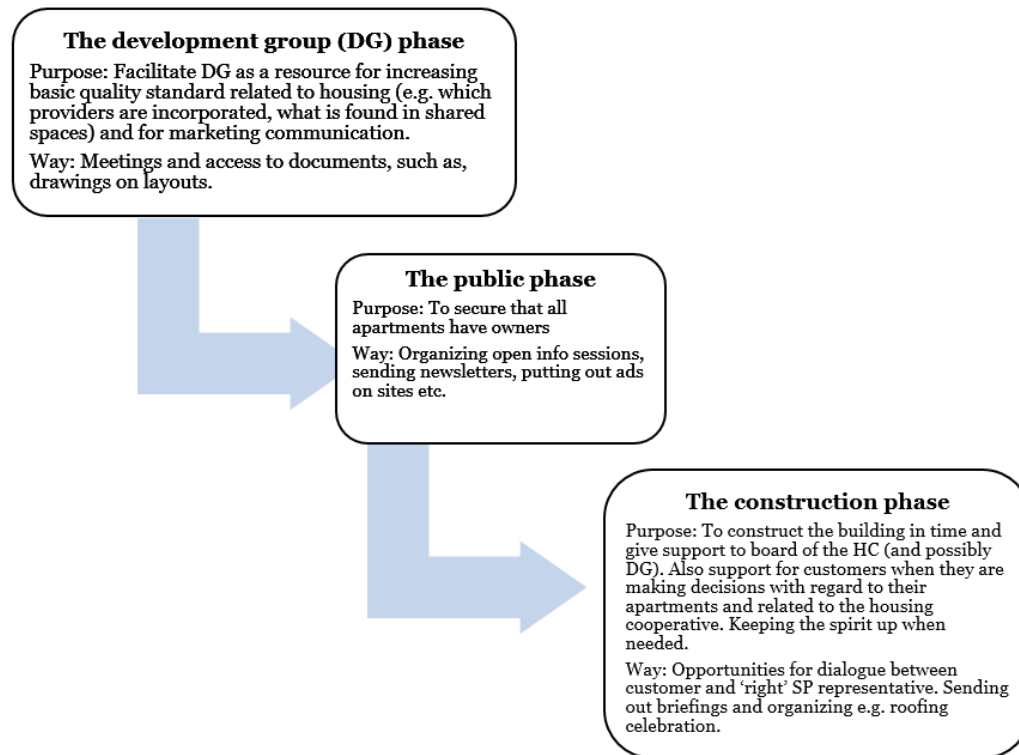
Looking closer at the early phases of the project, DG is utilized as a resource for thinking especially about the basic quality standard of the apartments (e.g. which providers are included in the basic package), but also to some extent on the interior design and use of shared spaces and the layouts of the own apartments. The DG becomes a form of quality stamp for the project and it was often heard, for

instance, during info sessions something in line with that ‘the DG has thought about these things and there is a higher quality to it than usually’. Hence, the DG can also be seen as a resource for marketing communication, which also becomes evident in how its members were encouraged to tell about the project to others and to participate, for instance, in a marketing video. After the DG phase comes the pivotal phase of finding all the customers and making sure all the apartments are sold. Here, Company X utilized besides the DG members word-of-mouth also open info sessions and meetings with the function of keeping already involved customers engaged and striving to persuade new customers to join the project. In addition, newsletters to subscribers, ads on sites where apartments are sold and so on were also utilized.

When construction starts, Company X focuses particularly on construction-related issues, but at the same time, they provide support for the HC and particularly the board of it. However, the intention in this phase is that the board of the HC takes an active role in both construction and HC related matters, although Company X strives to offer their support when and where they can. Every now and then there were issues brought up that the consultant could not say anything else about than that it is a question for the HC to deal with. However, even though this falls outside of the scope of this study, what is really interesting to note here is that there might be some tensions between specific representatives, such as, the consultant’s logic and the overall business logic (top management’s logic); for instance, it was implicitly brought up in a discussion that these provider’s front-end representatives would want to organize more events for the DG in subcase 2, however, this view was not perhaps shared among the higher executives. It was also brought up by some customers in their narratives that, for instance, the consultant really fought for the customers’ best.

In addition, the construction phase was also when the customers made final decisions regarding their apartments and paid visits to showrooms and providers to look at materials and make plans. There were specific representatives for the different areas of the project (e.g. service engineers – interior design, construction foreman – construction issues; kitchen provider’s representative – kitchen issues) with whom the customers could interact. In addition, Company X utilized a portal where, for instance, material choices could be made and documents found, and there was also a showroom for the different materials. Towards the end of the project in subcase 1, Company X together with the board organized a roofing celebration to keep up the spirit and celebrate. Finally, at the end of the project, keys were handed over to the owners. Besides these, there are probably other details that could be pointed out from the construction phase, however, this discussion offers an overview of how the projects was interpreted as proceeding

from Company X's perspective, as is illustrated in figure 15. Basically, the project moved from a joint process towards more isolated one with, for instance, customer-provider and board-provider dyads during the construction phase.



**Figure 15.** Company X's proposed business logic with regard to the three pivotal phases of the JBV project

Besides the influence of Company X's business logic, also the provider-side ecosystem is found to affect how the JBV's are structured and carried out.

### 5.1.2 Ecosystem's influence on the planning and proceedings of a JBV

When it comes to the structure and execution of the JBV's, it is important to briefly address the provider-side ecosystem's (i.e. service ecosystem, Vargo & Lusch, 2016) influence. Actors in this ecosystem do not only come from the construction industry, but also from other industries and sectors (e.g. financial, energy, municipality & state) as well as with neighboring HCs being linked to the project. Many of these actors seem to create boundaries regarding what can and cannot be done and how things should proceed. There are specific laws and regulations that govern how things proceed; for instance, the JBV process is guided by a specific law that dictates the roles, rights, duties, and responsibilities that the involved actors have (Ryhmärakennuttamislaki 190/2015). The zoning plan by the

municipality dictates what kind of buildings can be built and, for instance, in subcase 2 it also forced the whole block in which the apartment building was built to be part of a pilot project with regard to heating of the buildings. Additionally in subcase 2, there was a price and quality regulation system that the project was under, which meant that the final prices of the apartments were based on an evaluation conducted by a governing body in this system<sup>106</sup>. In addition, parking spaces and yards were shared with other HCs, which meant that cooperation with them exists also on a more formal level. Due to property related contractual terms in subcase 2, a certain percent of the budget also had to be put on financing artwork in the residential area. In addition, macro trends, such as, the overall availability of certain types of apartments influenced the projects; for instance, in subcase 1, they had issues with selling a few of the bigger apartments and they were ultimately transferred to smaller apartments of which several went to investors.

Besides these more 'explicit and formal forces', also the underlying logics in the ecosystem were found to influence the projects. When it comes to the traditional way of doing things (i.e. the dominant logic) in the construction industry, focus is put on issues, such as, increased standardization and resource efficiency (Krokkors, 2010) and there appears to be well-established processes within which all the actors in the ecosystem enact their well-known roles. Thus, there is presumably a strong path dependency for many of the actors with the customer being positioned towards the end of the tunnel buying a ready-made/-planned apartment. In JBV, things are turned around as the customers become involved towards the other end of the tunnel in various phases and with more possibilities to influence. This means that besides Company X and its efforts, also actors and processes within the ecosystem are influenced by the introduction of JBV, especially if the influential power of the customers is increased. Consequently, as Company X is looking to conduct profitable business by striving to, for instance, avoid delays and prolonged time schedules<sup>107</sup>, there is an interest in advancing the project in time, which also means that they have to account for the provider-side actors. Tensions between plans that had been made as well as the usual way of doing certain things (i.e. normal for the industry) and customers' wanting to explore the possibility and/or to actually make changes and deviate from the norm were found to influence the proceedings of the project and the decision-making related to that. Consequently, it seems that there is a tension between the JBV ideology and its potential effects (e.g. deviate from the norm) and the dominant logic of the industry. Resolving this issue is arguably reflected in the design of the service with a certain degree of

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<sup>106</sup> Due to this regulation system there was a risk that e.g. some of the DG's decisions or extra money that was put aside to be used in the shared spaces would be lost.

<sup>107</sup> This means higher costs as Company X has provided a roof of costs with overspending being covered by them when the delay is not the result of force majeure.

standardization present; for instance, the apartments and building were planned to a certain level before any customer was involved, which meant that structural changes were basically impossible to make. As will become evident further in the analysis, also what some customers perceived as a limited role<sup>108</sup> and Company X's strong influence over the project can be seen as, at least to some extent, related to this tension. Fundamentally, it could be stated that the roles and proceedings were planned in accordance with the existing dominant processes and logic within the industry<sup>109</sup>.

This chapter has given an overview of the subcases, the goals of Company X for conducting them as well as the provider-side ecosystem's influence on the structure and proceedings. With this background information in mind, the analysis now moves on to examine the focal aspects concerning customer value formation in the analyzed case.

## 5.2 Participating customers' value creating desires – a focus on customer logics

Considering the characteristics of a JBV and what makes it different from the traditional way of selling new apartments (e.g. Korpela, 2014; Seeman et al., 2019), one might at first assume that this kind of project would mostly gather innovative customers who are highly interested in influencing the outcome of the project and to actively co-create with others in order to get the most out of their future housing. Moreover, this would presumably not only concern their own apartments, but also the other spaces and the broader context of housing, which presumably incorporates besides the physical and functional also, for instance, the social, emotional, mental dimensions of experiencing (e.g. Heinonen et al., 2013). In a sense, it might be assumed that the group of people would be homogeneous with regard to what they look for in this kind of project due to the novelty of JBV in Finland.

Instead, the studied subcases involve customers with varying reasons to participate in the project and with varying behavior; in other words, with differing attempts to create value for themselves. In these processes the group becomes a resource in different ways. In order to generate understanding on customer value

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<sup>108</sup> As will be addressed later in the analysis, customers had varying experiences concerning their roles in the project.

<sup>109</sup> Support for this conclusion was also gained from some of the interviewees. Especially Richard in subcase 2 had relevant experience concerning this type of co-creation activity and talked a lot about the issue of having the dominant process go before the customers and the JBV ideology.

formation and what role the complex group plays in this process, the concept of customer logic is found to be relevant, as it provides a way to understand what the customers aim for and how they want and strive to achieve it<sup>110</sup> (i.e. their sensemaking on the issue) (Heinonen & Strandvik, 2015). Customer logics are thus found to be relevant for understanding what is the resource potential of the co-creating group for participating customers (addressed in the discussions chapter). Moreover, this understanding of customer logics is also found to be relevant when addressing conditions that influence the group actually becoming a resource for customer value formation (addressed later in the analysis as well as in the discussions chapter). Consequently, it becomes relevant to address what different customer logics there are and on what basis they can be identified.

### 5.2.1 How to identify and categorize customer logics

In order to generate understanding on customer value formation and how the group may become a resource in that process, it emerged during the data collection and analysis that emphasis was to be put on identifying participating customers' logics. Customer logics have been defined by CDL scholars as "customers' idiosyncratic reasoning of and their sense making about appropriate ways for achieving their goals and conducting their tasks" (Heinonen & Strandvik, 2015, 478). A customer logic is portrayed as something rather unique to the individual and that exists in the background continuously influencing the way the customer aspires towards her goals. One might ask whether it is of any use to strive to identify something that is this subjective and at the same time rather abstract. Even though this study adopts a perspective where subjective experiencing as well as reasoning is emphasized, in order to be able to say something that is of 'analytical relevance' (i.e. more than merely giving descriptions of each individual view), there is the need to strive for some kind of generalizations within the case. As Heinonen and Strandvik (2015) argue, it is of use to strive to group similar customer logics together, and spurred by that thought, the goal is to identify various logics and to find common characteristics between them.

Identifying customer logics empirically does however, not seem to be that common in literature and at least to the best knowledge of the author, customer logic is a concept that mostly exists on a conceptual level, and empirical studies concerning it are lacking. Looking at the definition of the concept, in order to extract a customer's logic one needs to identify and link together the customer's goals<sup>111</sup> and

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<sup>110</sup> Customer value formation is based on a customer's experiencing that emerges as a result of her value creating (i.e. goal-directed) activities (e.g. Heinonen et al., 2013).

<sup>111</sup> I.e. what the customer strives to achieve, also labelled a customer's need(s) (e.g. Strandvik et al., 2012).

ways in which the customer strives towards those goals (i.e. conducting activities integrating different resources) in a particular service. However, before that can be done, one needs to account for what is meant by a customer. A customer unit can be everything from a single individual to a system of individuals, such as, a family or a group (Voima et al., 2011). A customer logic is referred to as being idiosyncratic to the customer (Heinonen & Strandvik, 2015), which may in accordance with the earlier be interpreted as referring to the customer unit. In this specific case, there are different customer units identified; a co-creating group forms a large customer unit that consists of varying customer (member) units. Looking at these 'sub customer units', there were those consisting of a singular customer, but often there were two adults (i.e. couple or parents) who were involved in making the big investment of buying an apartment and in the case of families potentially also children involved in some decision-making or influencing how decisions were made. Thus, it was not always that clear to state whether they had a joint logic or whether their logics differed and the logic of another was more dominant in the process. Going closer into the dynamics within a customer unit, such as family decision-making<sup>112</sup>, falls outside of the scope of this study. The purpose is neither to quantify and account for how many of the particular logics there are. Instead, the focus is ultimately on identifying various types that are found to exist within the case and to open up those in detail and to discuss them in relation to other customers' logics<sup>113</sup>.

A customer's logic influences the customer's value creating activities (Heinonen & Strandvik, 2015) and hence, identifying customer logics is proposedly about finding commonalities between different activities and goals. The customer is, however, not assumed to always be that well aware of her logic and to be able to communicate it explicitly (Heinonen & Strandvik, 2015), which means that one needs go beyond the customer's goals and activities as isolated instances and to interpret them in relation to each other and the context in which they take place. An important aspect that emerged from the analysis was the question of what is the appropriate level and perspective to look at these issues. Based on the interpretation of both interview and observational data as well as the more informal interactions with involved actors, it became clear that there are various goals and activities; however, one may also find commonalities within them. With regard to the customers' goals, what emerged as an insight was the varying scope

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<sup>112</sup> This has been studied within marketing and consumer research at least since the 1980's (e.g. Belch, Belch & Ceresino 1985; Foxman, Tansuhaj & Ekström, 1989) and until this day (e.g. Epp & Price, 2008; 2011) also in the realm of value experiences (e.g. Arantola-Hattab, 2013; 2015).

<sup>113</sup> It is, however, recognized that looking into the different logics within a customer unit may be of interest for future research.



of the goals, while the behavioral aspect of how to achieve these goals turned out to be an issue of temporality in relation to when an activity is performed.

#### 5.2.1.1 Scope of customer goal(s)

Each interviewee started by telling how they ended up joining the project, which is linked to their subjective purposes. Naturally, the common denominator for all involved customers was, at least from some point on, the act of buying a new apartment. As JBV is something that many are not that familiar with from before, there were some customers attending an information session or DG meeting more due to curiosity than necessary the thought of actually buying an apartment at that moment. As one of the customers from subcase 2 recalls:

*“I ended up [in the project] through my friend who had noticed it from somewhere...and he was intending to go there and I got also excited as I had nothing then at that moment of the first gathering...Because I had heard about JBV before and how quarrelsome people...they are...and then again read from the papers perhaps a bit more positive and neutral information on it” (Joseph, Subcase 2)*

Joseph described that he was a bit of a sceptic to begin with when he went to the first information session, but then he thought that it would be interesting to see how it proceeds at least before money is transferred. To his surprise, he then found the apartment he was looking for, for his retirement days:

*“So I was really sceptic. But then afterwards I thought that let’s see this as far until money has to be put on the table...and then finally when the first plans came I got excited about it because there was precisely that last apartment for me in this life” (Joseph, Subcase 2)*

Even though pure curiosity was the driver for some, in the end, all of the interviewees were apartment-buyers. When it comes to the different motives for engaging in buying an apartment, although it falls outside of the scope of this study to focus on those issues, it can be briefly noted that the reasons often related to customers either occurred or anticipated changes in life situations. An exception of this might be the investors, who are looking to make business, however, there were also investors telling that they had thought or were still thinking that their apartments would perhaps one day become homes for their children, thus relating it also to a change in life situation.

Looking closer at the various reasons for joining these particular projects, the scope of goals varies to a great extent. At the very narrow end are those who are satisfied with the given aspects of the offering thus merely interested in buying the apartment in what could be thought of as resembling the traditional way of buying an apartment. They are satisfied with the offered layout of the apartment, the standard package from where they can choose materials, the price of the apartment, the residential area and so on. As one customer described her reasons for choosing to join this project:

*“I had been actively looking for an apartment for many years already. And when I saw this...I thought that it was cheaper [than traditionally constructed apartments]...Then when I looked at the layout...the balcony was a great plus. And then of course this location and the price”* (Linda, Subcase 1)

When asked to elaborate on the importance of the layout, the customer continued:

*“Well I am a sunbather type of person...This balcony is almost as big as this apartment... And I smoke so it is important also in that sense. But I just think that everything is in its right place here. There are no excess square meters”* (Linda, Subcase 1)

As it becomes evident, she was very satisfied with the apartment as such. With regard to the location, she valued the possibility to take the tram instead of the local train and she had made price comparisons with similar kinds of traditionally constructed new apartments noticing that they were more expensive. Basically, the goal of this customer was bound to the end-result as was planned:

*“I thought that these normal [choices] are enough for me”* (Linda, Subcase 1)

Enlarging the scope a bit, there were also customers who joined the project also due to processual aspects such as being able to influence on issues related to the own apartment. This was expressed, for instance, by one of the customers in the following way:

*“The idea that it is a project which we are a part of from the beginning was tempting... [It is something] that can be followed and that you can influence on”* (Jennifer, Subcase 1)

In a similar way, one customer referred to what can be argued as one of the main thoughts behind JBV:

*“...it was reasonable that it (the apartment building) is made for the inhabitants and not from the point of maximizing the constructor’s profit”*  
(David, Subcase 1)

This can be seen as starting to resemble what was discovered as the other end to the scope of goals. As opposed to those customers merely interested in the own apartment and related issues, there were also customers driven more by the ‘JBV ideology’ and related meanings (e.g. collectively creating better suited housing and/or a strong sense of community). This is well comprised in the following statement made by one of the customers as he describes his thoughts with regard to the DG’s work where emphasis was particularly on making choices with regard to material providers:

*“I think materials were a secondary thing. I think we should have thought about why we live there, and how do we live there as a community. And to think about those services”* (Richard, Subcase 2)

Based on these different viewpoints, it is apparent that at the one end are the customers who have a more narrow goal scope with focus primarily on their own issues and at the other end those with a broad scope of goals and with more emphasis on the communal aspects (e.g. utilizing the knowledge within the group to create something novel with regard to housing or to discuss important matters and their implications that is not possible in traditional apartment buying). Importantly, different customers’ scope of goals can be found to vary between these extremes to a varying degree.

#### 5.2.1.2 Way of behaving

When it comes to the customers striving to achieve their goals, it has been recognized that the customers perform various kinds of activities to a varying degree in both the shared service encounters and outside those in the customers’ own service processes (e.g. Heinonen et al., 2013; Heinonen & Strandvik, 2015; Voima et al., 2011). This was also well recognized in the collected data. The joint activities were to a great extent going to meetings organized by the service provider or later in the project by board of the HC, while individual activities were everything from interacting with particular service provider representatives (e.g. consultant and service engineers) to discussing loans with banks and the project or more specific issues with friends and families. Basically, even though you are not that heavily involved in the decision-making or do not have any bigger goals than getting the apartment, there are still many activities to be performed, such as,

making decisions regarding material choices, ponder about whether you want a sauna or wardrobe, discussing financing with banks and so on.

In order to understand a customer's reasoning for how to achieve her goals, one needs to go behind the single events and activities, and to zoom out in order to identify what is on a more abstract level characteristic for the different ways that the customer (wants to) behave<sup>114</sup>. Through this analysis, it became apparent that there were customers focusing merely on what was needed (i.e. acting once told to do so), and at the other end customers who did or wanted to do much more (i.e. going beyond what was required and taking initiative), thus making the timing of the activities a differentiating aspect that could be utilized to express differences in customers' logics. A good example of this can be found from the joint meetings that I observed although this pattern was also identifiable on a more general level. While many of the customers were following the meeting rather quietly and almost passively not saying anything before they were asked for an opinion or comment, some were more actively discussing and a few of them even making propositions for how to proceed (e.g. one customer proposed that he could arrange the venue for the next meeting where the group could familiarize themselves with different providers' offerings). Consequently, at the one end were those who acted *reactively* and at the other end those who acted *proactively*, with differing timing of activities in between.

### 5.2.1.3 Matrix for the positioning of customer logics

Combining the two dimensions of scope of goal(s) and way of behaving gives the possibility to not only identify but also position different customer logics in relation to each other. Importantly, logics represent the customers' reasoning and sense making, however, they are not always the same as actual behavior<sup>115</sup>, as will be discussed further in the analysis. Figure 16 gives an overview of eight different customer logics that were identified from the data; invisible investor, proceeder, participator, delver, initiative-taker, silent dreamer, group-potentiality maximizer, and visionary ideologist. These logics are based on interpretations of what has been told and seen, explicitly or implicitly expressed. The logics are to be understood as propositions; as hypothetical logics that are proposed to exist in the specific case. They are not to be treated as having definite boundaries, as indicated by the dotted lines, but instead the figure gives a simplified overview and an

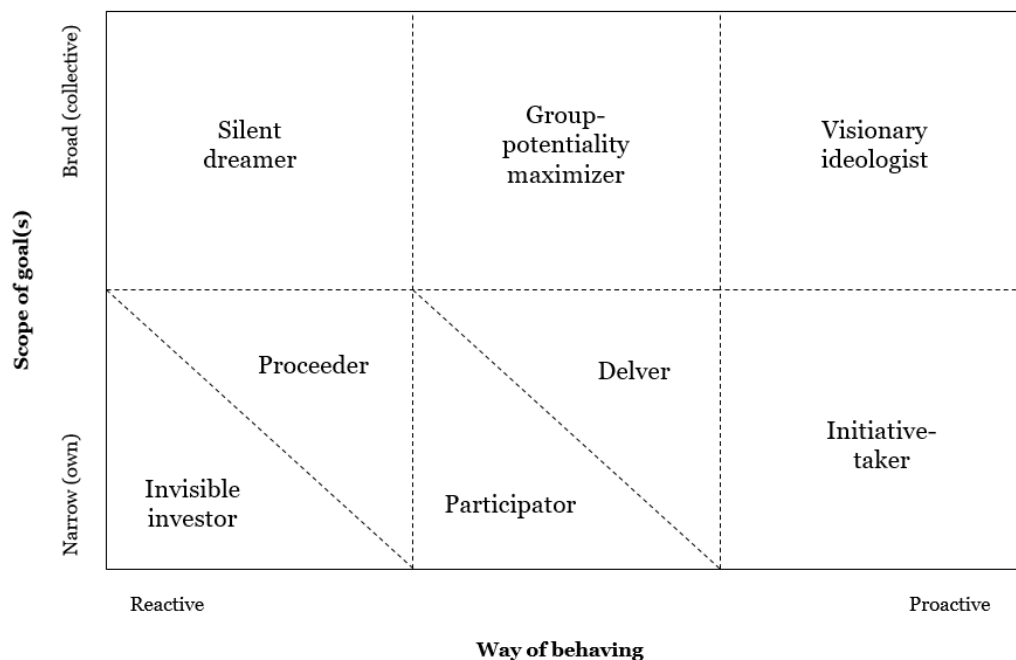
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<sup>114</sup> Interest in this study is on the customer logic particularly in relation to the service process of JBV and hence the customer's prior search for an apartment is not emphasized as much as the actual behavior during the project when striving towards her goals

<sup>115</sup> Customer logics represent the desires and intentions regarding what to achieve and how.

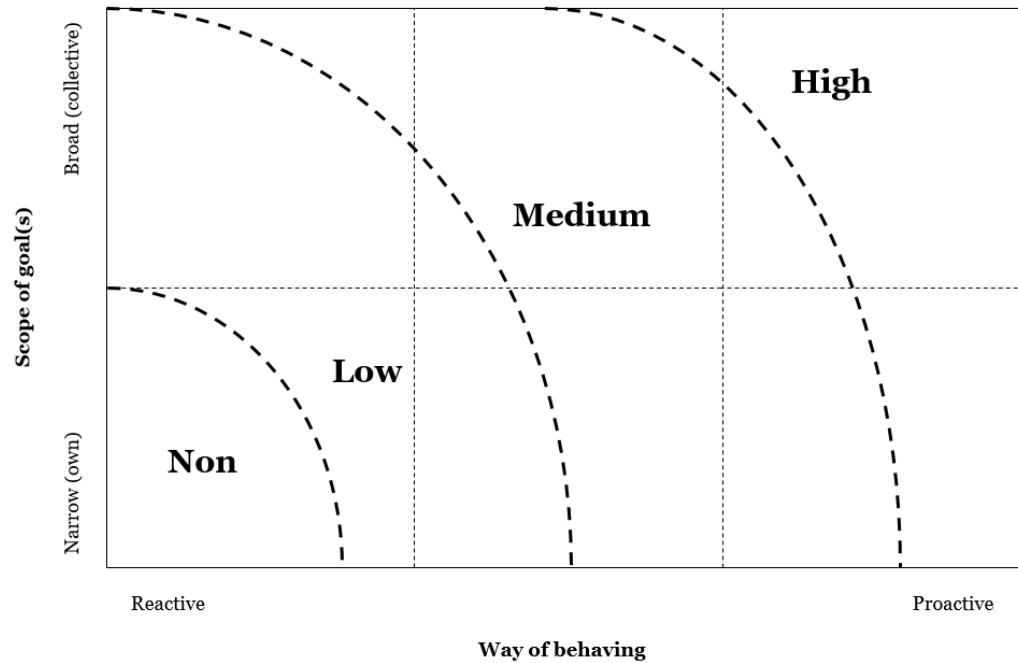
indicative position of that logic. The main point of the figure is to be generally illustrative. One might question why there is eight and not for instance, four logics. This is naturally a question of where to draw the level of abstraction. It is evident that some of these logics have a lot in common and that having fewer logics would be perhaps more parsimonious, however, at the same time if some of these logics would have been left out it would have felt as if important and interpretatively recognizable insights were set aside, thus being more of harm than of benefit for the purpose, which in the end is to present the versatile nature of customer logics in this case.

Another question that one might ask is why certain logics are positioned in particular boxes in the matrix; for instance, is a planner logic actually in the middle box or should it instead be in the right hand box? An assumption made based on the data is that the further away one moves from the origin (corner down to the left), the rarer the identified logic becomes; in other words, there are fewer people with that logic. Thus, there is more density between logics towards the origin and less towards the other ends. As argued, the figure is to be seen as a general illustration and the actual logics could be more precisely pointed out as dots in the matrix, however, then requiring more specification of the dimensions also. That is well outside of the interests within this study, as the focus is instead of presenting and discussing the various logics that have been identified.



**Figure 16.** Different customer logics identified from the case

It was already noted in the discussion on the scope of goals that customers' have a varying degree of desire to influence. As figure 17 illustrates, the level of desire to influence seems to increase the further away from the origin one moves. What is of relevance in this simplified illustration is that the desire to influence is not the same for all the logics found in the same row or in the same column, but instead, for instance, the initiative-taker has a higher degree of desire to influence than a proceeder.



**Figure 17.** The level of desire to influence

Based on these background details, in the following sections each of the customer logic is discussed in more detail starting with those closer to the origin.

### 5.2.2 Identified customer logics

Table 3 provides examples of customers in relation to their logic from the analyzed case who are used as examples in the analysis. For those customers having a number in brackets, it depicts the dynamism of their logic with number one referring to the first stage and number two to the latter stage of the logic.

**Table 3.** Proposed customer logics with examples of customers from the analyzed case

<b>Logic</b>	<b>Examples of customers from subcase 1</b>	<b>Examples of customers from subcase 2</b>
Invisible investor	John (1)	
Proceeder	Linda & Mary	Barbara
Silent dreamer	Patricia	
Participator	James, William, Robert & John (2)	Joseph (1) & Charles (1)
Delver	Michael & Jennifer	Thomas
Group-potentiality maximizer	Elizabeth	Joseph (2)
Initiative-taker	David	Charles (2)
Visionary ideologist		Richard & Susan

***The invisible investor***

Even though referred to as the ‘invisible investor’ –logic, this logic can be thought of as applying to both those seeking a new apartment for housing or as an investment, yet, one may assume that it in the case of JBV would be more characteristic for investors. What characterizes this logic is a focus on merely buying the apartment and not being involved in any of the joint meetings and discussions. It was described by several customers in subcase 1 that there were rather many investors involved in the project, which in fact became a necessity for even having the project fulfilled as there was a difficulty in selling the bigger apartments that were then redesigned to smaller ones, which were bought by investors. Many of the interviewees discussed the fact that several investors were involved and, for instance, Linda told that:

*“...when we...were supposed to present...ourselves to the closest one [sitting around us in the meeting] I think from the four I spoke with at*

*least two were of those who were not themselves moving in” (Linda, Subcase 1)*

James spoke in a similar way in addition to which he gave the impression that not all of the investors were present in the project:

*“...some of them were, as far as I can see, all the way from Singapore or somewhere, so I do not even know if they live in Finland” (James, Subcase 1)*

This makes it worth assuming that there were customers rather distant to the project and the ongoing activities. Within the same subcase, one of the interviewees, who in fact was an investor, told that he was involved in the project already from the DGP, however, he was not going to any of the meetings and was instead passively following from the side.

*“I did not participate in them [meetings], I followed [the progress of DG’s work through]...the memos that came always once or twice a month. Or a couple of times every second month” (John, Subcase 1)*

John described himself as being rather passive towards the work of DG even though he discussed the project sometimes with the consultant (focal provider) and family members. On a general level, however, the impression was that he was merely following from distance what happened in the project. With regard to the purpose of joining the project, he described that the reason for buying the apartment was for it to become an investment at the moment and possibly a future home for his son. John was clearly not concerned with making changes and striving to influence the DG’s decision-making, however, when it was time to sign the documents after the DG phase and to actually buy the apartment, he took part in a meeting and noticed that they were rather nice events.

*“I liked [the meetings] then when I started to participate, so I could have done it already earlier” (John, Subcase 1)*

Following this, John became more involved in the project by joining meetings, which indicates that he shifted away from his invisible investor logic. Even though there are also other customers whose customer logics showed this kind of dynamism, the change in John’s logic was arguably in the more abnormal end as John had been part of the project for quite some time already. John shifted to what is called a participator logic, which will be discussed in more detail under its own chapter.



To summarize on the invisible investor logic, this is characteristic for apartment buyers that are in many ways almost passive when it comes to activities during the service. In addition, they are merely interested in buying the apartment in its very basic form and look for an affordable price compared to other similar apartments. Having identified the apartment of interest, even though it being a JBV project, the invisible investor merely waits for the apartment to be ready.

### ***The proceeder***

Moving a bit further away from the origin and the invisible investor, there is the proceeder logic. Customers with this logic were identified in both subcases and each of the subcases are discussed separately as they are projects of their own with different areas of emphasis. On a general level, a customer who has the logic of a proceeder is more involved in the project than the invisible investor, however, she similarly has a rather narrow goal scope and values when focus is kept and things proceed rather quickly, easily and in an organized manner.

#### *Subcase 1*

A customer with this logic is Linda, who joined the project quite soon after the DG phase and recalling her comments, the layout of the apartment, residential area and price were the main reasons for her joining the project and she was satisfied with the basic choices that could be made. Another customer who thought so was Mary who joined the project among the last before construction started. She also found the apartment as such, the residential area, price as well as the possibility to make a quick deal as reasons for choosing this particular project. Both of the customers were in general satisfied with these goals being met, even though Linda had some minor issues in her own apartment. In addition to that, they both enjoyed the easiness of the project:

*“Usually it was either [Company X] or our board..., as for instance in the case of buying the property, who had made a lot of preparatory work, and then one guy presented it. He had discussed the loan for everyone already...So it was really easy to make the decision” (Linda, Subcase 1)*

*“I think all of the materials were such that they were easy to choose from and they were of quite good quality...I was really satisfied. It was easy to choose from them” (Mary, Subcase 1)*

When it comes to the social and communal aspects that are often linked with JBV, Linda made it rather explicit that she was not interested in those aspects when she commented on an interaction-task they had at one meeting:

*“I am not interested in the neighbors, since I do not do anything with them...I am perhaps not that social in that way...I do talk a lot, but I did not find it any useful” (Linda, Subcase 1)*

Interestingly, Mary thought afterwards that there could be more sense of community in the building, however, she did not view the broader JBV ideology as a goal and it cannot be seen as a part of her logic that she would have striven for these kinds of issues. In fact, it seems that she realized it afterwards that what she seemed to long for was the kind of atmosphere that was in the previous building she lived in:

*“I would in some way like it. In the recent housing cooperative there...lived many elderly people and it was that kind of support-network, rather nice actually. Not too much” (Mary, Subcase 1)*

The customers who are proposed to have a proceder logic attended to a varying degree events where the service provider, other customers and possibly some other actors were present. Linda described the meetings as a necessary evil that one had to go to, however, at the same time she valued the informational aspect of them:

*“I felt a little bit that it (attending a meeting) is a necessary evil that you have to go there and listen to what it going on there” (Linda, Subcase 1)*

*“Well I think you always got very much information from there with regard to where we are going. And that is what I was mostly interested in” (Linda, Subcase 1)*

While Linda valued the informational aspect of these meetings, Mary instead saw them more as not bringing up any new information and hence being irrelevant. She went to a few meetings; however, she told that in the end she was not very actively involved:

*“I probably forgot sometimes that this two year project is also going on here. It just lived its own life” (Mary, Subcase 1)*

This difference in interpreting the informational relevance of the meetings may be due to the knowledge each of them possesses and/or due to the fact that they joined the project at different points in time, Linda earlier and Mary later. Both of them also stated that they did not have the interest or the possibility, for instance, due to their life-situations (e.g. work), to put more resources (energy and time) into the project and to focus on details. This became evident, for instance, when Linda commented the discussion about kitchen hoods in one meeting:

*“...on the other hand, it was good that people questioned since we got the better kitchen hood. But they had probably time to put into it, I have been working all the time and I do not have that kind of [time]. And I did not have any passion to think about specific ceramic tiles or any other things”* (Linda, Subcase 1)

This shows that Linda valued those making the effort in striving to get better solutions for the customers, however, it needs to be understood that she did not value discussions that she considered as being ‘out of focus’ or lacking relevance. When it comes to Mary, she in fact had a friend helping her out with some of the details, as she did not have the time to do so:

*“...[I thought] due to...my life-situation and work...that I do not have that much time to get acquainted with this...He then looked perhaps a bit closer at these and said that just go with it”* (Mary, Subcase 2)

For both of these customers, it is thus evident that easiness in the process was valued. In order to be comfortable and perceive easiness in the process, other involved actors seem to play a focal role. As it will be discussed also later, trust towards the provider and board of the HC also played a major role in being comfortable with the process.

Going back to the relevance of meetings, it can be noted that even though the two customers perceived it a bit differently, what is common for these both is the interest in informational-aspects. The proceeder wants focus to be on important issues that are dealt with and then move on. This straightforward thinking becomes evident in the following quote:

*“I am a person who is really issue-focused. I want things to go like tsap tsap tsap och decisions like this and then home. I did not have the energy to bother myself with some decisions on ceramic tiles or other things and take others’ time from that, as I wanted things to be dealt with quickly”* (Linda, Subcase 1)

Besides the meetings, this became also evident in her comments on the delay of construction, as all apartments were not sold when planned:

*“When I was hoping that we could start constructing now...and then it was like that...the decision to start constructing is not made before all the apartments are sold. And there was time in a way wasted. I do not know if it was necessarily confusing, but it could have gone quicker”* (Linda, Subcase 1)

*“In the beginning a minus was the damn long wait before it then started”*  
(Linda, Subcase 1)

After construction had started, both Linda and Mary told that the rest of the time basically went waiting for it being ready:

*“And then I just waited all the time that I can get here (move in)”* (Linda, Subcase 1)

*“[I thought about] nothing else than getting to move in”* (Mary, Subcase 1)

There were some delays during the project, first before the apartments were all sold and second towards the end when there were some issues with getting materials, and at those moments they were of course harmful things, however, especially Linda pointed out that after a while you do not even remember those negative things.

It has been proposed that the proceeder logic is characterized by a rather reactive behavior and it can be, at least implicitly, recognized in some of the presented quotes. These customers were not actively seeking information, making proposals and so on, but instead they performed the activities they were asked to do, made some changes if they thought they were important and then moved forward. As Linda opens up on with regard to her process on sockets:

*“...when I got the drawings for the electrical sockets I had a look and thought that I need a socket there and a socket there, and then I thought it was good”* (Linda, Subcase 1)

Following this, the proceeder logic is discussed in the context of subcase 2.

### *Subcase 2*

Within subcase 2 and specifically the DG, there was also a customer with a proceeder logic. As with the two customers in subcase 1, JBV was not the reason for this customer to participate in the project, but instead it was about getting an apartment that suites seniors better than their current home, and that is also possible to get their hands on with regard to the housing regulations in the municipality and the price level. They ended up hearing about this project and joining it and the DG more or less due to curiosity:

*"...we thought that that let's try and see what this is, since you can always jump off it as long as money has not changed owner" (Barbara, Subcase 2)*

Barbara told that she was a bit sceptic towards the idea of JBV at first, with the fear of the customers having to take much responsibility of managing the project. When she heard more about the consultancy-led project that was to a great extent planned and where prices were also regulated, it seemed that she was rather satisfied with the situation:

*"The basic package needs to be ready and we would not have joined it if...let's say in the planning phase it would have become apparent that they are all on one- or two-room apartments...There needs to be some kind of...basic plan made, you see what kind of apartments there will be, is some apartment type at all interesting for you...and then that you can, even though you do not know the price, have some [price] range for yourself if you know what kind of apartment you want and you can compare different constructors apartments...but if you go in...so that there is nothing else than the flat then it will not end up in anything, there should be a totally different group" (Barbara, Subcase 2)*

One might assume that being a member of the DG would speak to customers who are interested in discussing and making decisions concerning, for instance, the different basic alternatives, yet, the impression that was received when listening to Barbara and observing her during the meetings was that this aspect was not in fact as focal. This became evident, for instance, when she told about the discussions during meetings, which she described as a being about some customers setting demands on what is to be included in the standard level/package and Company X balancing with these in relation to the price level.

*"Let's say like this that at that point when demands were made...I at least perceived it as okay you can make different demands and let's then see what the price-formation is, like for real, huge discussions about some floor-drain, and all the discussions that were had about aspects with regard to the engineering of the building" (Barbara, Subcase 2)*

What is important to note is that Barbara did participate in the DG's activities, such as meetings and planned the own apartment-type as requested and she even participated in a marketing video that was made. Even though this sounds like she was active, they were all conducted in response to when asked for it. In addition, while she did not discuss easiness as an important issue, it could be sensed from her expressions that not all of the various activities were valued. In fact, she spoke

about in a way that they resembled workload that had to be dealt with. Her mental engagement in the project also becomes evident in when she recalls the decisions made by DG with regard to the joint facilities:

*“...there is apparently some art coming downstairs...and I have not, if I recall correctly, seen the drawings for the shared sauna that comes to the upper floor, even though it has been said that it is of a bit better quality, but I do not know. I cannot say, I cannot recall I would have seen...Then we have talked about a higher quality front door...[however] I do not really know what kind of front door there will be”* (Barbara, Subcase 2)

Moreover, as I observed the meetings, her expressions signaled that she did not enjoy the long dialogues between more active actors, but instead, she would have wanted to move on. It seems that she values a similar straightforward and organized approach as Linda in subcase 1. This became explicit when she commented on how she would have wanted the work of DG to proceed:

*“...I would perhaps have hoped that instead of useless workshop-activity it would have been clearer how this thing actually proceeds and what we can actually get for this price as Company X, who had also constructed subcase 1 earlier, had experience from JBV, and the consultant often referred to the mistakes they made in subcase 1. So I maybe longed for more clearness...from the start on what is the basic level and if the basic level is this, what is then the approximate price in each apartment, some range with let’s say a fluctuation of about a couple of tens of thousands. And if you want higher quality, then it means for the whole building these kinds of prices, since everybody pays for it if there is a better front door...or if we choose Brand X kitchen...then I also pay in a way for all the others’ Brand X kitchens. So some kind of better template [for these variations]”* (Barbara, Subcase 2)

Barbara in fact spoke much about the prices of the apartments and she as well as some other customers had also made comparisons with neighboring buildings. One of the focal missions of the DG was to increase the basic quality standard and interestingly, she perceived that DG was not able to increase that standard and that the apartments were more expensive when compared to what she thought were similar neighboring apartments. There were also customers who thought the other way particularly with regard to the quality standard, which probably reflects the subjective nature of perceived quality or value, as well as the fact that for Barbara the main focus was on receiving a good apartment to a good price. This becomes evident when she describes her view on the project and the DG phase:

*“...people are happy they got on board the project...the point is not JBV per se, but the point is that you get that kind of apartment, and you do not get it unless you join these kind of project...as one reported...they will not get...[an apartment] from this place at this price” (Barbara, Subcase 2)*

This can of course be a bit controversial when referred to her own thoughts with regard to the price, but it reflects her view on why people joined the project and the DG phase. She further elaborated on the role of DG in the following way:

*“...for those who participated in the group, the essential aspect was probably that you can plan and influence the...minimal level and of course to be a part of the project in an early stage when you have a greater chance to actually get the desired apartment” (Barbara, Subcase 2)*

For Barbara, the latter aspect seemed to be more important. Moreover, she saw the DG as a resource for the focal provider that was of relevance for the fulfillment of the project and for marketing communication:

*“I at least perceived the DG-phase to be more of an engagement-phase, meaning that there is a group who are ready to join this and to put money into it, which is...in a JBV project necessary since some group needs to be...committed to the construction project, and then you can also use it in marketing...when the apartments are made public for everyone to apply and that was the case in this project” (Barbara, Subcase 2)*

The fact that Barbara is proposed to have a proceeder logic needs to be understood in relation to the DG context. The picture that emerges from the data is that she is a customer who in the end wants things to proceed in an organized manner with clear structure and themes. For her, the DG is not a forum for informal or detailed discussions, but instead she sees it as an opportunity to have influence on clearly defined aspects and to get a hold of an apartment to a good price in relation to other similar ones.

#### *Summary on the proceeder logic*

Drawing it all together, a customer with the proceeder logic often strives to easily reach her rather narrow goals without putting time and energy into information-seeking and interaction with others. She values if others take charge and responsibility, as easiness is of great importance, however, discussions that are perceived as irrelevant or unorganized yield in negative value perceptions and experiences. An important aspect with regard to the easiness of the process is trust

in the other(s), which may be, for instance, friends and family, provider representatives or other customers.

### ***The silent dreamer***

Towards the upper left corner, one finds the logic called silent dreamer and one customer was identified to have this logic. Similarly, to the invisible investor and the proceeder logics, the way of behaving is also characterized by reactivity and a focus on conducting the activities that are necessary. Even though pointing out that it was interesting to think about the own apartment and how it could look like, she, however, did not consider it of importance giving a straight no as an answer when asked about it. This meant that she did not put many resources into the project, even though opening up for the case being different if there is a next time:

*“One could have actually put [more resources into it]...[and] one could perhaps think it differently the next time. Put more resource into it if one wants to do so. Now I did not in fact put that much resources...I made some small changes and I am satisfied. But, there was the possibility offered to use...an interior designer or similar help...[but] I did not use it”*  
(Patricia, Subcase 1)

She further elaborated on the issue by saying that facelifts in the apartment can be made afterwards when one sees the actual apartment, hence also playing it a bit on the safer side during the project utilizing the standard package from which choices could be made:

*“Then when you see the apartment you can start thinking about if you want to make small changes....I do not necessarily think that I would want to play tricks with the basic things...so you go with the specifications that you have. Or make decisions according to them”* (Patricia, Subcase 1)

However, what sets the silent dreamer apart from the other two logics is the scope of goals. Besides finding a desired apartment in a desired residential area to a manageable price, Patricia highlighted that the JBV ideology was one major factor that influenced her choice of joining this project. It was actually linked to what she had heard and experienced before:

*“Then you could say there was a third major factor, that there is the Malta-house in that area. Two of my boys classmates live there and we have visited them and via that I have become a bit acquainted with this kind of communal construction project. However, the Malta-house is different”* (Patricia, Subcase 1)



With the last line Patricia refers to the fact that the Malta-house was built merely by the inhabitants (i.e. inhabitant-led JBV), while this was a consultancy-led project. Even though recognizing that there were to be some differences, Patricia still clearly had the JBV ideology in mind when entering the project. When asked about what was so interesting about it, she answered:

*“The sense of community. That the inhabitants in the building form a community. Plus that you do not have to be in it. That everyone has an own apartment of course, and that it is not any kind of community-living, that no one comes to live in my home...I started to have that experience that I lived every other week alone. So I thought that it would be nice if there would be something there nearby easily, social contact...Some kind of idea like this”* (Patricia, Subcase 1)

When asked to discuss the positive things about the Malta-house she continued:

*“...having visited friends in the Malta-house...one had seen a bit of their lives. How it is...They have quite gorgeous common facilities. And there was at least at one time even that kind of thing that they had a joint dinner three times a week in the house. You could go there or not. And they had these kind of circulating turns to be the chef...I think I have been there eating once or twice. Then they order some magazines/newspapers to the Malta-house. There is some band-group, small-scale hobby-activity, and some exercise-group. Then in the upper floor...are sauna-facilities and then a roof terrace. And some kind of fireplace room. These can be used by the people in the building”* (Patricia, Subcase 1)

Going even deeper, Patricia was asked to further elaborate on why she considers it to be so good:

*“I think there are many [good] things in it. It brings together the people at its best...they spend a lot of time together. The inhabitants in the building become familiar. Then there is, for instance, if there are families with children...then you have playing buddies in the same place. You do not perhaps have to even go outside. And I think it is a fantastic idea overall. And then of course that the facilities are used”* (Patricia, Subcase 1)

However, Patricia saw the Malta-house as a different kind of project, and this was perhaps strengthened by the fact that she was not involved in the DG:

*“Of course Malta-house is exceptional as the inhabitants of the house have been to a great extent participated in the planning of the building, so they have been able to say what kind of facilities they want. Which there is of course also to some extent also in [Subcase 1]. But the inhabitants have actually themselves thought about what would be smart facilities. And useful. They have been able to influence it and they can then also utilize those facilities. You could in a way think that there are not that many excess square meters” (Patricia, Subcase 1)*

Drawing it together with regard to her, at the moment, current feeling and thoughts, she stated that even though it is not something she is continuously complaining about, she is still displeased with it:

*“It is a pity in a way. I have not been actively complaining about it. But undeniably [it harms] now when I repeated this Malta-house, which is for me this kind of idea type of housing perhaps...Because it was there influencing quite heavily in the background when I choose to join this project. Now again, when I recalled these things it is of course...a shame, but then at the same time I knew that this project is different. It was not a total surprise” (Patricia, Subcase 1)*

What became evident in the way Patricia spoke was the reactivity in her behavior during the project. As opposed to having taken initiative and put effort into driving the creation of a greater sense of community and the use of appropriate facilities for that, she took a more reactive role waiting for others to take charge. This was further noticeable when she commented if she thought something was lacking in the joint events or meetings with other customers and service provider representatives:

*“...the time could have been used also for the purpose of having the inhabitants of the future building getting to know each other...But I do not know, it was not only once or twice as I went there in the last second and had to leave in a hurry when it finished. All the people were then of course in a hurry. But perhaps there could have at some moment been that kind of possibility. And of course so that it would have been told beforehand. Or that they would have asked first if there would be any interest towards this and then organize it” (Patricia, Subcase 1)*

It might be that if there would have been some kind of socializing activity, she would have become more active, as opposed to her evident reactivity. To sum it all up with regard to the silent dreamer, the logic is characterized by a reactive way of behaving and minimal input of resources to the project, however, with a broader

goal scope involving the communal aspect, which in this case is particularly the sense of community that is sought for.

### ***The participator***

Positioned more towards the middle of the matrix in the lower row are two logics that are similar in some ways, however, with some differences between them. As opposed to the proceeder, invisible investor and silent dreamer logics, these logics are characterized by a stronger interest towards being a part of the project and following its proceeding.

Starting with the participator logic, customers proposed to have it can be identified from both subcases; however, the main focus is on customers from subcase 1. From subcase 2, Joseph and Charles could be identified as originally having a participator logic as they were both coming to their first session with the idea of wanting to merely see and hear what the project is about, however, quite quickly realizing the possibilities the project might offer for them leading their logic to change in the very beginning. Thus, Joseph and Charles had the proposed participator logic for a very short time and they are hence referred to more with regard to the logics they were found to have during most of the project.

The participator logic bears similarities with the proceeder in that the scope of goals is rather comparable with customers mentioning, for instance, the good price when compared with neighbor-buildings and the novelty of the apartment as reasons, and one of them further adding the fact that the residential area is close to the city center as important. This became also evident when they told about their thoughts on the end-result, where satisfaction with apartment-related aspects were pointed out, even though one of the customer had some minor issues in the own apartment. However, these customers are not merely focusing on getting things to proceed efficiently, but instead they value the process for other aspects.

Among the interviewees, there was one investor who also was a member of the board of the HC, who found the apartment to be a good investment considering everything from the layout of the apartment to the fact that the HC owned business spaces in the ground floor. Yet, he also pointed out the following aspect:

*“I became probably interested due to the...concept. I had read something about JBV, but they were always these kinds of properties [from which investors are not allowed to buy an apartment]” (James, Subcase 1)*

James was in fact not looking for a new apartment; however, he came across this project and was convinced about it as an investment object, but also found the JBV

concept as being intriguing, even though it seemed that the expectations with regard to it were vague in the beginning. For him, the reasons to actively go to the meetings was in the beginning based on the fact that he wanted to follow how the reservation of the apartments proceeded, as he was interested in the possibility to perhaps buy another apartment. As the project proceeded it seems that he enjoyed following the proceedings of the project and as he clearly was an active investor it was perhaps not a surprise that he wanted to join the board. When telling about his activities in relation to his own apartment and the project as well as when being a member of the board, the overall interpretation of it was that he liked to be a participant, yet, not putting too much effort into it.

Customers linked to the proposed logic also mention the possibility to influence as something they consider being of value. In the case of James, this was not explicitly addressed, however, it is worth assuming that being a member of the board and being involved in making decisions with regard to the building (e.g. what kind of doors there should be to the apartments) James had some sort of interest in being a part of the decision-making. He also referred to how he was a bit disappointed with how the exterior of the building and particularly, for instance, the balconies had been planned by the architect, an insight that emerge for him during the construction when he heard about it from someone who had seen it. As he saw it, when all of the balconies were not in the same line there emerge places for snow and water to gather, and he speculated that there would come a need for service earlier than if it would have been made a bit more simple. Besides showing that James was an experienced investor, it can also be seen as being an example of how he was actively participating in the project and following its proceedings.

In addition, John from subcase 1, the investor who was seen as first having the logic of an invisible investor that was then elaborated into a participator logic, enjoyed to follow the project and particularly to participate in the meetings. When asked about why he started to attend meetings he replied:

*“Well I had to have a look if this is a real project or if this is some scam. And when I went there the first time there were a lot of people...I have been to all the meetings, or at least almost all if I just have had the possibility, after the papers were signed. It is always quite nice to go to the meetings and nice to follow what goes on there and to know about the decisions that are being made. But I have not had a greater need to participate in it” (John, Subcase 1)*

Moving to the inhabitants, when asked about what he thought seemed nice in the project, Robert told the following:

*“...and of course that there was the possibility to influence on the solutions. For instance in our apartment there was originally a sauna included, but we do hardly go to the sauna in our apartment...And we could influence the kitchen materials to some extent...So I think that was an advantage compared to having taken a totally new one [that is traditionally built]”*  
(Robert, Subcase 1)

Regarding the planning of the kitchen, he commented in the following way:

*“There was a dedicated person [at the kitchen provider] who could meet people at three different...places...and when she knew this place, she knew the material options that had been given [to this project]. And she had pretty good ideas. So with that [service] we got to alter our kitchen quite a lot”* (Robert, Subcase 1)

These quotes indicate that this customer had a desire to influence the look of the own apartment, however, being mainly concerned with choosing between surface materials, furniture and equipment as well as making a basic choice between a sauna and a wardrobe. Another customer with the follower logic described it in the following way:

*“...JBV was not the point or reason...it just happened to be JBV...But there were of course some good sides to it that you could...yourself influence on solutions...and the process that [Company X] organized was good”*  
(William, Subcase 1)

*“...if you can call it a goal that you can to a small extent take part in choosing these different materials...But I think it is the same in all the others”* (William, Subcase 1)

In fact, these kinds of changes that are of standardized character (i.e. choose some of these or either or of the alternatives) are rather normal in contemporary apartment buying that follows the more traditional process, at least if an apartment is reserved well in advance. In addition to the material choices, William also discussed the possibility to make changes in the layout or structure, which he thought was surprisingly narrow, yet, at the same time, it became evident that he was not eager to drive these issues:

*“We also changes this layout a bit, but not that much. And then some details. There is for instance a balcony also to the other side, so it was a bit different to begin with and then there came something, I do not remember what problem it was, and now it is a bit worse than the*

*original. So you could to some extent participate in the planning, but...you could not [in the end] do any bigger things. And I am not sure if we would have done that much, did not even recall it, but the spirit was a little bit that there are not that many changes being made here anyway. But all these kitchen things and these kinds of tiles you could [influence on]. There were some choices” (William, Subcase 1)*

When asked about these expectations, he gave the following answer:

*“Perhaps I had some expectations, but I do not know, I did maybe not have the energy anyway to that...I for example wanted to [see] how light comes in here...how it looks with some model, but those were skipped directly” (William, Subcase 1)*

Hence, William had in fact a rather specific issue he would have been interesting in knowing more about, yet, his proposal was turned down or passed and he did not make any further efforts to find out about the possibilities. It seems that even though having these points of interest, he in the end settled for the current situation, thus requiring the provider or someone else to make the effort in order to satisfy the goal.

Going back to Robert, he also valued the fact that they were as inhabitants able to participate in choosing the deputy landlord, a decision that was also made out of a few propositions made by the board of the HC and the focal provider (consultant):

*“...the deputy landlord is the person we are dealing with so I think it is important that we, as customers get to participate in choosing it” (Robert, Subcase 1)*

With regard to the material choices, Robert also valued the fact that they were able to view the different options and visit an exhibition to look at and feel the materials:

*“It was good. First there came a leaflet with the various options...but of course it was printed. It is totally different when you get to look at them a bit in the real life” (Robert, Subcase 1)*

As these quotes indicate, Robert values the ability to be involved in decision-making as a participator; however, he is not indicating a desire to go deeper into the processes of, for instance, preparing these decisions. Following this, the participator is proposed to enjoy the ability to take part in making decisions and on a more general level also to be a part of the group, as will be discussed further, which becomes a major difference from the proceeder and the likes. When it comes

to the meetings and workshops, the participator is, based on the data, portrayed as attending every meeting she can and enjoying the meetings not only due to them being informative from the provider's side, which is a crucial factor, but also due to the socializing aspect and the possibility to hear other customers perspectives:

*“Well of course you started to follow in a completely different manner, in the meetings...how it (the project) then proceeds and what others think about it...The meetings were so that [Company X] told about the proceedings, if there has been any setbacks or delays and as there were often, not nearly all, but many future neighbors, you were able to hear some of their worries” (Robert, Subcase 1)*

Robert further elaborated on the social aspect:

*“Overall, it is a quite remarkable situation that you can see your future neighbors already when the building is being built. Otherwise, you often merely choose the apartment and you do not know anything about the neighbors. So in this you got to familiarize yourself with some of the neighbors beforehand” (Robert, Subcase 1)*

However, it is noteworthy that Robert afterwards added that they have not spent time with the neighbors after the project, merely saying hello when meeting and recognizing familiar faces. This can be interpreted in the sense that he enjoyed the meetings due to the discussions and the atmosphere, which was also described by other customers:

*“I think they (the meetings/workshops)...were pretty good...Or positive events where information was increased and there came this kind of...good feeling of being a part of this system...I have nothing negative to say about them” (William, Subcase 1)*

When the project proceeded into the construction phase, he was sorry for the decrease in these meetings:

*“Then when it started (the construction), all of these...joint events pretty much ended....and you could say that the flow of information was a bit negative in that sense...There were some regular bulletins...but they went past me in a way and they were a bit...zero information. And it was a surprise that we did not have to participate in this pretty much at all during the construction phase. The board handled it and the board handled it good...There is nothing to that, but if you think that this is JBV*

*and you are basically the constructor of your apartment, so this kind of constructor role was lacking” (William, Subcase 1)*

These comments by William clearly indicate that he would have liked to be more involved and following the proceedings of the project more closely.

The last line in his comment can be interpreted that he has not had a greater need to be involved in the discussions and so on, but that he merely enjoys listening to the others and getting information from the project in this way. With regard to this, Robert commented in the following way:

*“...there were perhaps some thoughts brought up that one had not thought about. Someone could ask maybe about the zoning/city planning, the plans that are around [the building] and other things” (Robert, Subcase 1)*

Summarizing on the participator, it is proposed to be a logic that is characterized by an eagerness to take part in joint events and also in decision-making relating to the own apartment (e.g. surface materials, equipment and furniture). When given the possibility to be involved in decision-making concerning the HC, it is also valued. In simple terms and referring to figure 17, the desired level to influence may vary between low and medium; however, the logic is proposedly characterized by a tendency to not put too much time into planning and coming up with various alternatives. Instead, they enjoy the fact that they are able to make choices and to have others come with propositions and ideas. Moreover, the feeling of being a part of the group, being able to follow what goes on and what others think is proposed to be a major driver for a customer having the participator logic.

### ***The delver***

Next to the participator logic is the proposed delver logic. While the previously discussed logics have been characterized in general by a reactive way of behaving (i.e. doing what is requested) with most activities being those in relation to the focal service process from the provider’s perspective, the data reveals that there are customers acting or wanting to act besides that also on their own terms. Thus, this extends to activities not demanded from them. The delver logic hence differs from the participator logic mainly when it comes to the breadth and also the depth of activities that are conducted and it is identified in both subcases. Before looking closer at each subcase, it is argued that on a general level, the scope of goals is in line with the previously discussed logics of the lower row with the apartment (e.g. layout), residential area, and price being important factors. As opposed to the logics within the left column of figure 16, a customer with the participator logic was suggested to value the possibility to take part in decision-making and to have some



influence particularly in relation to the own apartment. This is also argued to be characteristic for the delver, however, she bears an even stronger desire to be involved in the project that is also linked to there being a greater desire to also influence. When it comes to the (desired) way of behaving, a customer with the delver logic is hence viewed as being more active compared to the previously discussed logics, for instance, when it comes to planning and familiarizing oneself with issues related to the project, with activities being more intense and also going beyond what is demanded. Basically, it is proposed that the delver has a stronger involvement/engagement to the project.

### *Subcase 1*

Starting with subcase 1, the customers who are suggested to represent the proposed logic were showing a great enthusiasm towards the whole project and were eager to follow it and to take time to think about their own apartment and how it would be. Recalling Jennifer's comment that was presented in the subchapter on scope of goals:

*“The idea that it is a project which we are a part of from the beginning was tempting... [It is something] that can be followed and that you can influence on”* (Jennifer, Subcase 1)

The proposed delver logic is characterized by a desire to actively participate in meetings and they are valued by these customers due to their informational richness and also due to the possibility to see the other customers and to here other questions that could provide additional information. Importantly, even though it is argued that these customers have a delver logic, it does not mean that they are experts when it comes to construction or interior design. On the contrary, they pointed out having difficulties in understanding and visualizing the apartment merely from drawings and one of the customers felt meetings provided novel insights due to someone asking questions they would have never asked. Instead, the delver logic is characterized by a desire to find out about things and take time to look at things and plan. This kind of stronger desire to be a part of the project and to influence was hence manifested in several other ways than mere active participation in meetings as Jennifer gives an example of here:

*“I personally enjoyed it a lot that I had time to think about what kinds of materials and how the home will look and that kind of imagination”* (Jennifer, Subcase 1)

Going into the project, it became evident that both the customers ‘lived the project’ and were continuously involved in it:

*“We came here [to the construction site] quite often even though nothing had happened here...We came walking to the property as we lived close by and it was really nice to follow when things started to happen. We came here on a weekly basis to see how things proceed here” (Jennifer, Subcase 1)*

Moving towards the end of the project, the customers told that besides being satisfied, at least in general, with the apartment (e.g. as an investment and with particular solutions) and the residential area, they also pointed out the deeper feeling that they had towards the apartment. This can be seen as describing the strong engagement in the project that is proposedly characteristic:

*“...you have not just come to a showing and carried your stuff in after that, but you have in a way built this” (Michael, Subcase 1)*

*“...this has felt like a real home from start. It is not like you have just moved into a house...but you have been able to decide on things yourself and you have paid visits here when it has been unfinished” (Jennifer, Subcase 1)*

Furthermore, one of the customers emphasized the fact that he had learnt a lot during the project about JBV, which indicates a stronger involvement to the process:

*“...just going through it (the JBV contract) is in itself educational. And what kind of aspects you need to consider and where there can be loopholes...at least knowledge has increased” (Michael, Subcase 1)*

When it comes to communal activity and sense of community, Michael and Jennifer were satisfied that there are familiar faces who you can say hi to, however, without there being anything beyond that, which describes their focus being on getting the desired apartment.

### *Subcase 2*

Moving to subcase 2 and the DG, one customer is argued to have the delver logic. Similarly, the main reasons for joining the project related to the apartment, the assumed cheaper price compared to traditionally build similar apartments, and the location of it. However, when he started to tell about their involvement in the project and the DG, it became evident that there was a strong interest in planning and making changes to the apartment and being a part of the project. When observing the meetings, he was involved in the discussions, however, he was not an active initiator, but instead observed what others were saying and eventually

gave a more formulated comment or opinion (as opposed to saying things continuously). This observing and analyzing behavior was repeated, for instance, when there was a voting with regard to desired objects in the stairway and entrance hall; he let many of the others go before waiting to see what they voted on in order to then cast his vote after seeing what others had voted for. Basically, he seemed to make a lot of cognitive effort and to delve into the issues before acting. His wife, referred to as Jessica, was also present at the meetings, however, she did not speak 'publicly' as much, but was instead focused on issues relating to the own apartment and having conversations with the provider representatives.

Going outside the meetings into activities concerned with the planning of the own apartment, it became obvious that this was something they put a lot of effort in:

*“We have first been sketching a bit with a friend who lives downstairs and who was in the same DG and is our old friend. And we had also an interior designer involved in this. We have an old friend who has previously done a lot of work for us and we got her [involved in this a bit] even though she is quite busy. And it was of priceless help”* (Thomas, Subcase 2)

Similarly as with the customers from subcase 1, there was a lack of expertise also in this case, however, with the eagerness to make the apartment as good as possible, the help of outside experts was really valued. In addition, Thomas described how they had assumed that they could influence on structural issues and not only surface materials, indicating the desire to plan particularly with regard to the own apartment:

*“I thought that we could have influenced it more and that it would have started in a way from more primitive plans than they were...I do not perceive that we are constructors by any means”* (Thomas, Subcase 1)

Despite these perceptions, he further made it clear that it is not to be understood as too rude and that he thinks the end-result will be good. Yet, I find that it is a reflection of the desire to make bigger changes particularly to the own apartment that after the DG phase is either not possible or then it is very costly. The latter aspect was also stressed by the customer during the discussion, which supports the notion that they have been actively planning the apartment. Thus, for Thomas and Jessica, this project was to a great extent about being able to get the desired apartment, which led them to become highly involved in the project. Interestingly, this data collection took place right after the HC had been formed and the board chosen and these customers were not applying for a position in it. Hence, one may ask whether it would be a signal that they are in fact not having a delver logic. Having observed the meeting where the decision was made, there were many

qualified candidates and recalling the scope of goals, these customers are ultimately interested in their own apartment hence delving into issues that concern it. Yet, when the project is in a state where everything has been decided upon with regard to the own apartments, it may well be that their logic shifts for the remainder of the project or when they move in as can be assumed to be the case for many others also. This shows that the customer logic exists in relation to something, which in this case is the JBV project, and it needs to be interpreted accordingly.

#### *Summary of delver logic*

What characterizes customers with the proposed delver logic is that they want to be involved in the project putting a lot of effort into it and thus, basically making it a big part of their life. For all of these there is also clearly a desire to influence in how the own apartment turns out and what also connects them together is the great breadth and depth of activities that also extend outside the requested, whether it is the appointment of an own interior designer with whom you plan the apartment on several occasions or making site visits regularly. The proposed logic is hence characterized by a focus on their own apartment with a lot of cognitive effort put into it. While a customer with the participator logic also enjoys to be a part of the group, to participate in events and influence the end-result, the customer with a delver logic is looking to be more strongly involved and to live the project.

#### ***The group-potentiality maximizer***

Positioned in the upper middle box is the proposed customer logic labelled as the group-potentiality maximizer. There are proposedly two customers, one from each subcase, among the interviewees who are argued to having this proposed logic. Similarly as with the silent dreamer, this logic is characterized by a broader scope of goals that goes beyond merely the own apartment and own processes. What is particularly distinguishing for this logic is the view on the group as a resource to be utilized for the benefit of the project.

#### *Subcase 1*

As it has been pointed out earlier, the positioning of these logic is to be understood as directional rather than absolute, something that also holds true in this case. Within subcase 1 there was one customer who is referred to as Elizabeth whose narrative had many similarities to those customers' narratives who were suggested to have the previously discussed delver logic. One of these aspects was the effort put into the project already in the beginning:

*“...we are that kind of thorough to our nature so we acquainted ourselves with the financing model rather precisely...and we knew what we were getting ourselves into” (Elizabeth, Subcase 1)*

*“From the zoning we looked most at what has been planned here. There has in fact been a hotel planned here to the property next to us. And then what comes...opposite to us and what is [being planned] to the shore...Then we noticed that this is going to be built rather densely. Then someone from [Company X] told us that there will be nothing opposite to this building here...and then we thought that this could be [a good apartment]”*

*“...and then we of course looked at the floors; the one downstairs would have been even better since the balcony is broader in its totality, but we were satisfied with this when this was available” (Elizabeth, Subcase 1)*

Similarly as in the delver logic, Elizabeth described how they ‘lived the project’:

*“...we always regularly drove by here and watched the whole construction time how it proceeded...That summer...was really nice when you concretely saw when this grew. And of course besides that were all the time these plans regarding the own apartment, we pondered on the layout and [so on]” (Elizabeth, Subcase 1)*

Elizabeth further implicitly brought up their involvement in the planning when she accounted for their activities in relation to the project:

*“...you had to find out on things all the time, for instance, what is the room height and, when you had not seen the apartment, is there room for another cabinet above the kitchen’s upper cabinets. You had to ask about everything” (Elizabeth, Subcase 1)*

This example illustrates that they were actually putting effort into planning the apartment and thinking about various possibilities, which was sometimes difficult due to the lack of expertise and experience to visualize an apartment that has not been built, thus leading to several questions. However, Elizabeth was at the same time satisfied with the basic package from which choices could be made even though she would have expected more:

*“But it was perhaps a bit surprising that...in the end there were quite specific specifications from where the kitchen and where the bathroom [comes from], so they were particular providers. So perhaps if one would have wanted something very individual-looking it could have become a*

*disappointment, but these options were enough for us” (Elizabeth, Subcase 1)*

Corresponding to the thoughts of Michael and Jennifer, Elizabeth also described how a deeper connection to the apartment emerged, as she was intensely involved in the project:

*“...when you have pondered so long about the layout and the look [of the apartment], so this felt instantly very much like a home and there came that kind of immediate homely feeling, since the project was meaningful in an entirely different way than if you would have bought...a ready-made [apartment]” (Elizabeth, Subcase 1)*

However, what emerges as a differentiator between Elizabeth and the customer suggested to have the participator logic relates to the scope of goals. Even though Elizabeth did not indicate that JBV as an ideology would have been a major driver for them to participate in the project, it became evident in her narrative that there was an expectation and desire for a sense of community that was in the end also confirmed by her when she was asked about it:

*“...I would have thought that it (the interaction with other customers/neighbors) would have been perhaps a bit tighter or that kind of communality” (Elizabeth, Subcase 1)*

For Elizabeth, the importance in having a stronger sense of community seemed to particularly relate to the group being approached as a resource to be utilized by the customers:

*“...one could have longed for more of the utilization of the group and that kind of exchange of ideas” (Elizabeth, Subcase 1)*

She further elaborated with an example of how a strong community could be of use in the future:

*“...[the future] also shows how those warranty repairs are dealt with, if there is some cooperation, for example, which in my opinion would be really smart, that if someone notices that ‘hey here is this kind of issue’...or that a couple of people find that...here is a weak solution or that this has to be fixed, so that the information would somehow circulate and that everyone would check. Because I do not know if there are, for instance, retired persons who would have joined this, but people have so different starting points when they start to fill the list of shortages” (Elizabeth, Subcase 1)*

A similar approach to the group was found in subcase 2 and it will be discussed next.

### *Subcase 2*

Being a member of the DG in subcase 2, Joseph participated in the very first info sessions of the project as he was curious and at the same time sceptic about JBV, as was discussed in the chapter on scope of goals. However, having recognized that there would be the perfect apartment for him in the building, he decided to stay in the project and was actively sending emails and participating in info sessions in order to secure the desired apartment, an activity that was encouraged by the consultants saying that those who are active will benefit. Besides the desired apartment, also the fact that it was to be new, a good investment and the familiarity of the residential area were some other important factors, which resembles the reasons of many others. Yet, there came some communicational issues and the apartment that he thought he had made a reservation on had been reserved to another customer, which resulted in disappointment. However, he decided to stay in the project and DG in the case that the desired apartment would become available, and while that did not exactly happen, what he describes as the second best apartment did become free and he reserved it. During the DG phase, he participated in all the meetings he could, missing out on some due to work, but he also kept contact with the service provider through email. Interestingly, he seemed to discuss issues related to the project with his friends quite a lot, updating what is going on and hearing their views.

Even though it seems that his reasons for joining and staying in the project were mostly driven by apartment-related issues, which then influenced his activities, when telling about the project he implicitly made it apparent that the DG became another important reason for him staying in the project:

*“These people were ready to really put in effort into the building...Overall that people were excited...and they were my type of people...They turned out to be sensible...and I perceived trust [towards the group]”* (Joseph, Subcase 2)

He thus enjoyed the fact that most of the group shared the vision for enhancing the basic quality standard of the apartments, however, he emphasized also that he was not looking to make new friendships in the project:

*“But I am not moving into any community-home, I frankly speaking despise that kinds”* (Joseph, Subcase 2)

However, seeing the rest of the group as sensible people with an interest in actually increasing the quality standard of the building, he probably saw the DG as resource that could be utilized to much more than it was done:

*“This DG was unfinished. I think it could have gone thoroughly through also whether the quality level in the shell is also to be raised. I mean that we are no construction experts, but I for instance think about these huge rainstorms that come...Now we probably go where, you know the building codes so nothing above those, no better than that. And we are after all building a house, so if someone builds a detached house for herself she might very well build it a little bit better and not go where the fence is lowest. We are now going where the fence is lowest in order to get to these square meter prices. So I think this was unfinished. There should have been still that everything would have been taken apart. There was time...or even still is...We have not in the end decided on as much as could be imagined, we are supposedly constructors” (Joseph, Subcase 2)*

His interests went well outside what was intended by the provider with interest in structural issues and not only the surface materials:

*“These people were ready to really put effort into the building, but then we just talk about these surface materials. I was wondering that no one talks about what is there inside...I was wondering with regard to that, I waited, but I did not care to start myself the discussion on whether we should talk about what is inside the shell and not only about what is visible” (Joseph, Subcase 2)*

Using the increasing amount of greater rainstorms in relation to the pipes guiding the water as an example he continued:

*“...the DG could, for instance, have invited an expert to have one event where they would have told about pipes being done according to standards in this way, but that it is, for instance, possible to do it like this, it costs a bit more, but it protects like this” (Joseph, Subcase 2)*

Besides building-related issues, he also saw the need for the DG to be involved in discussions with other HCs in the area:

*“...we (DG) were not involved in negotiating...for instance with the neighboring housing cooperatives about shared spaces, such as these questions about parking spaces. We were not involved in deciding whether there will be electrical charging poles to all parking*



*spaces...Everything comes as given. Good examples are...these parking spaces, so some of them have charging poles, some do not. Thinking about the future [there will probably be a greater need]...but when standards do not require then they will not put them. How costly will it be afterwards? And if there would have been these kinds of meetings, there would have been time to bring these issues up, I would have brought up that what if we would anyway prepare ourselves” (Joseph, Subcase 2)*

It is evident that even though thinking about these issues and being actively involved in discussions taking place, he was not making new openings to these issues even though he considered them to be of importance:

*“...smarter people than me did not according to me think about these things...about the internal structures...You easily become the one who goes against the grain if you start to say, so I do not bother to do so. But I wanted to say in the first...DG meeting if it would not be nice to invite...some DG members [from the previous project] to come and talk about what went good and what went wrong. But I was neither able to open my mouth. Then I thought that interest is apparently more in what color the stairway walls will have” (Joseph, Subcase 2)*

However, this does not mean that he was not trying at first:

*“...there was not as much developing as I would have wanted. I also blame myself for that, why did I not bring it up. But always when I brought up, for instance, this about financing, it was pushed [down] (Joseph, Subcase 2)*

Having observed the meetings and listened to him tell his view on the project, it seems that he was proactive in making questions at first, however, when noticing that there was not much of a dialogue being built with regard to those and when seeing what the emphasis in the project was, he stepped down with regard to that. At the same time, he has continuously been active during the project; for instance, standing for election to the board of the HC and by discussing project-related issues with his friends. Hence, his behavior also has resemblance with the deliver logic, however, sharing the same perspective and desire to utilize the group as a resource, as also expressed by Elizabeth in subcase 1.

#### *Summary of group-potential maximizer logic*

Importantly, this logic is characterized by the scope of goals being broader, as focus is not only on getting the desired apartment, but also on striving to maximize the

potential that is found in the group, whether it is the DG or the larger group of inhabitants. In the former, it can relate to the group acting as a forum for discussion and decision-making on issues that go beyond conventional concerns (e.g. structural aspects of the building instead of surface-materials) and in the latter for housing related matters. When it comes to the way of behaving, this proposed logic is found somewhere in the middle being characterized by an active engagement in the project and related activities, but when it comes to issues in relation to the group's functioning as a resource that needs to be utilized, the customers seemingly do not bring up the matter.

### ***The initiative-taker***

Within the right-hand column, there are finally two different proposed logics. These two resemble each other with regard to the (desired) way of behaving that is proactive. Starting with the so-called initiative-taker, this logic was identified within both subcases, which will be discussed separately.

#### *Subcase 1*

Within subcase 1, many of the interviewees were grateful to the board of the HC for being engaged and taking care of the HC's matters, however, there was also one particular reason that was mentioned by many; the buying of the property on which the house is built. Even though showing this gratitude to the whole board, it became evident during the data collection that this was in fact the work of one man, who is referred to as David.

When it comes to the goals with regard to the project, it was clear that besides the main goals of getting an apartment of their own in a familiar neighborhood to an affordable price, the possibility to influence played a major role with the customer as was already presented in the discussion on different scope of goals:

*"...it was reasonable that it (the apartment building) is made for the inhabitants and not from the point of maximizing the constructor's profit"*  
(David, Subcase 1)

He became involved already in the DG and was actively participating in the meetings:

*"Of course you could have followed its (the project's) proceedings more passively, but we were quite active in these events. We were probably in almost all, either of us"* (David, Subcase 1)

*“There (DG’s events) were...these kinds of information [session]...then there was this kind of participation in the planning and looking for ideas. Then there were these kinds of excursions that we went to providers”* (David, Subcase 1)

He found the DG events as a good way to spend evenings:

*“They were quite nice, those kinds of pleasantly spirited meetings and something little to do during the evenings”* (David, Subcase 1)

After the DG phase when construction started and the HC was formed, he was elected to the board. When asked about the reason for becoming a member of the board, he stated:

*“My motive to participate was that I want that things are done well...And that things would be well dealt with in every way and that you can influence in the best way through that. And it is at the same time interesting to follow the construction project, how it proceeds [and] that you can learn something yourself about the industry”* (David, Subcase 1)

For David, one of the main reasons of joining the project was evidently the price-aspect. He saw JBV as a possibility to get affordable housing with influencing possibilities compared to buying a ready-made apartment (i.e. maximizing the investment). However, what makes his proposed logic the initiative-taker is the following aspect where his search for investment-benefits was combined with his proactive way of behaving. Already during the DG phase, he had proposed that the HC should buy the property where the house is built, however, the provider turned it down, but David did not give up and continued when he became a member of the board:

*“It (the decision to buy the property) was prepared so that we had agreed with the board that reclaiming the property...could be a good idea, but that there is no possibility for that before completion and before the shareholders pay their parts of the loan, when you in a way could partly take loan instead of that, extra loan. But then I decided to act on my own, or I just happened to think...that should I after all ask. Because it will just annoy if you do not even ask the bank. I was wondering how I should ask about it, and I thought that I will make this kind of valuation”* (David, Subcase 1)

He put a lot of effort in making the valuation ending up with a satisfactory result:

*“Then I called the banker...from the bank where we had the current loan...[I thought that] if I now get it quickly then there is still a chance that to get the promise for the loan and to have a housing cooperative meeting...No extra time. But after a short case description he was interested and asked me to send this valuation. And it was such a bid thing that it went to some kind of group’s executive board’s decision-making, but it went there and there came a positive decision. Then they also told that the margin would become lower than was in the previous preparation and that they also lower the margin of the housing cooperative’s loan” (David, Subcase 1)*

After the discussions with the bank, he approached the board with the information and a meeting for the HC was arranged. The meeting decided to reclaim/buy the property. Importantly, the price was also renegotiated by David to better match their valuation. Through this effort, the HC now owns the property and the original loan has a better margin than before, which would not have become reality without the proactive activity of this actor:

*“...I have done it alone, so if I would not have done it no one would have” (David, Subcase 1)*

Listening to his story, it seems that David was continuously thinking off and making new propositions whether it was related to the building or the property, thus acting as a vital driver for these issues. Within subcase 2, there was one quite similar person and his story and views will be discussed next.

### *Subcase 2*

Similarly as some other early joiners, this customer called Charles joined the DG in subcase 2 first out of curiosity. They were looking to sell their home and searching for a newer apartment when coming across this project. Even though being a bit outside the desired residential areas and being a bit skeptical towards JBV in the sense that it is some form of community-living, it still caught their interest to the extent that they contacted the provider and were invited to join the DG:

*“I have sometimes heard about it (JBV), but I somehow got [this feeling] that there is now some community and a lot of club rooms being made...that kinds of things that I am not interested in. But then I found out, I called [Company X] and then the consultant told me briefly what this package is about. Was it perhaps so that he asked me that there is this kind of DG coming and if I am interested in it, and I gave my approval*

*straight away if I remember correctly that of course I am interested in finding out more” (Charles, Subcase 2)*

*“I joined the DG...as I was curious to find out more about it...Overall about JBV and what it means and of course the object was also interesting. At that time I did not even know what kind of apartments there will be...and what sizes and so on. I was merely driven by curiosity...I had all my senses pretty much open as we were selling the own house. It could then be any, this just happened to come across” (Charles, Subcase 2)*

He went to the first meeting with an open mind to hear more about the project and JBV and eventually the possibility to influence and potential for cost-efficiency emerged as interesting factors that were formed into individual goals:

*“More in the way that I go there to listen to what it is about and then it gradually became clear what this model really is, in which way apartments can also be bought. Well, there my interest of course woke that now I can possibly influence more on my own apartment and I can influence on things, which was how this was of course sold to us, that this is JBV, you have the possibility to influence on things. This started to tempt. And of course, there was not yet any idea about prices, but it was implied that this is cost-efficient, so it started to interest...I have built one house myself, indeed a detached-house, not an apartment building, so I knew that this is a possibility to get a personal apartment building flat. That was in fact the springboard that then started to drive this forward and I tied myself mentally to this project at that time...after the first visit” (Charles, Subcase 2)*

When it comes to the DG’s meetings and other activities, Charles was highly active during these making comments, propositions, and in general actively participating in the discussion, which was also noted by other interviewees. Besides an interest in the possibility to influence and an eagerness towards the project, his working background relating to the construction industry aided him in his efforts. He, for instance, ideated and arranged for the DG to have on meeting in combination with a visit to a showroom filled with various providers’ interior materials, furniture, and equipment. This was an opportunity for DG to see different possibilities when deciding upon the standard level of the apartments. During the meetings, he also brought up building-related issues that he thought of as important:

*“So the discussion there [in the meetings] was led, always some theme related to something, and let’s take as an example that I wanted there [in*

*the building] to be a washing place for bikes and baby carriages that was not there” (Charles, Subcase 2)*

One of the core functions of the DG was to increase the basic quality standard and while he thought that the group reached a common understanding that it was worth achieving for, he also thought that he played a role with regard to this:

*“Well of course when I look at my own profession, I have certain knowledge about what is what. With the help of my knowledge, I was perhaps able to initiate questions and I could also lead people to think what quality in something is and what is not, but there were of course also other professionals, [for instance] interior designers, in this group” (Charles, Subcase 2)*

Having observed the meetings, it was in fact apparent that he was an initiator and often guided the discussions. Outside of the official DG’s meetings, he was also one of those who proposed that the members of the DG should meet and discuss each members aims regarding the project and strive to find common ground. Charles also praised the fact that there were different forms of knowledge involved in the DG, which could be, at least to some extent, noticed in many of the discussions taking place. However, when comparing to, for instance, the proposed group-potentiality maximizer’s view on the group as a resource to be utilized to a greater extent, Charles did not express that he would have wanted to see the DG per se as being utilized more. For him, the main focus seemed to be the ability to personally influence and supervise aspects related to the own apartment and the building. This became also evident when construction started and the HC was formed. In order to supervise and secure the quality level of the apartment and building, Charles decided to aim for a position in the board of the HC, and he also got it:

*“I wanted to be in the board, because I wanted to oversee the quality of construction phase. It was a clear intent for me, and when this is ready I have no interest to be in the board. So we are now looking at the things, the small things that we have talked about in the DG, so they should now become reality” (Charles, Subcase 2)*

Besides the realization of the things that DG decided about, Charles sees the board and himself as having a responsible role with regard to the fulfilment of the project and keeping the quality level. He sees that the normal customer in the project has no way of influencing, for instance, in the choice of construction material providers even though the building is being built with their money, and hence the members of the board together with supervisors have a pivotal role in supervising the process:

*“...if we think about that we are five people there [in the board], there are 48 apartments, so they (the rest) are just waiting for it to be finished. They do not know anything about this fuss. They just think that it would be nice to get to move in...So we are now building with their money...Hopefully we can influence on it and we are, for example, going to Estonia to look at our provider of prefabricated elements, what is the quality they make there...So these are the things now when the promises are being fulfilled that they also become reality. And it starts here in the construction phase. So in that sense this kind of JBV, the starting phase was kind of okay, nice to form the group, but when we come to this stage I find that the more important role as being the overseeing eye of the JBV constructor begins. So we are now looking over our own money. This is the interesting side that I find fascinating” (Charles, Subcase 2)*

For Charles, particularly the construction process is of great interest and he values the fact that he can take part in it closely overseeing and following the proceedings. His competence and understanding is particularly linked to the quality level of the building and the phase when the beam of the building is being raised, which has also led him to receive a supervising role with regard to that. This interest towards the project is partly driven by his enthusiasm and understanding towards constructing, but he also seems to enjoy being proactive and taking the lead:

*“Of course when I am in the business or I have understanding about constructing... this just interests me...and of course now when we come to this certain point, it will be nice to get to start reporting to these other constructors, the other shareholders, where we are going” (Charles, Subcase 2)*

When it was time to select the professional supervisors for the different areas (e.g. HVAC, construction, building technology), he was also heavily involved in the process:

*“I went to interview these firms, these representatives...what are their competencies to take on this kind of [project], and you learnt a little bit yourself also” (Charles, Subcase 2)*

#### *Summary on the initiative-taker*

Summarizing on the proposed initiative-taker logic, it is characterized by a highly proactive way of behaving with a great interest in being able to influence. When it comes to the scope of goals, it is hypothesized that a customer with this logic has a more narrow scope, with focus being on issues related to the own apartment and

the building. It is not as much about maximizing the potential of the group or creating a sense of community, but instead the own activities receive emphasis. This logic is characterized by the customer having a clearly defined goal (e.g. increasing the quality standard, getting the property reclaimed) to which she has a clear interpretation (e.g. this is high quality) and towards which she goes in an organized way as opposed to a more open and creative process where the goal may be more fuzzy and thought-provoking (e.g. what could be the future of housing).

### ***The visionary ideologist***

As the last proposed logic, situated in the upper right corner is the visionary ideologist. Among the interviewees, there was one customer (a couple) in subcase 2 who came to the project with a clear ideological stance and they also stood out during the DG's meetings and also further in the project due to their proactive and effortful behavior. When asked about the reasons for joining the project, it offered on one hand the possibility to get a suitable sized home in a familiar residential area with an excellent location to a reasonable price. However, they were also looking for something more than merely meeting those criteria, which became evident in them having turned down hundreds of apartments during their search. What really caught their attention was the JBV ideology:

*“...[through my work] I have been quite a lot involved with end-user services and this housing is one such aspect. And smart homes, and in a ways this IOT, but then also this kind of very user-centered way of looking at things...And so when this JBV came, so JBV as a customer promise fills quite many that are perceived as [important]; what are there, sense of community and you get to influence and cost savings. These are all those kinds that there were quite high hopes on this project” (Richard, Subcase 2)*

He further continued to tell about his experience among these housing issues that were perceived as being of importance when looking for a future home:

*“Then I have also been involved in doing these kinds of housing services...where the sense of communality is really strong and where you think about why you have a guest room when you can take a hotel room from the housing cooperative. And why do you have a sauna when you can use that kind of really nice sauna [that is shared by the inhabitants]. We also had this kind of thinking that this could be a cool thing, the JBV. So it started from us being really excited about that we are now able to influence our housing environment. And we were also looking a bit for the*



*sense of community and a good gang. That is probably the starting point approximately” (Richard, Subcase 2)*

The way Richard told about his experiences reveals that he put a lot of cognitive effort to the process, continuously interpreting and reflecting on occurrences in his surroundings, for instance, during the meetings:

*“...we went of course very excited to the DG’s meetings because it was really nice to see the people who are there. Quite soon there emerged that kind of [feeling] that it is nice to do those things at least with those people...It was really nice that we got to know our neighbors already...But I was a little bit like ‘ahaa, where are the families with children?’. It was quite a homogeneous group, but very nice people” (Richard, Subcase 2)*

While being satisfied with the members of the DG, the same did not occur with regard to the focus of DG’s work (i.e. its tasks) as Richard wanted to go beyond the visible and to utilize the group as a resource for thinking about the meanings related to housing and as a social resource when living in the building:

*“We went quite quickly into the materials, and I was like left with a ‘what?’. The materials were in my opinion a secondary issue. I think we should have thought about why we live there and how we live there as a community. And think about those services...So I was in a way a little bit disappointed with that why do we talk about kitchen worktops and ceramic tiles and this kind of stuff. Why do we not talk about the set of values and the philosophy and you know, what is communality, we did not talk at all about those things” (Richard, Subcase 2)*

Richard can be seen as viewing the DG almost as a forum for innovation where the dominant ways of doing things are questioned with the intention being to go beyond them looking for possibly novel and meanings that aid positive value formation when living there (e.g. increased life quality). Referring to the previously presented, an example of this could be that a club room or a part of it can be transformed into a guest room for visitors, which makes it possible to have smaller homes with cheaper costs without visitors needing to stay at a hotel. One of the bigger themes is seemingly communality or sense of community, how to build that, support its emergence and growth. Basically, Richard is looking for the DG to take a holistic approach to the phenomenon of housing and together reflect on it, which can be seen as representing the very broad end of the scope of goals dimension.

Interestingly, Richard was not only concerned about what he and his wife Susan desired there to be in the building, but also what other types of inhabitants may

value. During the meetings, they brought up on several occasions that when, for instance, planning how the layout in their apartment would be, they also thought about, for instance, families with children and what needs they may have as they saw their apartment to be of that size that it might interest families. Approaching things from others' perspective was also evident in his narrative when he told that he was concerned about the DG forming a group or community of their own to which it might be difficult for the rest of the inhabitants to come in:

*"...they (other members of the DG) were not interested in the community, but they were interested in their homes...Surely, the group is formed there. I was then just thinking...that how does it feel for the guys who come later to that [project], that there is this kind of DG, who, not whisper together, but you know a bit like [are a group of their own]"* (Richard, Subcase 2)

Moving from scope of goals towards the (desired) way of behaving, this proposed logic is characterized by a strong proactivity, which there were many examples of in the data. When it comes to the meetings, Richard and Susan were actively participating in discussions and coming with propositions and ideas, however, what truly shows the extent of their proactivity is their continuous search for ways to get things done in accordance with their goals, which one example is given of here:

*"Now the latest was then when...we wanted...this kind of glass wall to the sauna. There was a glass wall, but she wanted another wall so that there is also a window. Well, there came [this answer] that a window is not possible. And we were like 'why is it not possible?'. Well then the glass provider, we went to their sites, they had a picture where there is a window. This is how it is done...picture was sent. Well, they said that it is not possible as there was illustrated this kind of supporting structure that needs to be bolted into the ceiling and everything else, it is not possible. But now it is possible to make the glass wall like this, that it is supportive enough...But if [Susan] would not have put effort into this we would have never gotten it"* (Richard, Subcase 2)

This is one of many similar efforts by Richard and Susan:

*"There are many of these kinds in the background...You can influence but it is the result of quite a lot of hammering. Now I heard yesterday that one of the service engineers was really pleased that 'hey, that is true, it can be done', she did not know it neither. Now we get the kind of sauna we want, but let's say that if we would have got stuck at the first 'no' we would not have got it"* (Richard, Subcase 2)

One aspect that they also put a lot of effort in to alter was the layout, with Richard estimating over a hundred hours being used. One of the core aspects in order to make changes to the layout was to get certain type of beam installed in order to make it possible to at least make some alterations. As it has become evident in previous discussions, the possibility to make structural changes was low, and hence, the following effort by Richard and Susan describes well the efforts they made:

*“...it was probably a surprise that the apartments were already planned. It was surely that kind of big thing. It then caused that that we had to draw them all again. Or not completely, but there are those boundaries and we did it within them. And as the boundaries changed all the time, then the plans also changed. So there is perhaps one thing where we would have wanted more freedom. But we have solved it very good...We get a functional beautiful home there and that is good, but there was a bit that ‘what is the degree of freedom?’” (Richard, Subcase 2)*

*“And what was really good for us was that we got rid of the supporting walls. That the beam came. It saved us to stay; otherwise, we would have dropped out. It was extremely important that we got it, that there would be more freedom in placing the walls” (Richard, Subcase 2)*

Besides making efforts to their own apartment, as mentioned they also showed interest towards the other customers’ perspectives and needs, which also is reflected in that they offer to help other customers with their planning and would be eager to also share to the others ideas and solutions that they have used. An example of their openness was Susan discussing their plans with a neighbor:

*“...Susan went through our apartment with the [neighbors] above and they had announced that they want a similar kitchen” (Richard, Subcase 2)*

In addition to that, Susan was elected to the board of the HC and she has also offered her help to plan the interior of the club room, which she has been given. Even though she has received a more official role, Richard is also proactively helping and being involved in issues related to the building where his expertise can be used. Finally, as with many of the other logics, living the project is of great importance for the visionary ideologist. Yet, while many of the customers merely said that it would be nice to get more information, Richard, for instance, came with various ideas and propositions on what could be done and how. These are all further examples of the proactivity that characterizes the proposed visionary

ideologist logic, but also the scope of goals that goes well beyond the own apartment.

### ***Summary on customer logics***

Drawing it all together, eight different customer logics have been proposed based on the empirical data from the two subcases and all of the interviewed customers can be positioned within one of the proposed logics. Importantly, these logics are not to be understood as absolute and generalizable, instead they are suggested to be found within the case. One might also identify logics that are even more detailed, presumably all the way to an individual level, and at the same time, one might cluster some logics together to form types that are even more abstract. However, these different logics that have been proposed are argued to be of relevance in proving a point in accordance with the purpose of this study. Instead of speculating on whether there could be more or less logics, the proposed logics illustrate the heterogeneity that can be found when going under the surface and striving to understand what a customer wants to achieve and how, while at the same time offering a sense of controllability and analytical as well as managerial relevance. In other words, this level of analysis is thought of as being more or less optimal considering what is being studied. Table 4 presents a brief overview of each logic.

**Table 4.** Brief descriptions of each proposed customer logic

<b>Logic</b>	<b>Main characteristics</b>
Invisible investor	<ul style="list-style-type: none"> <li>• Highly reactive (almost passive)</li> <li>• Focused on getting basic apartment</li> </ul>
Proceeder	<ul style="list-style-type: none"> <li>• Does not want to put in much effort, enjoys when others take charge</li> <li>• Wants things to proceed quickly/in an organized manner</li> <li>• Focused on issues relating to own apartment</li> </ul>
Silent dreamer	<ul style="list-style-type: none"> <li>• Does not want to put in much effort</li> <li>• Desires communal activity/strong sense of community</li> </ul>
Participator	<ul style="list-style-type: none"> <li>• Enjoys being part of the group and taking part in joint meetings/events</li> <li>• Enjoys making decisions concerning the own apartment and also the shared aspects of</li> </ul>

Logic	Main characteristics
	housing, however, not interested in being involved in planning/coming up with ideas/alternatives
Delver	<ul style="list-style-type: none"> <li>• Desires to be highly involved in the project especially when it comes to the planning of the on the own apartment</li> <li>• Puts in a lot of cognitive effort as well as time and money to the planning of the own apartment</li> </ul>
Group-potentiality maximizer	<ul style="list-style-type: none"> <li>• Actively engaged, yet, not proactively making suggestions</li> <li>• Broad goal scope that goes beyond receiving the desired apartment to the utilization of the potential that is found within the group</li> </ul>
Initiative-taker	<ul style="list-style-type: none"> <li>• Proactive way of behaving and strong desire to influence</li> <li>• Focus on own issues and interests as well as a systemic way of advancing them</li> </ul>
Visionary ideologist	<ul style="list-style-type: none"> <li>• Proactive way of behaving and strong desire to influence</li> <li>• Broad goal scope going beyond getting the desired apartment to also involve a desire to develop and utilize the strength of the community</li> <li>• Open dialogue among participating and linked actors desired</li> </ul>

While a customer's logic captures her desires concerning what to achieve and how, there emerged also other relevant desires considering the value creating activities. Gathered under the umbrella of 'need to concretize', these issues are deemed necessary to addressed before moving on to deal with group- and ecosystem related factors influencing customer value formation.

### 5.2.3 The need to concretize

Analysis of the data brought up the issue of concretization, which influenced the customers' value creating activities and consequently the group's functioning. This became apparent especially concerning the high investment nature that

characterizes apartment buying as well as the need to (virtually) experience spaces, furniture, equipment and materials.

#### *Influence of the investment nature*

The buying of an apartment is presumably for many one if not the biggest financial investments they ever make. Considering the nature of JBV, one may also find that the customers' are investing besides money also other resources, such as, time and energy into the different phases (e.g. the planning of the apartment). Based on the analysis, this investment nature can be recognized from the case and it is proposed to have an influence on the customers' activities and consequently the functioning of the group.

In all of the narratives, customers pointed out the aspect of price. Affordability compared to similar apartments in other buildings and getting more for your investment were popular reasons for being interested in JBV and/or this project in particular. While some customers were satisfied with the fact that Company X had roof prices for the apartments that were guaranteed<sup>116</sup>, some customers would have wanted to see more precise financial details in the budgets as well as in the actual finances. When observing the DG's meetings and the information sessions organized in subcase 2, the financial aspect was in principle always raised up as an issue by customers regardless of their customer logic and how long they had been involved in the project. As these events took place in the early phases of the project, one of the biggest concerns for the customers was that they did not receive fixed prices for the apartments, but were left with estimates at the best. Due to the prices being unclear, the customers had a hard time understanding the size of their monetary investment and the influence that changes made to the basic package had on the price of apartments. The effects of this seemed to be that, at least in the DG, some of the customers were not able to or willing to fully focus on issues such as surface materials or apartment layouts, as they often came back to the financial issues. Knowing the size of the investment and whether one is able or willing to make it thus emerged as a fundamental question that needs to be answered in order for customers to be able to free their mind to think about other issues.

This, however, does not mean that there would not have been any other discussions than financial ones before the size of the investment was revealed. While it was noted that during the DG meetings, Company X always had certain themes that were discussed (e.g. bathroom furniture), the discussions and questions often became really detailed (e.g. the type of drain or showerhead be installed) with some members considering those to be of greater and others of

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<sup>116</sup> Company X would cover sums exceeding the roof prices.

more minor importance. What characterized these detailed discussions and the directions they took is that the involved actors seemed to consider those particular issues to be of great importance often due to a previous experience (e.g. this supplier of showerheads is good because I have had good experiences with it). Leading to discussions that were not always easy to manage and with focus often put on minor details, this arguably reveals how important investment this is for many of the customers. Particularly, those customers who desire more from the apartment than merely the basic package are ready to really put effort into getting through their preferences and ideas. Thus, besides the high financial investments and presumably at least to some extent driven by that, some of the customers end up investing also a lot of, for instance, time, energy and knowledge into the project. Basically, the customers want to get as much as they can for the price they are paying<sup>117</sup>.

Thus, even though the investment nature is evident throughout the data, there is a variation in how it manifests, which can be further linked to the varying logics of the customers. Yet, on a general level, some basic clarity with regard to the investment seems to be needed for many of the customers in order for them to be able to proceed with regard to the project (i.e. commitment<sup>118</sup>), but also mentally in order to 'free up space' for thinking about other issues.

*The need for (virtually) real experiencing of spaces and objects*

Another issue that arose in relation to the need to concretize was about the need to experience spaces, furniture, equipment and materials concerning especially the own apartment. Many of the interviewees pointed out how they had a hard time visualizing the space:

*"...you had to find out on things all the time, for instance, what is the room height and, when you had not seen the apartment, is there room for another cabinet above the kitchen's upper cabinets. You had to ask about everything, that 'well aha' they have lowered the ceiling in the kitchen, well those little cabinets, for instance, do not fit there anymore...A lot of those kinds of issues for a layman when you are not familiar with visualizing spaces. So you are not even able to ask about those things that, for instance, influence the kitchen plan" (Elizabeth, Subcase 1)*

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<sup>117</sup> Although customers end up investing a lot of time, energy and effort, it does not automatically mean that they get what they want, as this takes place in a group setting. With potentially differing opinions present, tensions between customers and customers and provider representatives may emerge.

<sup>118</sup> 'Do I make the investment and stay in the project or not?'

*“...when there is this kind of building, this kind of project, so there was no exemplary apartment where you could go and think. You are much dependent on your imagination and the sales photos, which then turned out to not match the reality”* (Jennifer, Subcase 1)

This latter quote by Jennifer can be seen as linked to what was seen as positive by many customers with regard to the showroom consisting of different materials. Many seemed pleased with the fact that they were able to go there and have a real look and feel the materials:

*“It is totally different when you get to look at them a bit in the real life”* (Robert, Subcase 1)

Making a model home is perhaps not the cheapest option and some customers were instead wondering about whether it would have been possible to get a computerized 3D model of the apartment as help. There was basically one customer in the whole case who had the appropriate tools to visualize the apartment on the computer as one of them was an interior designer. However, for the bigger part of the customers who were not able to get a better visualization of the apartment and who lacked the familiarity, expertise and/or tools when it comes to visualizing meant that there also came (unpleasant) surprises:

*“Well, then there also came surprises that even though you had familiarized yourself really well with the layout, the JBV contract, these façade- and yard plans and everything you could get to your use, surprises still come when you are building that then are really harmful and of course cause, at least a momentary, bad mood when some pipe is drawn at another place and then you notice that some big cabinet, electrical cabinet is situated, for instance, in the entrance hall and it takes up a certain amount of the wall...You cannot visualize everything”* (Elizabeth, Subcase 1)

*“Things could be made a little bit simpler in the shell. There are some totally unnecessary curves in the balconies in the upper floor and the roof has been a bit difficult to make, and I guess it probably causes then some kind of need for service and fixing...in later years...No one understood them at that stage, it was not until later...everyone focused on their own apartment and of course not even the board...could read the drawings and even if it could there would have needed to be in a way negotiations and discussions on whether we apply for construction permit and who pays and almost an impossible spot”* (James, Subcase 1)



Similarly, Linda in subcase 1 was harmful when it came to her bathroom where she could not imagine that there would be a big cubicle in the roof and that that cubicle could have been covered with the laundry closet she wanted:

*“I think she should have said that let’s do the closet so big that it covers the whole upper cubicle. Now there is this strange gimmick. And I think it should have been about the kitchen salesperson’s expertise and not mine...as I did not know what kind of gimmick there would come there”* (Linda, Subcase 1)

When it came to furniture in the bathroom, William in subcase 1 found it difficult to understand the sizes in real life:

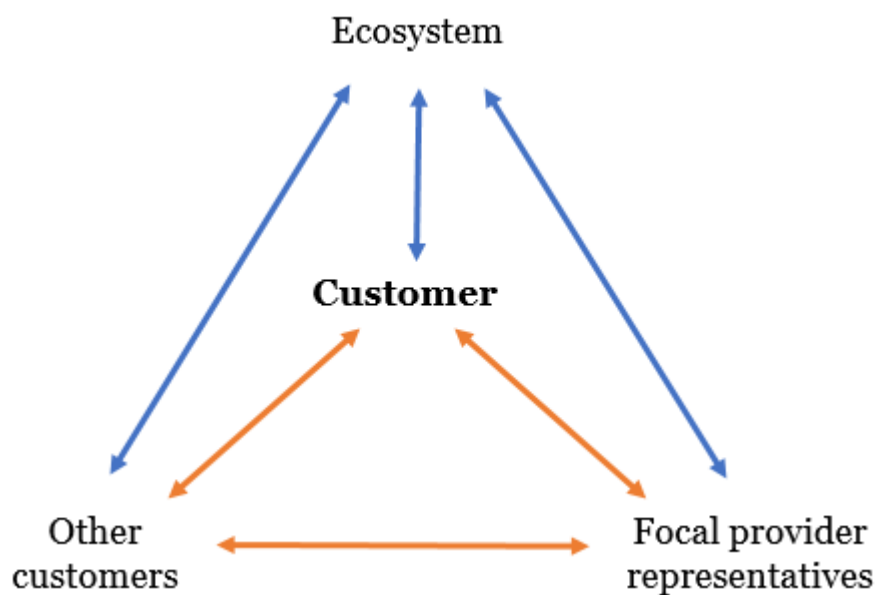
*“...normally it is like you buy a ready-made apartment that you see how everything is in, but here when you chose them yourself, they could have somehow told the measurements a little bit better...for instance, there is...the mirror cabinet like this and the sink there so you cannot practically wash your face as the space is so tight there...these kinds of functional issues that should be clear for the planner...And there is space for a better solution”* (William, Subcase 1)

Also during the DG meetings in subcase 2 these issues emerged. When it came to surface materials, furniture, and equipment, many appreciated the visit to the showroom organized in relation to one meeting. However, the visualization aspect was something that was missing as the customers only had the two dimensional layouts for the apartments. This caused issues with regard to understanding, for instance, the sizes of the windows (do they go down all the way or not), which made it difficult to plan the apartment. Basically, while dealing with a three dimensional space, the customers were left with two dimensional drawings. This does not only limit itself to issues with what does fit and what does not, but also sockets, where you can hang things and so on. Similarly as with the investment, the need to visualize somehow seemed to act as a block, which meant that if a certain issue in the apartment was not clearly defined for the customer (e.g. the size of the window), the customer was not able to move forward to think about aspects in relation to the space.

To summarize, the need for concretization is found to be evident in at least in two distinct form; the investment nature, and the need for real, sensory-pleasing experiencing of the spaces and relevant objects. These questions seem to be fundamental for some customers as they are almost not able to move beyond them if they are not clearly answered. It is if the issues are echoing in the back of their heads, thus decreasing the effort they are able to (i.e. hard to focus) and/or willing

to (e.g. why bother when you are not sure whether you are staying in the project) make; in other words, it influences the customers' commitment to the project.

Until now, the analysis has been concerned with understanding customers' desires in their value creating efforts. However, in order to actually understand what influences customer value formation and how a group can be a driver in this process for its members (i.e. act as a resource), the customers desires and activities need to be analyzed in relation to other relevant group constituents as well as contextual factors. Figure 18 illustrates the high relativeness and contextuality that characterizes the case and co-creating groups in general. It also provides the structure for the following discussions where focus is first put on the customer-group interchange (represented by the orange arrows). After that, focus is put on the relation between a customer and actors in the surrounding ecosystem that are relevant for her value formation and where the co-creating group also has an influence (represented by the blue arrows).



**Figure 18.** The high relativeness and contextuality within the case

Based on the findings from the case as well as supported by relevant theory, focus on the intra-group level is particularly put on the customers' logics in relation to the roles and the other customers as well as the focal provider's efforts.

### 5.3 The customer-group interchange – a focus on logics in relation to roles and on value co-creation through interaction

When it comes to understanding group-related aspects influencing customer value formation, it becomes necessary first of all to address general issues concerning the dynamic nature of the analyzed groups. This relates especially to the sensitivity of the group composition (i.e. who is involved) (Arrow et al., 2000), since depending on the individual-, relational- and collective goals (Epp & Price, 2011), the group's functioning and development was found to take a certain direction. Besides their sharedness, the goals also varied depending on the group in question. To exemplify, in subcase 2, Company X had a clear vision that the DG would focus on surface material choices and the layouts of the apartments. This led to the increasing of the quality level of the basic package becoming a collective goal that influenced the group's coordination network and functioning. This did not take place 'harmoniously', but instead, customers were acting in different ways, had different views on how to reach this goal and what is of high quality. Outside the provider's control, for instance, in the board of the HC in subcase 1 there was a clear focus on maximizing investment-related benefits, as there were several investors and at least one inhabitant<sup>119</sup> with similar interests. Thus, focus was put on issues, such as, buying the property, searching for good tenants to the business spaces, renting of unused parking spaces to outside-actors and turning the clubroom into a rentable space. Thus, for instance, creating a sense of community in the building was not focused on.

While, Company X had a great role in influencing the process by setting the focus and boundaries for the events and in the bigger picture for the whole project, the actual group activities occasionally turned out to be rather different. As an example, there were three similar<sup>120</sup> info sessions on consecutive days organized in subcase 2. The only thing that differed were the participating potential customers, however, it had big effects; for instance, the amount of questions asked, their content, and way in which they were presented varied. Consequently, the discussions took different paths and even though the planned structure was executed, what happened in between the different steps differed at least to some extent. Besides influencing the focus and path of development, the group compositions was found to influence the spirit or atmosphere within the group (positive or negative) as well as the spreadness or (im)balance of information.

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<sup>119</sup> David (initiative-taker logic) who focused on making a good investment (e.g. buying of property).

<sup>120</sup> The meetings had the same planned structure, the same provider representatives speaking the same things and the meetings were held in the same room.

What is also important to note regarding the analyzed groups is that although company X had a managerial role<sup>121</sup>, some of its representatives (e.g. consultant) became closer with the customers<sup>122</sup> (i.e. open boundary transactions, Arnould & Price, 1993). This was manifested, for instance, in the consultant's talking about 'our project', reserving money for making the shared spaces nicer and convenient, the presence of humor, and it also became evident in personal discussions. In addition, some customers spoke of how they felt that Company X's representatives who were involved in the project really were on the customers' side and tried to help out in many cases<sup>123</sup>, something that positively influenced their value formation. Drawing it together, even though having the managerial role and leading the project, for some customers it seemed that especially the more involved consultant and the service engineers became almost as friends during the project.

Having clarified for the dynamism that characterizes co-creating groups, focus in this chapter is put on intra-group conditions that are found to be focal in influencing participating customers' value formation. Interest is thus on relevant local dynamics that emerge from the interplay between members, activities<sup>124</sup> and resources as well as the global dynamics arising over time and reciprocally influencing future local activities (Arrow et al., 2000). What emerge as particularly intriguing concerning customer value formation are the influence of the customer logic-role relationship, the demanding nature of communication as well as the relationships between participating customers.

### 5.3.1 Customers' logics in relation to their roles

Concerning intra-group conditions influencing customer value formation, what emerged as one of the focal issues from the data was the relationship and congruence between customer logics and roles. Different customer logics have been previously proposed based on the analysis with roles becoming the counterpart for them. Recalling previous discussions on social roles, Akaka and Chandler (2011: 251) defined them "as a set of practices (repeated activities) that connect one actor to one or more other actors" and this was further elaborated

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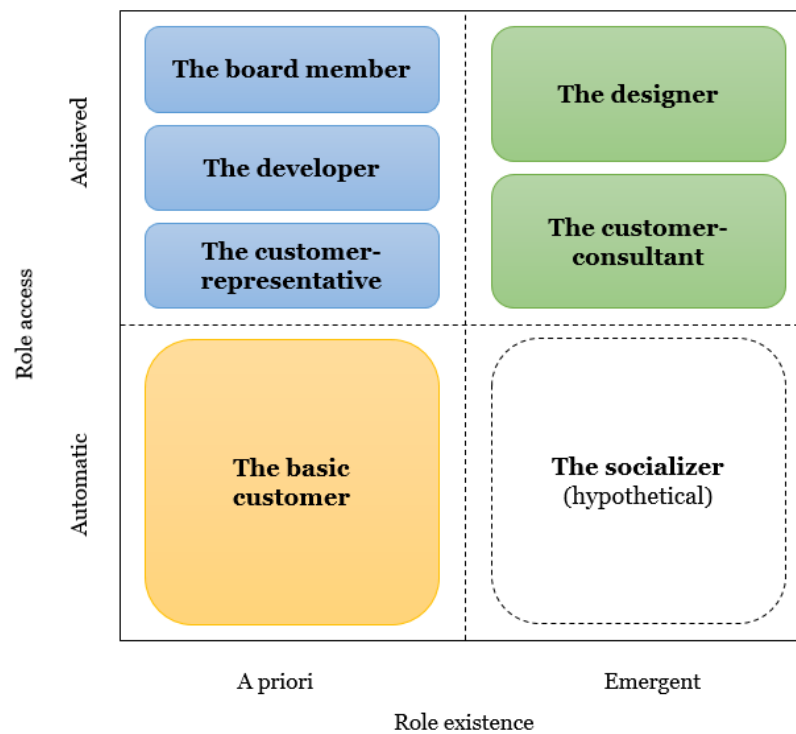
<sup>121</sup> Company X's managing efforts were perceived differently by the customers, which will be addressed e.g. in chapters 5.3.1 & 5.3.2

<sup>122</sup> At least to some greater extent than what could be assumed to be the case traditionally in service processes.

<sup>123</sup> Although there were opposite opinions, in the big picture and from the customer value formation perspective, it seemed to be important that the consultant and others from Company X as well as members of the board of the HC were eager and gave everything for the customers.

<sup>124</sup> Importantly, activities are not to be limited merely to what the provider expects the customers' to do (i.e. tasks), as the customer may perform other activities that form dynamics within the group.

based on the group constituents to consist of the tasks and task-resources related to a particular group member (Arrow et al., 2000). Hence, while customer logics concern the customers' desired ways of behaving in order to reach their goals, roles are planned by the provider and describe what a member is intended to do and with what that is done (i.e. providing access to relevant resources, Grönroos et al., 2012). Consequently, this logic-role relationship was found to be crucial for customer value formation, but also the participating customers' expectations concerning their roles.



**Figure 19.** Identified and hypothetical customer roles in case

Having observed the events where the representatives, particularly the consultant, of Company X described particularly the project in subcase 2 and in general their take on JBV, some planned customer roles could be identified and support for that was found in the interviews and more informal discussions with the service provider's representatives as well as with the customers themselves. In order to categorize the different roles identified in the projects, two following two dimensions emerge as focal. First, already from the beginning of the data collection, it became evident that there were different customer roles; however, particularly when following the proceedings within subcase 2, also novel customer roles were introduced. Thus, it can be said that while most of the customer roles were pre-defined or existed a priori, there were also, at least two, customer roles that were emergent meaning that they were established during the JBV project in

subcase 2. As another important remark, some roles were identified as being more ‘automatically received’ by all of the involved customers, while some roles had a ‘limited access’ and thus needed to be achieved by the customer. Based on these two dimensions of ‘role existence’ and ‘role access’ figure 19 illustrates the matrix in which the various roles are found. These different customer roles are discussed next.

### 5.3.1.1 Proposed customer roles in the case

It has been pointed out that a social role is basically constructed by the tasks or activities the customer conducts and the resources the customer needs in the process. Based on analysis of the data from this perspective, the following planned customer roles were identified; the basic customer, the developer, the board member and the customer representative. In addition to these, there may be novel roles established during the projects (i.e. horizontal differentiation within member-role network, Arrow et al., 2000) and drawing especially on data from subcase 2, these following roles were identified; the designer, and the customer-consultant<sup>125</sup>. Finally, a hypothetical role labelled the socializer is also discussed.

#### *The basic customer*

Starting in the lower left-hand box, the basic customer role is proposed to be the normal role that a customer is meant to have in the project. The automaticity of access is not to be understood in terms of anyone being able to access the role. It refers to the fact that any person who is able and willing to reserve an apartment and to make the financial transaction and/or proof of financing that is required (i.e. becomes truly a part of the project) takes on the role as the basic customer. This role involves required activities and tasks, such as, getting financing and paying for the own apartment, making, or at least approving, surface-material choices and basic decisions regarding the own apartment’s layout and use of spaces (e.g. sauna or wardrobe) and visiting the kitchen and bathroom provider to plan the furnishing of these spaces. In addition, there are voluntary activities, such as, participating in meetings and events held by the provider and by the HC. In order to cope with these tasks, access to various resources are needed by the customer, such as documentation on the project, drawings of apartment, display of materials and a channel or platform for communication with the provider representatives and potentially other customers. Despite these mandatory activities, in all of its simplicity, one of the customer who became involved in the project after the DG phase described their role in the following way:

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<sup>125</sup> These roles have been validated by the consultant from Company X.

*“...I do not think our role was anything else than to finance the own part of it” (Robert, Subcase 1)*

Although this is not totally true as the customers were choosing surface-materials and so on, it still describes the very core of their role. As long as the customer is able to provide financing, the apartment will be provided and if you do not want to make any alterations, you merely approve the plans made by the architect and service engineers. However, at least all of the interviewees were that involved that they wanted to at least choose from the basic package the preferred items and colors. At the influencing-end of this role, making some alterations to the own apartments layout, such as, moving non-bearing walls, is possible, but making greater structural changes in the apartment falls outside the scope of this role. When it comes to decisions being made concerning the HC, the board of the HC made most of them. However, in subcase 1 it became evident from customers' narratives that they had been involved in some decision-making also (e.g. choosing deputy landlord).

#### *The developer*

Moving towards the upper part of the left column, the developer is the role that customers participating in the DG are proposed to take on. There were some different stories on how customers ended up in the DG, however, at least in subcase 2 the common denominator seemed to be that Company X had a database with people who were potentially interested in JBV and they discussed with and interviewed potential customers of which some were offered to join the DG. In order to reach out to people, Company X also utilized information sessions and marketing communication. In general, it seemed that the forming of the DG was managed by Company X with the aim to get engaged customers with at least some experience and/or knowledge with regard to construction and/or housing. Many of the chosen persons thus had either working background in fields related to construction of apartment buildings (e.g. architect, material provider, interior design) or experience from being active in HCs (e.g. chairperson of the board). Overall, it seemed that the role as a developer was given to those who the provider thought were eager and had something to bring to the project. Interestingly in subcase 2, even though the DG phase took place before the apartments became publicly available for sale, the DG, or at least some of its members, continued to be actively involved in the project even though they were not members of the board of the HC. When the project proceeded, board members and DG members had meetings regarding the use of funds for shared spaces, and hence it may be seen that the developer role continued to live even past the actual DG phase.

With many similarities to the basic customer role, the developer role is characterized by activities not only in relation to the own apartment, but also in relation to the planning of shared spaces; however, with a greater possibility to influence than the basic customer. When it comes to the own apartment, the developer can be seen as having a greater possibility during the actual DG phase to influence as she has the possibility to participate in discussions on what providers of surface-materials, equipment, and furniture are chosen. The developer participates in deciding on the basic quality level of the apartments and what is included in the basic package that is included in the 'normal price' when buying the apartment. In addition, the developers are, at least based in subcase 2, asked to think about issues, such as, the functionality of their apartment, however, what alterations can be made depend on the stage of the drawings of the building. It seemed that conducting greater structural changes that required, for instance, the replacement of bearing walls are not a primary concern, although some succeeded in that in subcase 2. Besides apartment-related concerns, the developers also discuss and ideate as well as make decisions concerning the planning of common spaces, such as, the clubroom, washing room, stairways and so on, something that continues beyond the DG phase.

Importantly, the provider representatives, particularly the consultant and the service engineers, were highly involved during the DG phase. It was noted during the data collection, both by the interviewed customers and myself, that there are strict themes that are provided by Company X's representatives and that they often have a great influence over the final choice, something that is discussed more in detail later in the analysis. In his narrative, John gave a general overview of how he perceived the role that Company X played:

*"...because they have the knowledge, they have taken a big role in it and proposed that let's do it like this. Then it is easier for a private person to propose changes than when you...think of everything from the beginning, that 'where do the sewer pipes go' and everything like this...And then if this core group planned something to exaggerative, then Company X said that this becomes too expensive, that then the prices of the apartments rise, that could it be done like this?...[They] were there looking that it will be finished in time and within the budget"* (John, Subcase 1)

When it comes to specific decisions, for instance, David from subcase 1 told about the DG discussing the possibility to reclaim/buy the property with Company X eventually stating that it will not be bought. In subcase 2, all of the interviewees described the work of the DG as being in many ways planned and controlled by



Company X, which becomes evident, for instance, in the following quotes by Thomas:

*“The [discussion] themes came to the table always at bit unexpectedly in those [DG] events. That today there is this kind of theme and we had to react very quickly. We had not thought at all about the theme. Of course if we would have known beforehand there could have come different ideas and one could have looked for examples from somewhere and so”* (Thomas, Subcase 2)

*“Practically... [the building] was already very precisely planned...even the apartments”* (Thomas, Subcase 2)

Although the developer role is not only characterized by the tasks of making final choices, but also being about planning, what is planned is tied to specific themes established by Company X and the process is in general managed by the focal provider. Thus, the DG is not a purely self-organized system (i.e. what is discussed does not emerge organically), yet, within those themes provided, there was room for various perspectives, opinions, and ideas and so on to be brought up and hence the discussions could take varying ways. When it comes to time after the DG phase when the HC had been formed, it seems that Company X stepped a bit back role in the planning of the shared spaces as especially the customers and especially the board took more responsibility, however, Company X’s representatives were still participating in the meetings and giving ideas and guidance when needed. In the bigger picture, however, the customers had seemingly more power, which became evident, for instance, in that the chairperson of the board of the HC led these planning meetings.

In addition, some of the customers in DG described how they were participating in a video that was made for outside marketing communication purposes and the customers were several times encouraged to spread the word about the project in their social circle (e.g. friends, relatives, and colleagues). The DG hence acted also as a marketing resource for the project with the developer role thus being linked to those kinds of tasks. However, it is important to note that these tasks and activities were not mandatory. The provider was clearly looking for engaged members to the DG, particularly in subcase 2 it seems, but these members were not forced to participate in every meeting and there were also those who joined later and those who left the group and the project in the middle. In subcase 1, there was this one customer who told that he did not attend any of the DG meetings, but instead followed the proceedings from distance. Hence, the developer role is in its essence more voluntary, yet, the idea is that the developer would be actively involved and bringing her views on the subjects that are discussed. When it comes

to resources, the developer is given access to similar ones as the basic customer (e.g. documentation of the project, drawings, and material categories), however, there is presumably more of them (e.g. different providers material categories from which one is then chosen) and they reflect the phase of the project (e.g. drawings at the moment).

#### *The board member*

When the project had proceeded to the point that the HC was formed, the customers chose the board of the HC and hence the role of the board member was activated. Even though this role may be seen as having emerged, as it did not exist from start, the board of the HC was always planned to be chosen in this way and hence it is argued to have existed a priori. The board member role involves various tasks related to the setting up and running of a HC, with the focus during construction being much on issues related to that project. In both subcase, the board was also responsible for preparing decisions to be made by the HC and much of the decisions were also made by the board. It is fair to argue that there were a lot of tasks and activities for the board members to conduct especially during the construction project. During this time, the board meets often, even twice a week, and make various propositions to HC's decision-making and/or decisions (e.g. entrance doors to the apartments, renting out of business spaces, and car parking). In order to be able to do that, there are necessary activities outside of the meetings, such as, becoming acquainted with relevant information, making calculations and ideating, discussing with other actors (e.g. Company X's representatives, deputy landlord or agent to help find businesses to the spaces that are rented out) and making other necessary arrangements. Basically, the board has much of the power especially when it comes to preparing decisions, but also at times when it comes to making decisions, but at the same time, it requires a lot of energy, time and devotion. Furthermore, the board fundamentally acts as a gatekeeper between the rest of the HC and the various providers, thus making sure that information flows between these in matters that concern the whole HC. When it comes to necessary resources, in order to be able to make the various preparations and decisions, the board members were given access to more detailed building-related information (e.g. databases). The board members are proposed to receive a compensation for their work with the chairperson having a higher reward.

#### *The customer representative*

As the customers are the constructors, they choose customer representatives (two in both subcases), and backup persons, who follows the proceedings of the construction project more closely. The main tasks of the customer representative is to participate in monthly construction site meetings and other inspections as

well as to report on the proceedings to the board of the HC. The customer representative does not have to be a member of the board, although this was the case in both subcases and it is recommended by Company X. The customer representative and the backup are proposed to receive a compensation for their work, and what is particular about this role is that the performing of most of the tasks besides participating in board meetings takes place during 'normal working hours' (i.e. daytime). Concerning the resources, the customer representatives had in the subcases access to even more project-related information. When it comes to the interviewed customers, David and Charles were both having the roles as customer representatives in their projects. When there were several customer representatives, it seems that the roles were specified according to the customers' particular areas of interest and expertise, with some also receiving further training in order to be able to take on the particular role.

#### *The designer*

During the project in subcase 2, a novel role titled here the designer was established. There was one customer referred to as Susan (proposed having the visionary ideologist logic) who was actively involved in the DG and also became a member of the board, and in addition to that had an interest and expertise when it came to interior design. Being eager about the project, she offered her services regarding the design of shared spaces and she was consequently given much responsibility to plan the design of particularly the clubroom and sauna facilities. The board of the HC can be seen as the actor implementing this role; however, they have presumably had the support of Company X. Considering the resources needed, she had access to computer software for planning these kinds of spaces and presumably, she was given the drawings, measures and so on needed to complete these design tasks. This design process ongoing at the end of the data collection period and continued beyond it; however, the process seemed to be coordinated in the way that she made plans that were then discussed with the rest of the board of the HC and the DG in joint meetings. Based on these discussions the next steps were taken, but it seemed that she had quite a lot of freedom in her tasks and the meetings acted as a forum for ideas and guidance when needed.

#### *The customer-consultant*

A role labelled as the customer-consultant was also identified from the data and correspondingly to the developer, this role also emerged during subcase 2. With many similarities to Susan (the customer who took on the developer role), there was another customer in subcase 2, referred to as Richard, who was proposed to have the visionary ideologist logic and who was also actively involved in the DG. Although he did not become a member of the board, he was actively involved in

the ongoing planning of the shared spaces. However, as it became evident in the subchapter on the visionary ideologist logic, his expertise and knowledge was not about interior design, but about housing related services and solutions. Combined with his eagerness, he attended one of the planning meetings, where both the board and members from the DG were present, and gave a presentation on different digital solutions for HCs. Thus, he acted as a customer-consultant, a role that was established for him or that emerged similarly as with the role of the designer as a result of the combination of eagerness and expertise. Also in this case, the board of the HC acted as the establisher of the role; yet, with the presumed support by Company X. The main tasks were about gathering information and informing the rest of the group on different housing-related digital solutions (e.g. benefits and downsides). From a resource perspective, he thus needed to have relevant information and knowledge concerning the different solutions, something that his expertise and previous experience was presumably enhancing.

#### *The socializer (hypothetical)*

Finally, it has to be said that there may also have been other customer roles in the case and it is of value to recognize that this list is not intended to be exhaustive, but instead, to be illustrative based on exploration. Looking at the list of proposed customer roles that were derived from the data, it is obvious that there is no role that would have been established during the project and that would have been intended for all of the customers. In addition, most of these roles were built around tasks in relation to the own apartment, the shared spaces and/or building-related issues, thus leaving out the social side (community) of housing, which is one of the characteristics of JBV. At one end, some of the interviewees mentioned that they would have wanted to have more social activity, while at the other end were those who did not want to have any of that kind. Thus, even though there were some rare attempts to have customers get to know each other, it was left to a very minor role and hence the basic customer role is not proposed to include that as a central task. Based on this and the fact that some customers would have wanted to influence the emergence of sense of community and get to know each other more, it could be hypothesized that a role called the socializer could have been introduced. This hypothetical role could have had the tasks of, for instance, organizing social activity during the construction phase, but also afterwards when living in the building. In order to do so, they could be provide with resources, such as, a platform for discussion or access to spaces where to meet face-to-face.

When it comes to customers' actual value creation and formation, the relations between the customers' logics as well as their resource-base and the designed customer roles become of vital importance.

### 5.3.1.2 Customer logics in relation to customer roles

Customer logics have been portrayed as customers reasoning for how to reach their goals; in other words, what activities to conduct and resources to use in order to create value for themselves. Customer roles, on the other hand, consist of the provider's planned tasks and activities for the customers and the resources needed to do them. Hence, a focal aspect of the customer's actual value creation and formation becomes the degree of congruence between her logic and role. Here the intention is not to make an in detail analysis of each customer logic in relation to each customer role, but instead to explore this theme by opening up on some of the tensions that were identified from the case.

#### *Basic customer role in relation to customer logics*

Beginning with the basic customer, basically every customer had this role at some point, however, the main data collected in relation to this stems from subcase 1. From that subcase, it can be pointed out in general that logics closer to the origin (i.e. invisible investor, proceeder and participator) seemed to have the best fit with the role. Recalling the proposed proceeder logic, it was characterized by an emphasis on getting the apartment without any bigger alterations in the desired residential area to an affordable price, which the project could provide the customer with. There was no greater need to be involved in influencing, such as, taking part in decision-making, and instead the customer was satisfied when things proceeded and when necessary information was provided. The basic customer role gave possibilities to act out this logic as role enactment included the tasks of providing financing, signing documents and approving for drawings (e.g. electrical sockets) as well as visiting kitchen- and bathroom providers and showroom in order to make choices when deemed necessary. Conducting these activities seemed to be something that the customers did happily, however, they were not interested in pondering about, for instance, the material choices beyond that as was discussed in the subchapter on the proceeder logic. This becomes evident also in the following quote:

*“I just waited for this [the apartment/building] to finally finish. I went once to look...at those ceramic tiles and all and once to that kitchen shop and then I was ready” (Linda, Subcase 1)*

Previously, both Linda and Mary from subcase 1 were quoted enjoying in some instances when others asked questions or took care of things so that they did not have to. This same satisfaction was also evident when they spoke about their trust towards Company X:

*“And others did not perhaps...have the trust in the organization as much as I did. Since I thought they presented very convincingly that there is no danger of this falling or anything else. Because there has been or I have heard about these kinds of projects where the budget has failed and it has taken for ages and so on. But I think [Company X] managed the thing very well that you could trust them. And it went like that that when they told us the price they said that they do it to that price. So if they cannot get these walls to that price, then it will go from their margins, and the price that has been offered to us will not change” (Linda, Subcase 1)*

*“And then I also trusted [Company X] and I thought that this cannot go anywhere wrong now” (Mary, Subcase 1)*

Moreover, also the board of the HC got its part of the praise:

*“And then a board was chosen for us, which then in fact was in my opinion very much involved in every stage of this building. And we were in my opinion really fortunate that there was one older gentleman who was a building engineer or something similar. Then there was one... administrative director or someone like that...who apparently knew law-related matters so their professions fitted very damn well in that board” (Linda, Subcase 1)*

*“...the board [of the housing cooperative] did all kinds of contracts...I must say that I...trusted that everything is dealt with. Because there were...these kinds of eager people who wanted to be in the board. There would have been more to choose from, which is usually quite difficult to get. There were people from different branches, which I then thought was good. There were from the construction industry, lawyers and people from different branches who then wanted to become a member of the board” (Mary, Subcase 1)*

What these comments indicate is that these customers were satisfied in their roles as being the basic customers. The proposed fit between logic and role is supported throughout the customer narratives, with positive remarks being made about the apartment and residential area, and the only actual complaints being linked to delays during project and to some other customers' activities (i.e. these are not linked to the customer role).

Going over to the proposed participator logic, it is also argued to have in many ways a good congruency with the basic customer role, even though there is one particular issue that was raised by one of the customers. The participator logic

basically has the scope of goals than the proceeder logic, and even though the participator logic is suggested to be characterized by a higher degree of desire to influence than the proceeder logic, it is still mostly about issues relating to the making of choices based on alternatives proposed by others (e.g. the kitchen planner & the board of the HC). This seemingly makes a good fit with the tasks of the basic customer role. As opposed to a customer with the proceeder logic, the customer with a participator logic enjoys going to the meetings and being a part of the group in that way, something that was possible in the role as a basic customer, at least for some time.

However, when the project proceeded to the construction phase, the amount and frequency of meetings decreased and the communication of information shifted to other channels (e.g. briefings or letters). This caused disappointment especially for William (Subcase, 1), as became evident in his sayings that were cited on page 277. It seems that the basic customer role matched the customer's logic as long as he was able to attend meetings and to be in that way involved in the project. However, when these meetings were not organized anymore and the focus was mostly on making the material and other choices and then waiting, he felt that the feeling of being the constructor disappeared. Thus, for William, it can be seen that an incongruity between logic and role emerged due to the important role that meetings played for him.

Looking at the big picture and the general characteristics that the proposed participator logic has, there seems to, however, have generally been a rather good congruency between the logic and the basic customer role. Based on the narratives provided by the customers proposed to have the participator logic, there seemed to be a general satisfaction with what they could do as customers (e.g. following the proceedings of the project and going to joint meetings with other customers) and the resources they had access to (e.g. help of focal provider representatives and also other provider representatives, material showroom, other customers) during the project. At the same time, this reveals in the end how subjective the customer logic and the preferred activities may be.

When it comes to the logics with a broader scope of goals and an appreciation particularly for the community as a resource to be utilized in the project or with regard to living in the building (e.g. silent dreamer and group-potential maximizer logics), the imbalance between the logic and the basic customer role was made explicit in the narratives of these customers. Reflecting on the current situation when living in the apartment, Patricia (silent dreamer logic) told that she was missing the communal aspect from it:

*“...afterwards it feels like the sense of community has been minor. At least for now...But I knew it that it would not be the same as in the Malta-house. That that is a different type of project. But until now it feels that what is communal are these gorgeous laundering facilities...And then this kind of joint room is another. But how it is used is so far a bit of a mystery for me...I have not bothered to ask it myself...And then there are of course the sauna-facilities in the upper floor...there has now started...these kind of [joint] jogging-saunas...That could of course be tried (Patricia, Subcase 1)*

Similar comments were made by Elizabeth (group-potential maximizer logic) who also was part of the project in subcase 1:

*“...perhaps there should have been more of the sense of community among this group. Now this has perhaps been built so that there is Company X and everyone has driven their own apartment’s agenda” (Elizabeth, Subcase 1)*

As it was presented in the subchapter on the group-potentiality maximizer logic, Elizabeth found that the lack of community was for her also linked to the group not being utilized as a resource for, for instance, the sharing of pivotal information. This was further made explicit in the following comment:

*“For instance the common communication forum...[that was on Facebook] was formed then quite late. So it is also on the informing-side also” (Elizabeth, Subcase 1)*

Regarding the sense of community and particularly the clubroom, Patricia said that the purpose of the space is still unclear for her, which can be seen as reflecting the level of informing, but also the sense of community:

*“I think I had too high hopes in the end...We have to see how the...use of the joint room turns out. I had indeed somehow thought that there would be this kind of joint, living room like space where you could then hang out. But that does not exist yet, I do not think the board of the housing cooperative has really defined what that space could be used for...Or then I have missed out on it” (Patricia, Subcase 1)*

Further in the data collection, I visited the space and based on that as well as what was told by others who were informed about the matter, the use of the space was not intended as a hangout space, but instead to be rented out for, for instance, meetings or overnight stays.



Even though there was critique towards the lack of community building, it does not mean that there would not have been any attempts to have socializing activity:

*“And in some [meeting] there was a little bit that kind of [socializing]. You had to interview the persons next to you and something like that...But it (the meetings) was mostly about them (Company X) telling about where we are and what is taking place next”* (Linda, Subcase 1)

In addition, Elizabeth pointed this out in her narrative, but based on the rest of it, it seems that the attempts were not that fruitful:

*“I think there was quite good attempts towards that (socializing) also. And you got to know a little bit or at least recognize people by their faces”* (Elizabeth, Subcase 1)

Furthermore, as recognized by also by Patricia in subcase 1, it might be argued that the customers could have been carrying more responsibility themselves for the socializing aspect:

*“And of course it (community building) depends on us all inhabitants”* (Patricia, Subcase 1)

However, even though some interaction-tasks (e.g. discuss with those sitting closest to you) were carried out occasionally and the customer themselves could have taken more responsibility, from the perspective of roles as being defined by the provider, the basic customer role cannot be seen as having involved major or long-term tasks concerned with strengthening the sense of community as was the case, for instance, with choosing materials for the own apartment. These organized attempts seemed to be more like random activities instead of continuous community building. Moreover, there seemed to also be issues with the carrying out of these tasks, for instance, due to lack of interest to socialize among customers or the fact that not all attending customers were going to move in (e.g. investors or persons representing others):

*“And then there was this one woman...who said that she is not moving in here...I am not interested in my neighbors, since I do not do anything with them...I like to talk a lot, but I did not find it (interaction-task) useful in any way”* (Linda, Subcase 1)

Drawing it together, it seems that even though there is a non-congruence between the basic customer role and the silent dreamer logic as well as presumably other logics where the collective is emphasized, the right decision is not necessarily to extend the role to include socializing-tasks, since it might have a negative impact

on other customers' value formation. Hence, referring back to the discussion on the various social roles, the hypothetical role of the socializer could have been established for those looking for more community building.

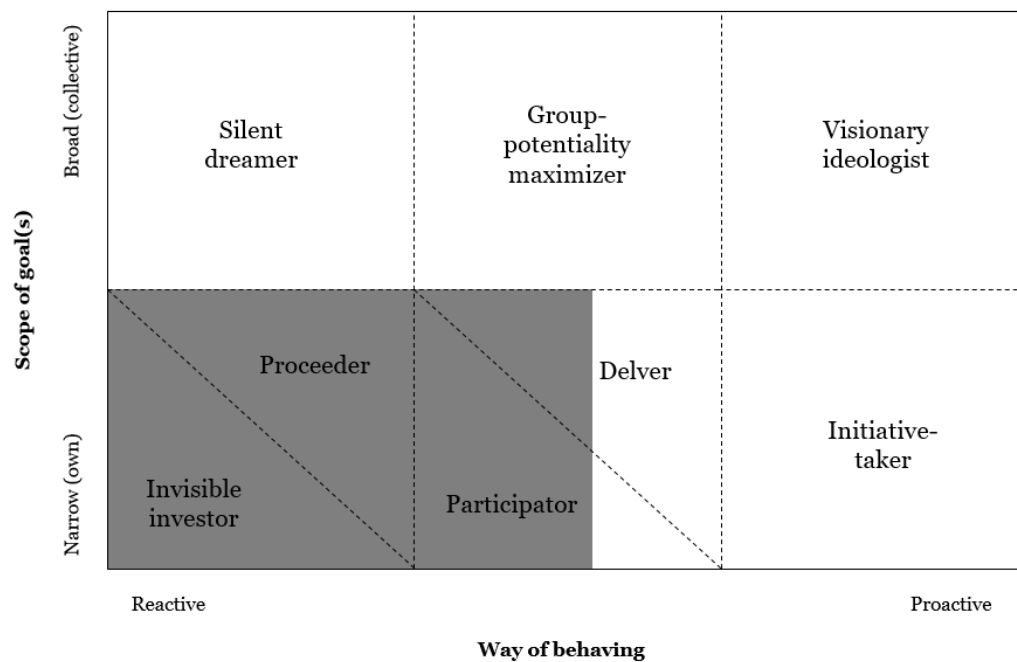
Another non-congruence between customer logics and the basic customer role can be identified when moving towards logics with an increasing desired level of influence, such as some of the customers with a delver logic. This became evident, for instance, in the following quote by Michael in subcase 1 describing his disappointment with the lack of ability to make structural changes in the apartment:

*“...it was marketed in a way that the DG has made material choices and else, but that you have the possibility to change it to your own apartment how you want...We tried to enlarge the sauna...but it was found out that it would be really tough for the architect to draw the drawings again...and those electrical drawings somehow there and it would have become really costly”* (Michael, Subcase 1)

Importantly, the interviewed customers who had a basic customer role and were proposed to have the delver logic, the interest was especially on issues related to the own apartment. Hence, when it came to matters that concerned the HC, they seemed rather satisfied that there was a board taking care of these matters (similarly as with most of the previously discussed customer logics):

*“The board had probably a quite significant impact with regard to the whole project. Of course the building would probably be standing and so on, but from a shareholders perspective that we got good know-how there...[F]or instance, we got a good deal on the housing cooperative's loan...And, on the other hand, they were always actively supervising”* (Michael, Subcase 1)

Drawing it together, figure 20 gives a simplified and directional illustration of the fit between the basic customer role and the logics, with the grey area being the one where the best possible fit could be identified. Going outside of it, particularly the lack of communality and related activity as well as the lack of possibility to influence in own apartment caused issues with regard to the logics found there.



**Figure 20.** Proposed ‘best fit’ between proposed customer logics and the basic customer role

#### *The developer role in relation to customer logics*

Another example of the fit, or lack of it, can be taken with regard to the role of the developer. Considering logics that are closest to the origin, such as the proceeder, it can be seen that there is an imbalance particularly when it comes to the nature of the tasks. The proceeder proposedly values clear information and steps for how to proceed and at a first glance this may be seen as suitable with regard to how the developer role was orchestrated; for instance, as discussed, Company X came with specific themes or subjects that the DG then discussed together with the firm’s representatives. However, the topics and discussions on them seemed to not be in line with what at least Barbara, the customer with the proposed proceeder logic in subcase 2, expected. This was made explicit in her quote on page 268. Barbara also made it clear that she did not think the DG should or could be dealing with any other issues than merely thinking about the own apartment and making some adjustments with regard to that:

*“...and it is totally understandable that the kind of [development] group there was cannot plan a whole apartment building, so therefore it was sensible that this had happened and that you could within the apartment influence to some extent” (Barbara, Subcase 2)*

On the other hand, when looking at the narratives of the customers with a higher degree of desire to influence (i.e. the proposed delver-, initiative-taker-, group-potentiality maximizer-, and visionary ideologist logics), there was a clear common vision that the DG should in fact think about much more than merely surface-materials. Regarding the delver logic, even though most of the interest was on matters related to the own apartment, the issue remained similarly as in the basic customer role that decision making was mostly about visible materials. The exception was here that the DG focused more on ideating and making decisions with regard to providers to be included in the basic package. Thomas, who is suggested to have the delver logic, was quoted on page 281 describing how they had assumed that they could influence on structural issues and not only surface materials, indicating the desire to plan particularly with regard to the own apartment. To that he also added:

*“The fundamental thing that I have thought about is...how we jumped so quickly to these surface materials...I perceive that the discussion was all the time in a way on side issues there in the beginning...the actual perception is that we are no constructors if we cannot interfere with anything more meaningful”* (Thomas, Subcase 1)

As previously mentioned, he emphasized that this was not to be understood as too rude and that his presumptions were that the end-result will be good, yet, it is evident that for him, the focus of the project did not match his expectations and what he was looking for:

*“...some of these meetings were really such that the focus was on...smaller side issues compared to the larger whole; for instance...thinking about do you want to have art there or...green plants or what kind of front door do you want”* (Thomas, Subcase 2)

For the initiative-taker, the imbalance between logic and role was also a matter of being able to influence on structural issues in the own apartment. During the last meeting in the DG phase in subcase 2, Charles almost cried out something in line with ‘what are we actually able to influence’, describing both the disappointment but also the uncertainty that surrounded the developer role from his perspective. Listening to the narratives and observing the customers with similar ‘extreme’ logics, this kind of insecurity and almost unreal experiencing (i.e. ‘it cannot be true that we are the constructors and we are not able to do anything’) could be recognized. Charles was also in the end disappointed with the narrow possibilities that the group had when it came to influencing, even though he thought they managed to do well within the given boundaries. As discussed, one of the core tasks that the developer role is characterized by is looking for ways to increase the quality

level of the basic package (i.e. the standard materials, furniture, equipment etc. to choose from that are included in the price when buying the apartment) with focus to a great extent on the visible aspects within apartment:

*“The DG worked well, the DG was able to increase the level of it (the quality of the basic package) with one degree and it stopped there. This became after that completely apartment dealing, and after that you can change whatever you like, but we are not talking about walls now. You can change the surface materials, it is only them”* (Charles, Subcase 2)

*“I am satisfied with the apartment I will get...but that is not relevant here, rather what is this package (the service)...It is in fact a bit difficult to say what I would have wanted more of. Perhaps I would have wanted to influence more on my own apartment and my choices. I had many things that I am not getting. I wanted certain things, but they are not okay”* (Charles, Subcase 2)

David from subcase 1, who was actively involved in the whole project and interested in JBV, had a similar experience as the themes and subjects that were dealt with were not always in accordance with what he had hoped for especially during the DG phase:

*“...everything was not that concrete and it is perhaps something that...has come to my mind that how much influence did it have in the end and how much has then the consultant or architect been steering or made their own decisions”* (David, Subcase 1)

When further asking about the lack of concrete issues he replied:

*“Probably something like cutting some pictures from magazines, something that...has had more to do with, for instance, interior design or something, but that does not influence that much with regard to the final result of the apartment”* (David, Subcase 1)

David also brought up in his narrative that the DG was not represented in the discussion between Company X and other providers:

*“What was poor in it was that there was the core group, but there was no representative...when decisions are made and negotiations [are carried out]...so the situation was not equal in that way. That even though contracts are made and of course these kinds of plans and else, they were still in that way dictated...here is the contract, here are the layouts and here are the prices...[T]hen when housing cooperative was formed, the*

*board was chosen and so on, in that phase it was clearer, but perhaps it was lacking there that it is in a sense merely the mass even though there is the core group...[T]here was no party who, for instance, would have advanced the customers' view" (David, Subcase 1)*

David added to this a general remark that the situation during the DG phase was particularly tricky as there was no assurance that they would receive an apartment, something that was different from subcase 2:

*"I think it was somehow...a bit strange as there was this kind of phase where you were involved, but [at the same time] not. You had no information whether you receive an apartment or not. And you should at the same time be involved, so that is not the best choice for motivation" (David, Subcase 1)*

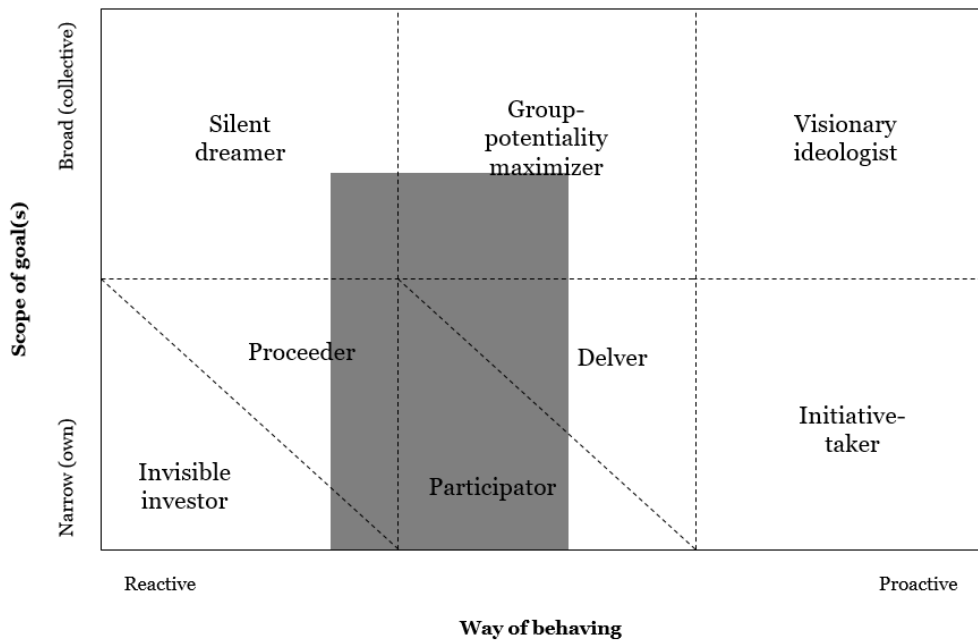
Looking at the narrative by Joseph, who proposedly had a group-potentiality maximizer logic and was part of the DG, the imbalance between his logic and the developer role is obvious bearing similarities with the above discussed. As becomes evident in the previous quotes on pages 286 and 287, Joseph's interests went well outside what was intended by Company X. He had an interest in structural issues and not only the surface materials, however, it was not only the lack of focus that he deemed incorrect, but also the way in which the group functioned. For Joseph, the group as a collective is a resource to be utilized and a forum for discussions and questions that go beyond the interior-related themes. He would have wanted to see activities involving also other experts than the same provider representatives. Moreover, he would have wanted to engaged in discussions with the the other HCs in the block/area.

Understandably, the customer with the visionary ideologist logic, Richard, also had some issues with the role of the developer as already becomes evident in his quotes on pages 295-296. As discussed there, Richard wanted to go even further beyond the visible and to engage the group in thinking about what are the focal meanings related to housing with the DG thus proposedly receiving the status of an innovation community. Instead of making decisions within the existing structure, it seemed that Richard wanted to challenge the fundamental and taken for granted questions that relate to housing. Moreover, Richard also emphasized the role of the group as a social resource when living in the building with establishing and enhancing the sense of community being a focal question. Fundamentally, he was looking more for the JBV-spirit in the project:

*"...I think Company X's idea is good, to relieve the frustration with how it (the project) is being taken care of. I think that is good, but there came this*

*kind of perspective of concrete carts, that the talking points were quite traditional. It is good in itself that we got to choose good materials and were able to raise the level of the apartments to an okay-level. Although, there came disappointments later on; it is not possible, it will cost extra...Well at least some were excited that they were able to do those material things, but I would have thought about something else also. I tried to ask about the common spaces and everything else, but it was not talked about...It was only about that we vote about some kitchen worktops and these kinds of things. I was a little bit like 'what?'. Well, it was good that we got good materials...but I would have desired some of that JBV-spirit" (Richard, Subcase 2)*

Basically, the developer role did not seem to have a great fit with any of the interviewees who had been a part of the DG. It is important to recognize that there were DG members who were not interviewed and some of them potentially found the developer role as suitable with regard to them reaching their goals. In fact, based on analysis of the data outside of the narratives by DG members, it might be proposed that the best fit is reached between the developer role and the participator logic and to some extent other logics that are closer to this one (figure 21). This is based on the idea that the participator logic is proposedly characterized by a desire to be involved in the project and decision-making, however, the interest is not on making bigger structural changes, but to think about what materials, furniture and equipment would be nice. Moreover, Company X seemingly had an influence in the DG coming with propositions, managing the themes and so on, which is suggested to value by a customer with the participator logic (i.e. it is important to be a part of the process, not taking an active role in the discussions). The reason for extending the grey area in figure 21 illustrates the fact that the borders between logics are not absolute, but what can particularly be pointed out is that for customers who are looking to have a nice time in the group thinking about these decisions, the defined developer role gives possibilities to that. However, actual community building and maximizing the utilization of the group as a resource are not included as tasks.



**Figure 21.** Proposed ‘best fit’ between proposed customer logics and the developer role

Comparing the two subcases, the role of the DG seemed to vary a bit. In subcase 1, the DG was active before most of the customers joined the project, while in subcase 2, the DG, or at least some of its members, continued to be active in issues related to the planning of the shared spaces together with the board. It is difficult to say more about the DG in subcase 1 as there were not many DG members among the interviewees and the project was not followed in a similar sense as subcase 2. Moreover, many of the DG members in subcase 1 did not apparently stay in the project. Even though the DG is perhaps more utilized in subcase 2 than in subcase 1, one might question whether the potential of the DG was utilized as much as it could have been done. In subcase 2, there was a good mixture of expertise and also willingness to put time and effort into thinking about housing-related issues more than what was done. Now the DG was fundamentally concerned with raising the basic quality level of interior choices and ideating about the use of shared spaces. However, if that level of influencing was not satisfactory and/or you wanted to make changes in your apartment that went beyond the scope of the possibilities given, the benefits of being in the DG were perhaps not that many anymore. It also needs to be recognized that at the other end there may be customers, as Barbara (Subcase 2), who consider the role to have a lack of boundaries in the sense that there is a desire for more clarity on what the options are and what is to be decided from these, and the ultimate goal is to merely get an apartment without a greater need to influence on how it turns out to be. Perhaps as being a part of DG is not normal when it comes to buying an apartment nor in many other instances, there



are differing expectations to what it is all about, and hence customers with differing logics find themselves in the same group expecting different things. This interesting tension between expectations and realizations is discussed in the next subchapter.

*The board member role and emergent roles in relation to customer logics*

When it comes to the board member role, there were only a few board members among the interviewees and in subcase 2 the board had recently been formed making it overall rather difficult to make any propositions based on the data. However, what is common for these customers is that their logics seem to have a good fit with the role. Recalling James, the customer proposedly with a participator logic from subcase 1, he was previously cited telling that it had been interesting to be a part of the project and to follow the construction more closely, without having to put too much effort into it. David (initiative-taker logic) from subcase 1 also valued the possibility to follow the project closely, however, his interest went as discussed even beyond that as he wanted to look after that everything is made in the best way. In addition to that, he also valued the learning experience provided by being in the role. Charles from subcase 2 made similar comments, even though it was not possible to yet make any conclusions on whether it was actually realized. However, it seemed that the role as a board member gave him better possibilities to act out his logic, which involved besides looking after the quality of the construction and the building also the purpose of making sure that DG's decisions were included in the plans. In general, Charles wanted to look after the customers' (constructors') interests:

*“It is now interesting whether these [decisions made by the DG] will come. It has in a way been promised to us, but it is another [thing] if they will come...I am now in the board and I see these plans here, but I have not seen anywhere that they would have been brought to the plans. This is now a surprise for me then. And I have to focus on these kinds of issues now, what has been discussed in the five meetings, have they...been brought to the plans...what we have decided as a group. So it is now quite interesting when we get to do that” (Charles, Subcase 2)*

Drawing on the narratives by David and Charles, it is evident that they did not only want to be a part of the board to see how things are done, but instead, they wanted to supervise and to influence on issues they deemed important. This eagerness and in Charles' case also probably the expertise lead them to also receive special roles as customer representatives. These roles seemed to suit even better their desires than the general board member role. This can be also thought of as being true for

Susan, the DG and board member in subcase 2 with the designer role as well as Richard who received the customer-consultant role in subcase 2.

The role as a board member seems to give a customer the possibility to follow the project more closely and to take part in decision-making (e.g. customer with participator logic). In addition to that, the role may be utilized as a resource in order to advance an issue even though it is not a part of the actual role, as David did with the buying of the property. It might of course be that he would have done it even though he would have not been a member of the board; however, it is worth assuming that being a member of the board facilitated this process by, for instance, giving access to required resources in order to make valuation. Moreover, it might be assumed that the bank was also more positive towards the issue when dealing with a person from the board of the HC. In addition to that, when it comes to these customers who have a great interest in supervising and influencing beyond merely being a part of the process, it looks as if the board member role per se is not always as crucial as the particular role that they have within the project. With particular areas of interest (i.e. particular goals) and a desire to work towards reaching those goals, having a more specified role with clearly defined tasks and access to resources that support the enacting of the role arguably provides an even better fit with the logic. In the case of David's endeavors linked to the buying of the property, it would have presumably been a more pleasant and quicker process if he would have been given a clear task to do so. Importantly, within subcase 2, this dynamism did not require a board membership as becomes evident in the case of Richard who was given the role that is referred to as customer-consultant. He seemed to be satisfied with the role as a consultant as he was able to share his knowledge on digital housing solutions that he hoped would be utilized in the building.

As there were not that many board members and customers with special roles among the interviewees, it is difficult even within the case to make any greater propositions regarding the suitability between roles and logics. Instead, what emerges as an intriguing and presumably more important insight is the dynamism related to this. As the project proceeded in subcase 2, novel roles were established to particular customers that congrued well with these customers' logics (e.g. the visionary ideologist – the designer role). From a value perspective, this can be seen as a good example of value co-creation through interaction (dialogue). In the case of the developer role and the basic customer role, these roles were pre-defined and in many ways stiff as opposed to dynamic. This meant that even though customers were making comments to the provider on what they would want to discuss and do (i.e. what they consider to be meaningful), the content of the roles were not always changed or adapted accordingly. Referring to the previous example of

successful value co-creation, one might argue that value co-destruction took place at this point.

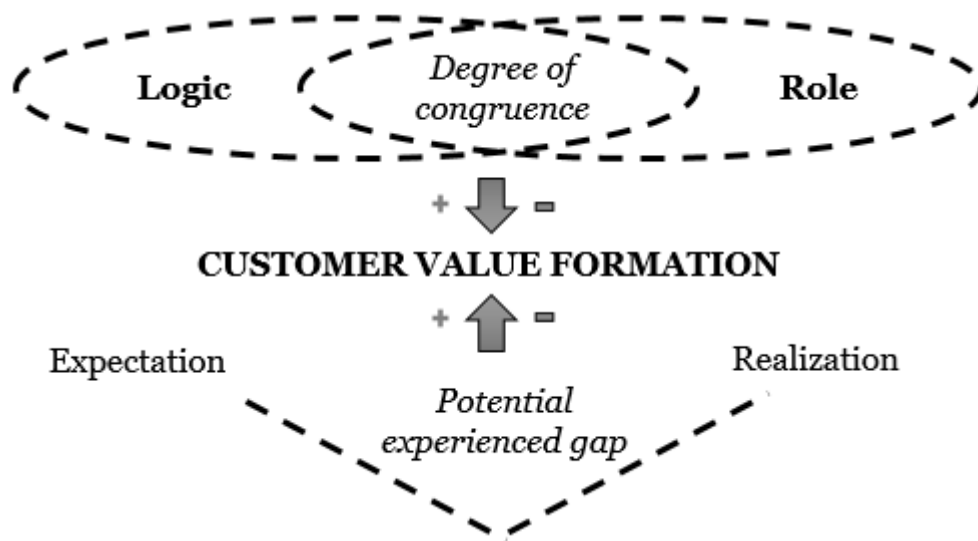
### 5.3.1.3 The role-related (dis)confirmation of expectations

The congruence between customer logic (and resource-base) and role has been found to be of vital importance for a customer's value creation and formation in the analyzed case. However, what also needs to be recognized here is the role of explicit expectations in relation to what actually takes place, which has been implicitly brought up in the previous discussion. When role expectations are referred to in literature, it often seems to refer to other's expectations on how an actor should enact her role (e.g. Akaka & Vargo, 2011; Solomon et al., 1985). In this case, the expectations refer particularly to customers' expectations on their own role. In the analyzed case, participating customers' value formation were found to be influenced by their expectations concerning their roles. A recurring theme in many of the narratives by customers who had an imbalance between their logic and their role was that they clearly expected that they would be able to do more. This was captured, for instance, in Charles' reflection on the DG phase in subcase 2:

*“Give us more information, what is a JBV constructor, what is the actual role of the core group, where does this start and where does this core group in a sense end, ‘starts and ends here and our goal is to together think through these issues, which hare still in the air, so that this becomes a house that looks like it is yours’. And tell remarkably clearer what are the boundaries within which we in a sense have permission to move, so that we do not go into such issues that we cannot influence” (Charles, Subcase 2)*

In his narrative, Richard (Subcase 2) talked about expectations management that he felt that had failed, and as it has become evident in several of the incidents were logic and role did not fit, there were greater expectations especially with regard to the breadth and depth of influencing than what was actually possible. Thus, it was not only about experiencing a gap between what one desired to do and what one actually could do. Even more so, the disappointment was increased by the fact that the customer actually was looking forward to being able to, for instance, influence how the own apartment would turn out to be or that there would be a lot of community building activity. There were, at the same time, a few customers who had to some extent realized that the project or their role would totally meet their greatest desires (e.g. Patricia, Subcase 1). Despite still being surprised by how things actually turned out to be, they did not seem to be as upset or disappointed

as the customers who had greater expectations. Hence, besides being influenced by the logic-role relationship, customer value formation is also found to be affected by the potential gap (disconfirmation) between expectation and realization as is illustrated in figure 22. Metaphorically speaking, if there is a non-congruence between logic and role, the gap between expectations and realization acts as a turbo making negative value formation even greater. At the same time, it may be assumed that if the realization exceeds the expectations, positive value formation is enhanced.



**Figure 22.** The proposed influence of fit between logic and role, and role expectation and -realization on customer value formation

The issue of managing expectations that are related to the role and project is ultimately related to communication, which emerged as a focal process with regard to participating customers' value formation. Importantly, it emerged from the data how desired communication may vary between customers and thus the next chapter is devoted to analysis concerning the demanding nature of communication in a group setting.

### 5.3.2 The demanding nature of intra-group communication

Besides the congruence between a customer's logic and role, what emerged as a focal issue for customer value formation was the process of communicating (Ballantyne & Varey, 2006; Neghina et al., 2015). One of the main purposes of the communication that took place in the case seemed to be to provide information on the project and its proceedings (i.e. what has and is taking place and what will take place next). Before joining a project, several of the customers contacted Company

X asking about the project, info sessions were organized during the project and also in the DG phase, one area of emphasis was to inform on the proceedings of the project. In general, most of the customers paid attention to the information flow during the project in their narratives.

When it comes to the meetings and info sessions, several of the customers valued them for being informational. Besides Company X's presentations about the current state of the project and what will occur next, the ability to ask questions and engage in dialogue proved to be of value for many customers. However, the further the project proceeded the more it seemed to divide the opinions. Particularly in subcase 1 some customers seemed to find something novel and informative in each meeting, while other customers thought that the contents were repetitive and nothing new was presented. This was made increasingly challenging as the whole group was not gathered at the same time, but instead when new potential customers joined the project others dropped out. Hence, for instance, Elizabeth, who was digging into all kinds of information regarding the project, found presentations of, for instance, the residential area as not offering anything new, while some customer who was there for the first time might perceive it as really interesting. In subcase 2, Joseph pointed out that it was always the same slideshow that was presented and the same information, and he felt as if the project did not proceed at all. Once again, for someone who was there for the first time it might have been really eye opening and valuable. What these few examples indicate is that what is perceived as informational is highly subjective.

Besides the contents of the information provided, also the means to provide it and the frequency and regularity of the communication activities were touched upon in the narratives, particularly in subcase 1. As the project in subcase 1 proceeded into the construction phase and the HC was formed, the amount of joint meetings for all customers decreased and communication moved to other channels. This was probably due to the fact that for Company X the reason for having information sessions and meetings was about keeping the existing customers in the project (e.g. building trust and commitment) and trying to persuade new customers to join the project. However, once all the customers were aboard, the HC was formed and construction of the building started, the process entered into a new phase. It was noticed in subcase 1 that as a result of this, the amount of meetings decreased, something that presumably also would be the case in subcase 2, however, this was not possible to account for at the point of data collection. Even though information in subcase 1 was still provided through other means, such as e-mail briefings, especially customers with the participator and deliver logics who merely had the basic customer roles found that the informational-level declined as the project

proceeded. This became evident in the quote by William (Subcase 1) on page 277 as well as in the following quote by Elizabeth:

*“...it was perhaps the biggest issue in this constructing, the informing was weak...The flow of information was problematic, sometimes there came e-mails, then there was this portal...where you could, for instance, make material choices and where these documents came, and then sometimes you could not get an answer from anywhere and then you grabbed the phone...and then when the newsletter did not always arrive and then you just had to ask where we are going”* (Elizabeth, Subcase 1)

For Elizabeth, a particular aspect of uncertainty were the deadlines, while William did not find the letters and the intranet as a good way of receiving communication. Basically, what may be interpreted from these and also others comments was that while the meetings were a clear forum for interaction and going there would secure that you had the most recent information, when communication moved into other channels it became more difficult to retrieve. On one hand, this can be seen as an issue for customers having a preference for certain channels to be used. On the other hand, and perhaps even more likely, this is a matter of logic in relation to role. When it comes to customers with, for instance, the proposed proceeder logic, they were satisfied as long as there was information provided regarding the proceedings and activities during the insecure phase before the whole group was gathered:

*“In that phase when they started to market those more expensive apartments, they were not able to do that...but I find that I had a trustful feeling as we had those kinds of meetings regularly, so they (Company X) swore and assured that they will not make this bad...I trusted that this would become good”* (Linda, Subcase 1)

Characteristic for the proposed proceeder logic, the main goal was to get to move in and before construction had started, these customers, as well as probably most of the customers, merely wanted to get assurance of things being done when it comes to marketing communication and other means to find potential customers and to keep the existing customers in the project. After the construction started, these customers were not eagerly following the project and its proceedings, which fit well with the basic customer role they had. Taking David from subcase 1 as an example from the other end of this spectrum, he proposedly had the initiative-taker logic and was a member of the board as well as had the customer representative role, which probably served his greater desire for information of the various aspects of the project:

*“...I am probably not the right person to comment it (the decrease in meetings) when it comes to how it feels or so as I have then been in the board, so then you are all the time in the heart of it and you know. Then I was the other...customer representative in these construction site meetings...so it was from the both sides and then this governance-side and everything...and then there was also this that you came every month here to go around in the building...so you were really well informed” (David, Subcase 1)*

However, somewhere between these two ends there were customers in subcase 1 with, for instance, a participator, deliver or group-potentiality maximizer logic who did not have any other role than that of the basic customer. These customers wanted to be and feel that they were being involved in the project, which was not supported by the decrease in information flow. In the bigger picture, this can be seen as relating to the issue of transparency, which was discussed in subcase 1 particularly by Michael and Jennifer:

*“...I was interested in knowing if we go under the budget or will it costs as much as the roof price is. Me and quite a few others in my opinion [asked about it] in some of the meetings that ‘hey do you have a cost estimate to give’...In the first meeting of the housing cooperative...the construction foreman presented itself and already then we asked what is your estimate...[but] they never at any stage opened up regarding it...You would have hoped that they would have opened up...honestly...since we are the constructors and we pay” (Michael, Subcase 1)*

*“...there never came anything [detailed] and the end was like ‘well now it seems that...it will be the roof price” (Michael, Subcase 1)*

Richard from subcase 2 also discussed the issue of transparency in relation to financials (i.e. receiving a detailed overview of it). Besides that, Richard also asked about, for instance, clubroom without receiving an answer, while Joseph brought up the issue of loans without it being properly dealt with then. Even though there perhaps came answers to these and other questions later on, at that moment, it seemed like they were not dealt with. One issue of communication was thus seemingly the fact that there was not always communication or dialogue from the provider's side

Besides that, Richard also spoke about how the communication took place in silos, something that was evident also in others' narratives (e.g. Elizabeth, Subcase 1):

*“We now have the Facebook-group...I think it is good and it is good that there is no representative from Company X involved...but Company X could still inform all the time that where we are going. It probably feels like a minor issue for them, but for us it is our home and we put a lot of money into it...We now have the portal, the online-shop (material choices). There is still a lot lacking there, but those things are not really in a hurry. But you could also inform about that...now the service engineers tell to those they remember to tell to...Minor briefing, for instance, every Friday before going home from work someone would send that this is what we accomplished this week. Next week there will be something like this. Or would it be once every second week...but that there would be a better structure to it” (Richard, Subcase 1)*

Going beyond the mere informational aspect, many of these customers told how they also enjoyed the meetings as social events, as can be identified from previous quotes. Interacting not only with representatives of Company X, but also with other customers was found to be valuable by these customers. Basically, it seems that in subcase 1, the meetings and the info sessions were, for many of the customers, natural arenas for dialogue and consequently value co-creation, however, when communication shifted to other channels, value co-creation seemingly became more difficult and also isolated (i.e. customer-provider dyad instead of shared and open dialogue).

While the frequency of meetings were discussed by the interviewees especially in subcase 1, what emerged as another important aspect with regard to the amount of communication was the duration of the meetings and information sessions that were held. Observing these in subcase 2, it became evident that there was not always enough time for all the discussions to take place, especially in the DG meetings. It could be, for instance, that a particular detail (e.g. drain system) was exhaustively treated meaning that discussions on other issues needed to be hurried up or even skipped. Without another channel to continue these discussions on, it seemed that the project ran risk of not addressing all that was considered to be of importance by the participants. As Joseph (Subcase 2) pointed out with regard to this, he felt that the DG phase was left in the making.

Approaching this issue from the board of the HC's and Company X's perspective, who were both having managerial responsibility at the point when construction had started, the issue with communication became evident in David's narrative, when he described the work of the board in subcase 1:

*”...[our] communication has perhaps not been the best, because it is a bit difficult what is the proper channel to communicate through. It would be*



*easy to tell about small matters, but then when you cannot send that kind via e-mail, one would not really dare to send one thing. And then collecting that kind of newsletter again requires...quite a lot of effort”* (David, Subcase 1)

The reason for David to ponder about these issues is that after the HC had been formed, the board of it took more responsibility in certain matters, however, where communication seemingly fell somewhere in between them and Company X:

*“...Perhaps it was a bit like that that there was no clear responsibility...During the gathering phase Company X sent briefings really actively...but when names started to be in the papers and everything was clear, then there was less communication. And then even though there was not much during construction, for instance, the supervisor sent messages every now and then...via Company X that what is the situation, but it was that kind of half active...Perhaps not good but enough. Of course we then had the Facebook channel also in use, which was really good, but as everyone is not there, its use is a little bit dangerous that you cannot use merely it”* (David, Subcase 1)

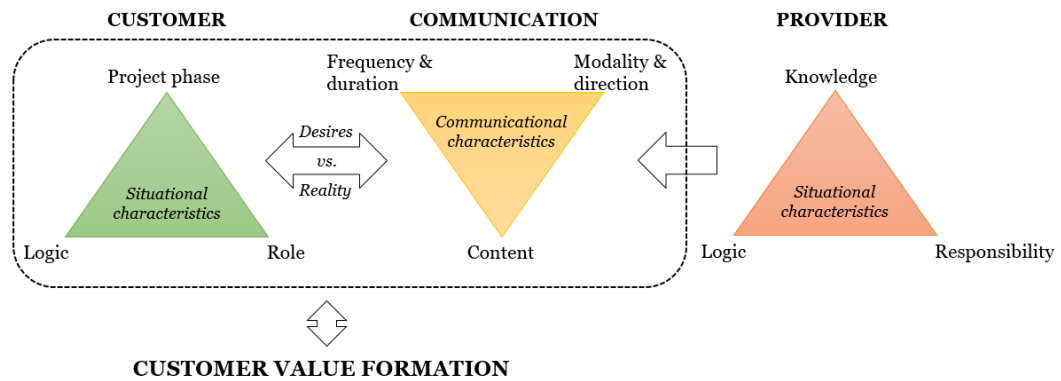
As it becomes evident, the decline in informational communication can be seen as a matter of responsibility, but also not knowing how to communicate and what to communicate. As the amount of meetings decreased, briefings became a focal way to inform customers about the proceedings. With regard to this, there were also different perceptions of their contents and frequency. Some of the interviewees (e.g. Joseph and Richard, Subcase 2) considered it to be better to do so regularly even if there is nothing particular or unique to inform about, while, for instance, William in subcase 1 perceived the briefings he received as being of zero informational value and not very fond of them. In subcase 1, the irregularity of these briefings seemed to be an issue that was pointed out also by other interviewees.

When it comes to the socialization aspect, David implicitly made it clear that there were not any efforts towards that kind of activity and that the group even became less connected:

*“...if we think that we form the housing community, so should it become more dense towards the end. And not that it thins out...I would buy that idea or at least that it could stay on the same level. Perhaps there could be...similar groups that could meet and for instance think...about housing and getting to know each other. Housing could be nicer through that”* (David, Subcase 1)

To summarize on the demanding and complex nature of communication in a group-setting, as it becomes evident from this discussion, the issue emerges as being multifaceted with customer value formation proposedly being influenced by the relationship between desires and preferences based on situational characteristics and the actual communicational elements that are being applied. As figure 23 illustrates, it can be suggested based on the data that depending on the combination between phase of the project, the logic and role of the customer, different desires emerge with regard to the focal dimensions of communication; content (i.e. what is communicated) and frequency and duration (i.e. the amount) of communication as well as the preferred direction (1-way or 2-way) and modality (i.e. type of medium) (Gustafsson et al., 2012; Mohr & Nevin, 1990). From the management side, responsibility with regard to communication (e.g. is it the board or Company X who communicates) and knowledge on what, when, and how to communicate together with the provider logic (i.e. reasoning on provider's goals and how to reach those) form the proposed focal situational characteristic on the managerial side that influence what kind of communication takes place.

In subcase 1, it seemed that, for instance, during the time of gathering the group, many customers perceived that the communication was good as Company X gave updates on the current situation and on what activities are made in order to find potential customers. However, there were also some instances during this phase where the customers seemed more confused; for instance, once Company X invited a philosopher to speak supposedly with the intention to build trust and commitment towards the project and the involved actors. Even though the intention were good from Company X's side, many of the interviewed customers seemed to have difficulties to understand the idea of it, however, there were also those who found it to be an interesting event. Other communication issues that have been discussed related to, for example, role expectations and financial details. On a general level, the importance of communication from the provider-side in these JBV projects can be seen as relating to the enhancement of a shared understanding or logic, transparency and trust, but also to drive commitment and engagement towards the project and other members. Going beyond project-related informational communication, some customers also clearly value the possibilities to interact with other customers.



**Figure 23.** Proposed complex nature of communication during JBV in relation to customer value formation

Based on the analysis, it is found that communication needs to be approached from a more holistic perspective. In other words, there needs to be a congruence between what the various customers' desire and what type of communicational activity is carried out. In the analyzed case, some customers find it of value to be able to engage in dialogue with their future neighbors and the provider representatives (i.e. value co-creation through interaction, e.g. Ballantyne & Varey, 2006; Neghina et al., 2015). Then there are customers who value to be part of joint events and observe others (e.g. in order to gain information) (Colm et al., 2017), while some customers find it to be enough with briefings sent per e-mail when construction of the building is taking place (i.e. value co-creation through presence, Grönroos et al., 2015; Heinonen & Strandvik, 2015). As with the congruency between logic and role, it may be presumed that (dis)confirmation of expectations has a similar influence on communication-related issues. Consequently, this requires dynamism from the provider-side.

### 5.3.3 Customers in relation to other customers in the group

Until now, this chapter has mostly covered the relation between individual customers and the service process as planned and executed by Company X. However, what also emerges as important within the group are the relations between customers; how they emerge and influence individual customer's value formation. A member is dependent and influenced by the group and vice versa (Arrow et al., 2000), and there emerged some particularly interesting aspects with regard to this in the case. First, focus is put on analyzing how different customer logics and their enactment seem to fit with each other. Second, besides the congruence between a customer's logic and role, what also emerged as an interesting is the relation between customers in a certain role in relation to other customer roles. While there are many of these relations, focus is put on the one

between the basic customer and the board particularly with regard to the division of workload and its influence on customer value formation. Third, while observing the DG meetings, it became obvious how the group evolved in a way that customers with the same roles at some point had different position (i.e. a status structure emerged). Fourth, considering the potential found within a group, it has previously been questioned whether this has been utilized to its fullest. While maximizing all of the potential may be unrealistic, what emerged as an interesting insight was the fact that there were customers who clearly were not active or participating in the tasks as actively as could have been hoped for in terms of, for instance, the knowledge they possessed. Fifth, whilst a lot of the group-related processes and activities that have been addressed could be described as formal (i.e. they were a part of the focal service), there were also discussions on the importance of conducting informal group-activities without the involvement of the provider. This opposite aspect is also of importance to address.

#### 5.3.3.1 Interplay between different customer logics as double-edged swords

In their narratives, the customers often referred to other customers and how they experienced their activities and the resources they provided as causing both positive and negative value formation. As previously pointed out <sup>126</sup>, some customers (e.g. Linda & Mary) were satisfied that there were customers who wanted to and took charge of things concerning the project and the HC (e.g. taking on board member role). In the DG in subcase 2, several of the interviewees (e.g. Richard, Charles & Joseph) spoke about how most of the customers shared the eagerness and desire to increase the quality of their housing, which could have gone beyond what was made possible. With regard to the info sessions in subcase 1, some customers (e.g. Michael & Jennifer) described how good it was that other customers were asking questions, as they perhaps did not want to, have time to or knowledge to think about the issues in more detail. It can be argued that there was a high congruence between their own logic and the way these customers enacted their logics (as well as their roles). At the same time, when, for instance, observing the DG meetings in subcase 2, it was noticeable that everyone was not always satisfied with some other customers' behavior. In her narrative, Barbara brought up that she was not that fond of discussion going into issues, such as draining systems, and her attitude could also be occasionally sensed during the meetings. For her, these issues seemed to be rather unnecessary and she did not understand

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<sup>126</sup> Brought up when addressing customers with the proceeder logic who had the basic customer role. Trust emerged not only due to their eagerness, but also, for instance, their level of expertise.

why time was put on those, while some other customers felt that the discussions were necessary or even important.

While it might seem that the customers' perceptions were rather consequent, meaning that they either valued or did not value some kind of activity (e.g. asking questions, discussing a certain theme), some customers appeared to have both positive and negative perceptions of similar kind of behavior. One example of this was provided by Linda (proceder logic) in subcase 1 as she discussed the meetings she attended. At the one hand, Linda seemed to be occasionally annoyed when other customers asked questions that she perceived as being unnecessary:

*“I perhaps got sometimes a bit frustrated with...people asking unnecessary questions”* (Linda, Subcase 1)

However, in the same narrative, Linda told how she was satisfied when someone else asked about issues that eventually made also her situation better:

*“I was really satisfied that someone brought up issues. And changes were made thanks to that”* (Linda, Subcase 1)

Even though this might seem rather contradictory, her experience probably depends on what she perceives as being necessary and unnecessary questions and issues; in other words, what complies with her goals. Similarly, for Barbara, the frustration probably relates to the combination of the subject under discussion as well as the ongoing activity. Simply put, it is a question of how different customer logics relate to each other (scope of goals in combination to way of behaving). This reveals how sensitive and dynamic value formation may be.

In the big picture, these findings support the assumption that many of the customers were in the end focused on their own issues (most often in relation to their own apartment) and not on other customers' perceptions. Thus, if a customer, for instance, values the fact that she receives as good equipment as possible in the standard version of the apartment, she is happy when someone brings up the issue. However, if the discussion is put on how the clubroom will be utilized and she does not care about that aspects, she might perceive it as highly unnecessary discussion. As it has been discussed especially in the chapter on customer logics, there were only a few customers who thought about the social and communal aspects of JBV and housing. These few customers also seemed to reflect on how others might perceive the process and what they might be looking for in it; for instance, in the DG in subcase 2, Richard thought about how the customers who join the project after the DG phase might perceive becoming a part of it at that moment and together with Susan they were often explicit in the meetings asking

how families with children might perceive the apartment-type they represented in the DG.

Otherwise, in the DG's meetings, some of the customers occasionally brought up the aspect that these apartments need to be sold and hence they need to be appealing also for other customers. To exemplify, when discussing bathroom sink providers, Charles and Thomas thought that having a provider with several alternatives would be good considering the fact that the apartments need to be sold. At the same time, it is important to note that his thought-process that was probably activated through Company X's representatives reminders of the issue. However, this may also be interpreted in the sense that they were concerned about the issue as selling all the apartments was a necessity for them being able to get their new home. Richard and Susan, on the other hand, seemed to truly be concerned about the other customers and thus being on another level with communality as a focal aspect. In a similar manner, in subcase 1, Elizabeth brought up the issue of how, for instance, senior inhabitants cope with checking that everything is right in the apartment and filling the list of issues that are wrong or lacking. Interpreting her sayings, having a stronger communality within the building might aid in these things coming up and there being help available provided by other customers. Besides these examples, most of the perceptions and experiences customers brought up in their narratives eventually revealed that focus was on issues that the customers considered to be of importance for themselves.

Besides customers' enactments of their logics, also as indicated previously, the roles they take on influence each other's value formation. This became evident especially with regard to the basic customer and the board member roles.

#### 5.3.3.2 The division of workload between basic customers and the board and its influence on customer value formation

It has been previously highlighted that when the HC was formed and the board for it chosen, a lot of responsibility with regard to the HC's joint matters was given to the board<sup>127</sup>. In many of the citations from customers' narratives in subcase 1, it becomes evident how much responsibility the board had and how they were active towards Company X and other actors on the provider-side at that time. Adding to the list, these following comments were also made:

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<sup>127</sup> This was addressed in the presentation of the board member role and in the analysis of customer logics in relation to customer roles in chapter 5.3.1.

*“...it does not show that much on the outside, but...I have understood between the lines that they do [a lot], they meet...probably every month if not more often. And then they have had to think about lot of issues and yard planners have been there and met with other experts” (John, Subcase 1)*

*“...there has been many working hours spent by the board. They have gathered here...Of course there was always the supervising consultant attending and then there was the board and then there were Company X’s representatives when they gathered here, but they had at the best as far as I know meetings on a weekly basis here” (Michael, Subcase 1)*

The rather big workload that the board also became evident in some of the board members’ narratives:

*“We had, and in fact still have every month a meeting. There has been quite many things, surprisingly many, and that kind of employing influence...[when being] in the role of a member of the board” (David, Subcase 1)*

*“...in the board [I was in contact with] the board colleagues and the deputy landlord. And then in the board’s meetings during the construction time there were always someone from Company X, usually several people at least for a part of the meeting...the person responsible for the construction site came there and in fact 2-3 of that kind of people came, then there was the person who administratively took care of this project” (James, Subcase 1)*

Besides being in regular contact with some focal actors, the board in subcase 1 was also dealing with issues, such as, business spaces in the ground floor and parking spaces. At these occasions, Company X acting as the consultant provided assistance, for instance, with contract-related matters; however, the board also interacted with other outside actors, such as, a real estate broker for the renting out of business spaces. When it comes to some of the shared spaces that had not been planned, such as the clubroom, it was in subcase 1 also an issue for the board of the HC:

*“It was after Company X only an empty flat. It is now in the hands of the board of the housing cooperative that how it will be used” (Robert, Subcase 1)*

In subcase 2, the DG was also involved in the process, however, with most responsibility being given to the designers as previously discussed. When it comes to decisions that the HC as a whole needed to take in subcase 1, the board prepared these decisions and was given a lot of credit for it. One of the best examples of this is the buying of the property that was mentioned by basically all of the interviewed customers, whether they were in the board or not. For the basic customers this was a real positive surprise that they truly seemed to value. On a general level, as has been previously brought up in this analysis, the interviewed customers in subcase 1, who were not in the board, were satisfied with what the board did and their engagement to the project, and the board members also seemed satisfied with what they had accomplished<sup>128</sup>:

*“We have had an active board who have then supervised that this will become good”* (John, Subcase 1)

*“And then another who has done their job well is the board”* (William, Subcase 1)

Besides the board members' enthusiasm, these customers have also found the varying expertise as being vital leading to decisions that have been perceived as even surprisingly positive (e.g. buying of the property) and to increasing trust towards what the board does:

*“...I think there were remarkably good contestants [who ran for a board position]. There were former construction foremen and then people from the financial side and then there were people with own firms. They clearly had...control over the financial side and networking. They have organized everything very well”* (Robert, Subcase 1)

When it comes to interactions between customers and the board, David, a member of the board from subcase 1, discussed how some customers were in contact with them concerning rather detailed issues:

*“Of course there were some contacts made and questions asked and these kinds, but they were then perhaps from a little different perspective than we had on the table...They can be those kinds of individual, that someone has observed that there is, for instance, this kind of thing on the construction site and it looks bad or that s/he has some problems in her/his apartment. Or, for instance, in these changes to apartments or something”* (David, Subcase 1)

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<sup>128</sup> There are also previously mentioned positive comments from e.g. Linda, Mary, and Michael.



It also became evident that in both of the subcases, the customers had a Facebook-group of their own. The group was so novel in subcase 2 that no conclusions can be made regarding its functioning, however, in subcase 1, when there had been some negatively-loaded discussions, the board of the HC took charge there and strived to influence the way in which discussions should be held:

*“...I understood that after that our board took also a bit responsibility there on Facebook with regard to the communication and [it emerged into] that kind of official Facebook-channel where the discussion held was more correct”* (Jennifer, Subcase 1)

In addition, Mary in subcase 1 noted that the board was active in the Facebook-group, even though she noted that some also posed questions there:

*“...the board updated there something every now and then, which I think is fine. Someone...then always asked something there...where are we going with regard to what issues”* (Mary, Subcase 1)

The perception from this was also that while basic customers posed questions, the board was the actor who brought information to the channel and was active in responding to comments and questions. Thus, the board had not only a managerial role in representing the HC on the outside and preparing decisions to be made by the HC as well as organizing these meetings, but were also actively following ongoing internal issues and communicating with the customers.

When it comes to customer value formation, it is fair to say that none of the interviewed non-board members criticized the board; on the contrary, they were overall satisfied. This makes it obvious that for customers who are not wanting to be involved in tasks that the board is occupied with, having a board that has members with complementary expertise that fits the project at hand and who are also engaged and active, arguably leads to positive value formation. Besides being of positive value to have a role that congrues well with one's logic<sup>129</sup>, it can be thought of as important for the board members to also have customers who are satisfied with enacting the basic customer role<sup>130</sup>. Based on this and the previous analysis on the interplay between customer logics, it thus becomes evident that the

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<sup>129</sup> As has been previously addressed in terms of logics in relation to roles, those customers involved in the board in subcase 1 seemed in general to be satisfied with that role and with what the board had been able to do. There was one negative issue about the board members not receiving any monetary compensation in subcase 1, however, in subcase 2 the HC did decide that the board will receive it.

<sup>130</sup> At least in the sense that without those customers the project would not become reality.

customers' enactments of their logics and roles influence each other's value formation processes.

Although a lot of the decision-making concerned the own apartments, some joint decisions needed to be made, especially in the DG phase (e.g. material providers). With regard to this, the discussions often turned out to resemble negotiations about what is of value and what is not. In addition, particularly those customers with more proactive logics and a greater desire to influence clearly strived to have their say more strongly. Consequently, a status structure started to emerge among the customers (i.e. within the customer group). These issues are discussed in the following subchapter.

### 5.3.3.3 Similar roles, differing positions when negotiating what is of value

As stated, most of the customers focused on issues that concerned their own apartment, something that was probably driven by the investment-nature of the offering as well as the design of the service and customer roles during it. This was not only manifested in the questions that were asked by the customers (e.g. is it possible to have the sauna like this) or the individual issues that they were concerned about in relation to the project (e.g. what materials to choose in the kitchen), but also in the interactions between customers that sometimes resembled negotiations concerning what is actually of value. This was particularly evident when the customers were making joint decisions; for instance, when discussing kitchen providers in the DG in subcase 2, Charles had a strong opinion about which brands are good and which are bad, and while Joseph challenged these propositions forcing Charles to argue for them, Christopher had the same opinion as Charles. At the same time, Daniel asked for further information on quality differences between the two in order to be able to form an opinion. The focus in these meetings was especially on increasing the quality standard of the basic package and hence, besides debating providers, also the more general issue of what is higher quality and what is not related to a certain topic was evident in the discussions.

An important insight was the previously mentioned issue that not all customers were actively speaking and participating in the discussions. In the DG, Charles, Susan and Joseph seemed to be the loudest ones, while also Thomas, Daniel and Richard occasionally participated in the discussions. Besides those, there were, depending on the meeting, around five persons who did not almost say anything at all. Also in the general info sessions, there were usually a few louder persons, while many of the customers sat quiet the whole time. Naturally, those who were

more actively participating had a greater chance of influencing the outcome, whether it was what was brought up in the discussions or what decisions were made. However, eventually it seemed that this was not the whole truth, and instead, some specific customers seemed to become more influential than others did. In other words, they received a different social position or status within the group. Social position have been defined by Akaka and Chandler (2011: 251) as “the set of value-creating relationships or links through which a particular actor is connected to other actors in value networks”. Consequently, while customers may share the same role (e.g. the developer role), they may have different social positions in relation to each other, which became evident in the analyzed case.

The emergence of varying social positions is thus linked to the customer’s value creating activities in the group setting<sup>131</sup>. In order to illustrate this and important aspects related to it, focus is especially put on the DG in subcase 2, as there were consecutive observations of meetings were this group was gathered, thus giving a longitudinal overview of the group’s development. Each of these customers had the developer role at the stage when observation of the meetings began; however, they possessed different logics, as has been discussed. During the meetings, it further became obvious that a few of these customers were handling most of the talk, while others made a comment every now and then and some were quiet basically the whole time. However, being constantly loud did not automatically mean that everyone listened to you, or so it seemed during the meetings. Instead, especially Charles and Susan seemed to become the most influential ones in the group<sup>132</sup>. When it comes to understanding how this took place, a focal aspect seems to be that many customers utilized the experience they possessed when striving to make a point or arguing for their view. Whether it relates to which provider has good showerheads or taps, what kind of flooring the apartments at least must have or what is a necessary thing and what is not, most of the comments were based on previous experiences. Presumably, people often have a hard time imagining something that they have not experienced. Occasionally there were customers who brought up that they had acquainted themselves with a subject particularly with regard to this project, thus broadening their scope beyond mere individual experiencing in previous housing. Yet, what especially Charles and Susan, but also, for instance, Richard and Joseph, did was that they drew on their working and

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<sup>131</sup> I.e. advancing one’s individual interests and intentionally/unintentionally one’s social position.

<sup>132</sup> Company X and its representatives, especially the consultant, were probably in the big picture the most influential ones. However, here focus is mainly on the customers (i.e. those having the developer role) to illustrate how value creation activities in a group-setting may be linked to enhancing ones position in the group in order to advance one’s individual interests.

studying expertise and experience that was relevant for the project in order to persuade other customers.

While in the discussion on customer logics in relation to the different customer roles, the roles were seen more from the perspective as being resources for stability in the service process (e.g. how to act, what resources to utilize) (Akaka & Chandler, 2011; Solomon et al., 1985), in this case, these customers utilized their social roles from other systems (e.g. role as a salesperson in the construction industry or student of interior design) as resources to alter their social position in this DG (Baker & Faulkner, 1991; Akaka & Chandler, 2011). To exemplify, Charles brought up that he knew about interior providers (e.g. materials, furniture & equipment) as he was a salesperson dealing with construction related matters. Eventually, he seemed to gain a position within the group where his opinion weighted more in issues related to interior providers, despite, for instance, Joseph also often leading the discussion and telling about his experiences (i.e. a status structure emerged). Going back to the kitchen provider case in the beginning of this chapter, the choice ultimately fell on Brand Z, which was Charles' proposal and that was explicitly supported by Susan as well as the consultant and one of the service engineers before the consultant asked if that was the decision. Looking at how the discussions ending up with the decision went, Charles was noticeably the leader of it, telling the others what he thought was of importance to look at and thus striving to guide the decision, something that he was well aware of. Charles also utilized his contacts within the industry to organize a trip to a showroom where materials could be looked at. Although there was a host in the showroom, Charles ended up telling perhaps more than she did about the materials, what to pay attention to and so on.

Susan, who had studied interior design, was very eager with regard to how not only their own apartment would look, but also the shared spaces (e.g. clubroom and stairways). She was perhaps not as intentionally striving to enhance her social position as Charles was, however, it is evident that in the end, she managed to get a higher status and people listened to her, especially when it came to interior and layout related issues. When it comes to the apartment, Susan was actively advancing together with Richard, for instance, the particular type of draining system and bigger structural changes in the apartment, and these were dealt with also outside of the meetings. As the planning of shared spaces was an issue clearly close to her heart, she was actively proposing and participating in discussions also with regard to that. She also offered her help to other customers and presented the ideas with regard to their apartment, which clearly had an influence on what some customers wanted to also include in their apartment; in other words, she could be described as some sort of influencer with regard to interior design in the

building. Ultimately, besides having a higher status within the group, the designer role was established for Susan and she was put in charge of planning the interiors to the clubroom and sauna facilities.

As the project in subcase 2 proceeded to the phase where open info sessions were held, in these events some of the potential customers, of whom most were strangers to each other, utilized not only their experiences, but also their expertise through some other social role they possessed in another system. It often seemed that the others listened to these customers, even though it is not possible to say more about the consequences from these sessions, as the member composition was highly unique. When the final customer group had been formed in subcase 2 and it was time to choose the board for the HC, basically all of the chosen board members, as well as some that were left outside, brought up in their presentation that they had some social role and related expertise in another system. Also in subcase 1, many of the customers who had the basic customer role spoke about the good mixture of expertise that was found in the board of the HC, and this expertise was perceived to exist often due to the job and/or education that a person had. In these cases, as well as with Susan becoming the designer, Richard becoming the customer-consultant, or Charles and David becoming customer representatives, the customers utilized their social roles in order to not only enhance ones social position, but also to achieve another social role.

#### 5.3.3.4 The outsider-customers in the groups

When discussing the more influential actors within groups, it is evident that they have basically all had some sort of relevant expertise with regard to the project which has made them at times beneficial resources for the group; for instance, without David's understanding of numbers and investments, the property in subcase 1 would perhaps not been bought. Similarly in the DG in subcase 2, Charles, Richard and Susan have provided the group with their knowledge and/or networks, which arguably has led to positive things for the group as a whole (e.g. visit to showroom) or certain individuals (ideas on how to make the kitchen). As discussed, these kinds of customers' efforts are proposed to be extremely valuable for those customers who are not willing to put as much effort into the project. However, among those who seem to have a low involvement and who are more like followers, there might be customers who could be highly beneficial for the group.

When observing the DG meetings in subcase 2, focus was naturally often put on the customers who spoke a lot, however, there were a couple of the more quiet customers who stayed in the mind afterwards. The reason for both of these was that they might have had much more to give to the group. One of these was the

customer we have previously referred to as Christopher, who was not among the interviewees and who left the project sometime after the DG phase. During the meetings, Christopher seemed a bit like an outsider who did not actively participate in the discussion and sat a bit on the side. Occasionally, he made comments, however, it was not until later that I got to know that he was an architect, something that describes the fact that his expertise was not utilized at least in the meetings I participated in. As pointed out, a resource is not a resource, but it becomes one (Zimmerman, 1951), which is evident in the case of Christopher and the DG; he was present in the group, however, he did not become a resource for the group and he was not utilized, at least as much as he could have been. This might be linked to the fact that the building had been drawn to a great extent already by the architect and hence structural issues and so on were not discussed and decided on by the DG. At the same time, many of the DG members would have been interested in discussing issues that relate to, for instance, the structure or the façade of the building, something where the opinions of Christopher could have been useful. Daniel, another customer from the DG who was present in the DG meetings but who left the project before the HC phase<sup>133</sup>, could have also been of much more use for the rest of the group. He was the only one who represented a family with smaller children and even though the consultant and also Susan tried to ask for his opinion and how he saw these things from a family's perspective, it felt that there was not as many relevant insights received as might have been possible.

What these examples illustrate is that even though these persons were probably taken to the group due to their backgrounds, it does not automatically mean that they become resources for the group and thus do not enhance the group becoming a resource for customer value formation. Instead, they become that when they are able to provide the group with relevant information, knowledge, expertise, contacts and so on. Ultimately, they did not even become resources in the form that they would have been apartment buyers as they dropped out. In the case of Daniel and his family, the reason appeared to be that they found another apartment, which clearly indicated that they were in the project with the purpose of merely getting an apartment. With regard to Christopher, there is no certainty of why he left the project, however, one might wonder what would have happened if he would have been more strongly involved. It might of course be that he was not perceiving the project to be of importance, but it may also be that he did not find his place in it and that there was some sort of non-congruency between his logic and the developer role. Although one cannot be sure about the actual reason, it raises the proposedly important aspect that in order to become a resource, the

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<sup>133</sup> He was neither among the interviewees.

customer needs to provide the group with the particular relevant resources she possesses, but at the same time, the group and the service need to support the customer in making this possible. In other words, there is a strong interdependency between the customer and the group (Arrow et al., 2000).

Going back to the more highly involved customers, even though Charles and the likes were pointed out as examples of being resources for the group, it is another question whether they as well were utilized to their full potential. At least, for instance, Joseph was of that opinion that the potential found within the group was not utilized to its fullest, and the same picture emerged also in other narratives and when observing the meetings. Here it was evident that the developer role was not congruent with their logics and expectations as previously discussed; in other words, the service process did not support the maximization of their potential. Finally, it is important to note that even though not being actively speaking and providing the group with information, a customer in this kind of project may in the most basic form be a resource when she provides the group and project with money when buying an apartment and thus making the project come through. Hence, the customers' contributions to the group may take place in various ways, however, with regard to the group's functioning and from the perspective of the other customers' value creation and value formation, it is proposedly important to get as much relevant potential out of the customer as possible. For a customer acting as a (potential) resource for the group, it may be assumed that this activity of providing resources might reside in positive, neutral or negative value formation; for instance, Charles clearly enjoyed sharing his expertise and organizing the visit to the showroom.

#### 5.3.3.5 The importance of informal group-activities

A major part of the group-related activities and processes that are considered to be of importance for the customers' value creation and formation are formal to their nature; in other words, they are a part of the focal service. In their narratives, most of the customers discussed the meetings and other ways of interacting provided by Company X and further in the project also by the board of the HC, and depending on the customer, they were either related to positive, neutral or negative value formation. However, there were also examples of actual and desired ways for more informal communication. A good example of this was the HC's FB channel that was formed in both projects, and at least in subcase 2, none of Company X's representatives were part of the FB group and also in subcase 1 it seemed that content was mostly provided by the board of the HC and the discussions that took place were between the customers. Clearly in both subcases there were indications

of this being perceived as a good informal channel to discuss matters that relate to the HC.

While the FB channel is seen as an informal way for customers (inhabitants) to communicate with each other, a more specific example of the desire for informal interactions was received from the DG in subcase 2. It has been discussed in the analysis how Company X was the ‘main leader’ of the group, for instance, by managing the construction project and giving the themes that the DG focused on in their meetings. However, looking for more influencing possibilities and thus being disappointed by the nature of the developer role, some of the customers told about plans that had been made to meet outside of the ‘official meetings’. The aim of this kind of meeting would be to discuss what they actually want from the project, their housing and so on without the involvement and managerial influence of Company X. Even though this meeting never became reality, it describes that some of the customers were looking for more responsibility and possibility to influence in the project. This can be seen as resembling to some extent the so-called radical circles discussed by Verganti and Shani (2016) (also in Verganti, 2016)<sup>134</sup>. These involve actors coming together around a joint concern regarding “the existing vision of a business and share similar insights about future directions that challenge the existing dominant myths of their organization”, which results in them working “voluntarily to explore a new vision, make it grow, almost secretly, without a formal commitment, until the transformation takes off.” (Verganti & Shani, 2016: 105). Similarly in this case, these members of the DG were concerned about where the project was going and whether they would be able to have the desired influence on its proceedings and how the apartments and the building would become. At the same time, this potential gathering was not depicted as a revolution of any kind, but instead to have the customers come together and to get a clear picture of what everyone wants from the project. By meeting and discussing these issues, the customers would have probably gained more clarity and been able to function better in the future. Even though the customers never met outside of the formal meetings, it arguably gives indications of the importance to have a common understanding of what everyone is looking for and what are the common goals as well as that there is potential readiness to put in more effort into the group’s work. Together with the FB example, it can be on a more general level argued that the possibility to interact informally is of importance for some customers’ in their value creation and eventually for their value formation.

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<sup>134</sup> Radical circles are defined as “a primary group of individuals who connect voluntarily and opt to tightly collaborate outside the formal organizational schemes...with the purpose of developing a radical vision” (Verganti & Shani, 2016: 105)



Main emphasis in this whole chapter has been on addressing focal issues within the group that influence participating customers' value formation. However, with recognition for the scope of customer value formation and the openness of a group, relevant factors in the surrounding ecosystem also need to be accounted for.

#### 5.4 Influence on customer value formation beyond the customer-group interchange

Based on the theoretical approach taken and analysis of the collected data, it becomes evident that customer value creation and formation goes beyond what occurs between the participating customers and Company X in the focal service and the group. What needs to be recognized is the total customer's ecosystem (Voima et al., 2011) involving also the influence of the particular service ecosystem (Vargo & Lusch, 2016) that the customer becomes embedded in. While it was previously addressed that the structure and proceedings of the analyzed JBVs were influenced by the provider-side ecosystem<sup>135</sup>, focus is here put on analyzing what is relevant in terms of understanding the role of the group as a resource in customer value formation. What emerges as particularly interesting with regard to this is the role of the managing actor as a middleman between the customers and relevant actors in the ecosystem.

When it comes to the group-ecosystem interchange in the analyzed case, the boundaries between the two could be described as fuzzy<sup>136</sup>. Looking at actors linked to the different areas of the projects, there were those responsible for, at least, project proceedings (consultant), interior design (e.g. service engineer, kitchen- & bathroom providers), law (e.g. lawyer), building (e.g. architect), construction (e.g. construction site foreman), and financials (e.g. Company X's own financials expert & particular persons at particular banks who supposedly knew about JBV). The customers were in contact with these to a varying degree and with varying success, as will become evident in the coming discussions, with some customers also recognizing instances where a dedicate actor was missing:

*“...then when there were there came these kind of [questions] related to this project ‘well what if this would happen’ or ‘what is something else’, so I think she (the lawyer) seemed competent...[she] was often participating in the meetings and if you asked something I think she was good in*

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<sup>135</sup> In chapter 5.1.2, several factors from the provider-side ecosystem were brought up as influencing how the JBVs were planned and carried out. While these issues ultimately influence customer value formation, focus is here put on what is particularly relevant concerning the purpose of this study.

<sup>136</sup> This relates to the fuzzy boundedness of groups described by Arrow et al. (2000).

*calming and answering the law-related questions, contract-related issues. Then [the service engineer] was able to give quite good answers to material-related questions, but the electrical side was perhaps a bit like there was no one there” (Jennifer, Subcase 1)*

Although there were actors with specific areas of responsibility, not all of them were similarly present during the project. Simply put, while some of these actors can be argued as being actively involved in the group (e.g. consultant, service engineers, financials expert), others were not active until a later stage (e.g. construction foreman) and some remained more distant (e.g. architect & banks). Hence, despite the border between the group and the surrounding ecosystem being fuzzy, some of the actors were closer to the group than others. It particularly seemed that a few of Company X’s representatives (especially consultant and service engineers) and further in the project also the board of the HC were those who the customers were mostly interacting with or receiving information from when it came to project-related issues. When it comes to, for instance, the meetings and info sessions in subcase 2 that were observed, the consultant and service engineers as well as a person who knew about the financial aspect were always present, and thus these representatives were the most visible once for the customers. Outside of these meetings, the most common interactions mentioned in the narrative were also with the consultant and service engineers. As previously discussed, Company X was mostly in charge of project management and after the HC was formed, the board of it also took responsibility leaving the basic customers to mostly deal with issues in relation to the own apartment as well as some joint decision-making concerning the HC. Thus, although having vague borders, the co-creating group consisted in its essence of the customers and the project-related managing actors, while the rest were actors in the ecosystem<sup>137</sup>.

From the case study, it becomes evident that there are actors within the surrounding ecosystem who have an important part in influencing customer value formation<sup>138</sup> (Voima et al., 2011; Heinonen & Strandvik, 2015; 2018). With the focus of this study, particular emphasis is paid to the group’s role in this process where especially the managing actors are recognized as having a pivotal role that needs to be addressed. This relates particularly to the structure of work and information flow between the basic customers<sup>139</sup> and actors in the ecosystem where the managing actors are identified acting as middlemen. The role of the middlemen can be seen as further manifested in two distinct ways; middlemen as

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<sup>137</sup> The managing actors were the focal provider’s key representatives and later on in the project especially the members of the board of the HC. The ecosystem actors could become temporarily a part of the co-creating group if, for instance, joining a meeting.

<sup>138</sup> Actors beyond the customer-group dyad in the customer’s service process.

<sup>139</sup> Basic customers refer to the DG and the ‘basic customer group’ in the HC.

messengers and as gatekeepers towards actors that are directly linked to the focal project (e.g. architect) as well as those that are indirectly linked to the project, but pivotal for the customer's service process (e.g. banks for private financing). These distinct roles and related areas of emphasis are discussed in the following subchapters.

#### 5.4.1 Middlemen as messengers between customers and outside actors directly linked to the focal service

With the plethora of aspects that the customers may ask specified questions on, it is obvious that a few of Company X's representatives or let alone the board of the HC cannot have all the answers. When observing the meetings in subcase 2, it was often the case that there came some surprising and also often quite detailed questions that could not be answered right away (e.g. during a DG meeting there was a question about the true height between the floor and where the window starts as there was no precise information on that in the documents). Thus, these actors (or subgroups of actors) needed to look for the answers from other sources. Particularly the consultant and service engineers seemed to deal with these kind of issues and many of the customers in subcase 1 seemed to have understanding for the fact that these actors could not have all the answers and they were instead praised for their efforts striving to help the customers with finding the right information and helping the customers:

*"...if I would like to thank someone for this...it would be the consultant...[The consultant] was committed and dealt with everything towards us customers in a damn nice way in my opinion" (William, Subcase 1)*

*"...[the service engineer] found out about prices [of possible changes]...We got the layout, but then if you would have wanted to make changes...no one could there at that place say that 'okay it will cost that much', but instead it was like...make your own plan and [the service engineer] will forward it and ask for a cost estimate" (Michael, Subcase 1)*

*"...we then sent messages to [the consultant]...and he was always really willing to help, but he did not always know where to ask or where to be in contact...He always dug out some person's contact information whom to call" (Jennifer, Subcase 1)*

With regard to the construction, also the construction foreman was applauded by some:

*“[The construction foreman] delved into those issues and cared to explain if there were any questions” (Robert, Subcase 1)*

As it has been previously discussed, it was important for the customers' to feel that the focal provider's representatives were giving their all for the customers and that they were on their side. This sometimes meant that the members of Company X had to contact other actors in order to retrieve important information. In addition, there were also activities that involved other service providers than Company X, which meant that besides customers having to pay visits to, for instance, the kitchen provider's showroom, all the important information related to that specific aspect of the apartment needed to be communicated to the provider in question. In some cases, it seemed that the information had been transmitted well, as became evident in, for instance, Robert's (Subcase 1) quote that was cited on page 275. However, some customers had difficulties when engaging with these outside service providers that could relate, for instance, to the salesperson's expertise or to the fact that the salesperson did not have enough information on the subject, as was the case for, for instance, Linda in subcase 1:

*“Well there was that when I wanted the laundry closet so I ordered it from the kitchen firm and I think the salesperson made a little error, but I can live with it, as we have that kind of strange cubicle in the bathroom roof, so the closet should have been made so that the cubicle goes there inside” (Linda, Subcase 1)*

Another important aspect with regard to this was that besides the communication between the customer, the Company X's representative and an ecosystem-actor playing an important role, also the documentation and sharing of the documents to the customers emerged as vital:

*“...there came that kind of problem that as we went to the [kitchen planner] to do the plans, we never go the plan from there with us when we left...and then it became revealed that there had been a misunderstanding, that they had put the sockets in the wrong place. And after all the thing is that they think that we have hoped for them to be there even though we are both totally sure that we have not hoped. And that kind of communication between the [kitchen planner] and [service engineer] and us did not go as it was supposed to go” (Jennifer, Subcase 1)*

There was also information that went via Company X's representatives to an actor in the ecosystem and Richard from subcase 2 also had some issues with information not reaching the architect:

*“The architect had started planning a closet about which we had said that we are building it ourselves. Now s/he has used a couple day for trying to find suitable doors. We said that we have a carpenter who will do it so no need to do it. Basically totally unnecessary work”* (Richard, Subcase 2)

An issue that some customers faced with regard to information flow was that there occurred changes in Company X’s staff, and hence, for some customers another person replace the one they had been in contact with previously. This meant that there was a risk that the right information would be lost somewhere, as was the case, for instance, for Linda in subcase 1:

*“I think there was quite some [employee turnover]. The leader was the same all the time, but the service engineers probably changed three times. And that is why I have now have joints with the wrong color in the bathroom”* (Linda, Subcase 1)

Thus, with focal representatives being changed, there evidently is the risk that some information may be lost or not communicated further to the final receiver.

These insights highlight the importance of information flow between the group and related outside-actors in the surrounding ecosystem as well as the documentation of this. The information in the analyzed case consisted of everything from project- and apartment-related important documents (e.g. planning of spaces with measures) to customers’ wishes and related answers. In securing this information flow, especially the consultant and the service engineers were found to have an important role thus acting as messengers in the group-ecosystem interface. In the following chapter, the role of middlemen as gatekeepers are discussed.

#### 5.4.2 Middlemen as gatekeepers between customers and outside actors directly linked to the focal service

Besides the transmitting of information to other actors in the embedding ecosystem, it also became evident from the data how Company X, and also the board of the HC in some instances, played an important role in being the ones who possessed the contacts to closely-related actors in the ecosystem. Thus, they could ‘open the door to them’ for the customers or to invite them to meetings where interested customers were present. In the meetings in subcase 2 it was, for instance, often mentioned that experts on the energy-system that would be used in the building would be invited to tell more about it for the customers. When it came to making choices that can be considered as important for the HC’s

functioning, construction of the building or living in the building, some customers told in their narratives how pleased they were with being able to hear these actors present themselves and to be involved in making the choice. In the chapter on customer logics and more specifically the participator logic, Robert (Subcase 1) was, for instance, cited telling how great it was to be a part of these types of events.

However, there were also instances where some of the customers were frustrated, as Company X did not invite or open doors to actors that were considered as relevant by the customers. In subcase 2 during the DG phase, one of the recurring examples of this was the architect, who understandably had a great influence in how the building and the apartments turned out to be. Several of the more active and highly engaged DG members pointed out during the meetings that they would like to meet the architect in order to discuss and hear his vision and thoughts; in other words, how things have been planned and why they have been planned in that way. This also became explicit in, for instance, Thomas' narrative:

*“If we are the constructors and we have not once got the architect there [to the DG meetings] even if we asked for it, so I think it is a bit strange”*  
(Thomas, Subcase 2)

Importantly, when asking for the possibility to meet with the architect, the customers also stated that they would not want to give negative feedback or anything like that, but instead to discuss and to understand what the architect's vision is. Moreover, as the comment by Thomas indicates, being able to meet with the architect also related to the feeling of actually being a constructor.

The issue with getting into talks with the architect also caused issues on an individual level in the DG phase in subcase 2. Richard was previously cited telling how relevant information had not reached the architect when it came to a close that they planned on having built with the help on an outside carpenter. Besides the issue with the closet, Richard and Susan would have wanted to make several changes to their layout and hence wanted to meet and discuss with the architect already early on, however, it was not possible according to Company X's representatives:

*“If it would have been possible to influence and discuss with the architect here [in the beginning], so we would have changed the layout, the layout is really difficult...We had the drawings ready...but...we should have had to meet with the architect to discuss whether it is possible...But now at this point [the service engineer] sent that the architect wants to charge us. I asked ‘on what grounds’, s/he said that ‘when this was made a unique home’, and we said that ‘we would have wanted to talk with the architect*

*in the first place, that what are the boundaries'. Now we made drawings and then it was told that 'it is not possible'. When we could have gone and sat around the same table all three, so it would have been fixed at once...[N]o portals are used nor these kinds of Teams...and no drawings are shared, but it is always like that you send an email and then there comes an email back"* (Richard, Subcase 2)

Zooming out and looking at the big picture, it was evident that Richard and Susan with their eagerness and desire to shape their apartment would have benefitted from being able to meet with the architect instead of having to communicate via the service engineers. Now, the communication had turned into 'Chinese whispers':

*"And then again, when Susan thought about the wall and everything, so if you could have gotten directly to the architect, who after all decides, s/he would have probably gotten directly to the real issue. Now the explanation was if I remember correctly that let's not take the architect's time. Well, time is still used. So it could be that the process could have been straightened a bit. [The service engineers] had went to meet with the architect. But [one of the service engineers] tried understand what Susan meant and then interpreted that to the architect who then listened to [the service engineer], 'aha, this is what they are trying, it is not possible'. Then Susan [said], 'surely it is possible'. They had the discussion like that, when there could have directly, for instance, in a Teams-meeting go through these drawings so that it would have been done in an hour"* (Richard, Subcase 2)

Richard argued that due to these issues, the architect was charging them for three days of work, while it arguably could have been dealt with in much less time had they been in direct contact with each other. In addition to the architect, the developers also mentioned access to discussions with the neighboring HCs and other experts as something that would have been desired, but was not realized (e.g. Joseph's comments that have been highlighted previously in the analysis). David from subcase 1 had another experience when it came to the DG's role in relation to the project, as he was previously quoted describing that the DG did not have any representative looking after the customers' interests and participating in the negotiations and decision-making involving Company X and other providers.

Based on the collected data, it becomes evident that besides transmitting information between the group and actors in the surrounding ecosystem, these middlemen who possessed the right contacts also acted as gatekeepers and gateopeners by giving or 'restricting' (e.g. not inviting a requested actor to

meetings) participating customers' access to interact with particular actors (i.e. accessing relevant resources for value co-creation to take place, Grönroos, 2012). In addition, by zooming out from mere group-ecosystem relations directly linked to the focal offering, it became evident that there were other customer-ecosystem interactions and activities that were of importance for the customers' value creation and formation. Moreover, Company X was also identified as playing the role as middleman in some of these.

#### 5.4.3 Middlemen and outside actors pivotal for customer's broader service process

In the discussion on customer logics, it was pointed out how customers' value creating efforts differed depending on the scope of goals and degree of desire to influence. Thus, when listening to the customers' narratives, it became evident that there were also activities conducted outside of the focal service process (i.e. the JBV-offering by Company X). Many of the customers had discussions with their friends and family about the potential investment; for instance, whether it is a good idea to buy the apartment and what is going on in the project. As it has become evident in some of his quotes, Joseph from subcase 2 seemed to have an ongoing dialogue with his friends, keeping them updated on everything that took place in the project and analyzing these proceedings. It was if the friends were the ones he could open up to about what frustrated him and to ask for guidance. When it came to making the decision to buy the apartment or not, John from subcase 1 told that his father-in-law played a significant role in pushing them forward. Thomas and his wife (Subcase 2) hired a friend as their interior designer instead of utilizing Company X's service engineers, while Robert's (Subcase 1) sister lived in the neighborhood where the building was built and reported about proceedings she had noticed when walking by the construction site. Some of the more active customers with a desire to influence more visited other providers than those necessary ones in order to look at alternatives or to find suitable solutions that were not included in the basic package.

Overall, it can be assumed that the more engaged customers, who thought about how they would want the apartment and so on, searched for inspiration and information from various sources. When it comes to the board members, even though supported by Company X and the deputy landlord, they of course, depending on the issue, contacted also other providers (e.g. real estate broker). These are some examples of outside actors that the customers interacted with during the project. The intention is not to give a detail description of them all, but instead, the following discussion is focused on one particular theme that is considered to be a great example of customers' relations to other outside-actors



relevant for their value creation and formation as well as the role that a middleman can play in it.

#### *Customers' interactions with banks*

In order to be able to start the construction of the buildings in both projects, financing needed to be secured. In both of the projects, a part (70 percent) of the project was financed with the help of the HC's loan that Company X had negotiated and another part (30 percent) was financed with the customers' individual financing. To get an apartment, the customer needed to pay for this whole individual part at once before the project could start. Presumably, it was against these individual sums that the HC loan was received (i.e. they were the deposit), however, it worked also as an instrument to check that the customers involved in the project are able to pay for their apartment. Having to put in a great deal of cash beforehand, however, caused issues for some customers if they needed to take a loan to finance it. In general, banks seem to have a rather negative attitude towards JBVs, which is argued to stem from there having been previously some failed customer-driven JBV projects, for instance, due to tensions between the customers or costs that have gotten out of hands due to lack of expertise; in other words, these projects have never finished. The consultant told about this in the meetings and info sessions and some of the customers also experienced the immediate negative answer:

*"I think there was one bank that said straight away that they are not participating in this" (Elizabeth, Subcase 1)*

Traditionally, when an apartment is bought, the apartment can be used as a guarantee for the loan, however, in a JBV, as the apartment does not exist when the loan is applied for, many banks do not seem to approve its use as a guarantee for the loan. Hence, if the customer is not able to provide anything that she can use as a guarantee for the loan, no loan is given. This issue of getting a loan was not only influencing the particular individual, but also the rest of the group, as the project could not start before all the financing was secured. Hence, the reserving of apartments became a crucial activity as there was a desire to fill all the apartments, but at the same time, it was important that those who reserved it were also able to pay for their apartment. Due to the learning curve that Company X had, the practicalities related to apartment reservation varied a bit between the subcases. In subcase 1, the customers were to pay a reservation fee that was based on the size of the apartment, however, while having the possibility to pay for that, it did not mean automatically mean that the customer would be able to pay for the whole individual part. With regard to some customers, there then came some surprises further in the project when it was time to pay the whole individual part.

While some customers were able to resolve the issue, some dropped out, which then again meant that the project could not proceed. Based on these learnings, in subcase 2 before being able to reserve an apartment, the customers were asked to give a plan on how to finance their part. By doing so, Company X aided the customers to think proactively and to understand the realities that were linked to the project at hand.

Besides pushing customers to think about how to finance their part, before any of these projects had actually started, Company X had understood that there could become issues with regard to the customers' financing of their individual part. Hence, they built their concept on consultancy-led JBV so that the bigger part of the project's financing was secured with the loan for the HC that was secured with the help of guarantees. This basically meant that the project would be finished no matter what. For many of those who already owned an apartment, it thus seemed that they could utilize the apartment as a guarantee in order to get a loan to finance the individual part or to sell it in order to pay for it:

*"I had the previous apartment so I got the loan with the help of it. And then I sold it when I moved here...I had no problems with getting money from [that bank]..., but they said that they do not usually finance [these kinds of projects]"* (Linda, Subcase 1)

*"...we had the old apartment, so it was enough as a guarantee and we could have gotten the loan at any point, but then it went so that we sold the old apartment and moved temporarily to live on rent so we did not be in contact with the bank"* (William, Subcase 1)

However, among those customers who already owned an apartment there was at least one customer who had a hard time getting a loan for the JBV project. Joseph in subcase 2, who apparently had guarantees for getting the needed loan and also otherwise did not have any issues that would negatively affect the possibilities for getting a loan, had still a difficult time getting it. In fact, it turned out to be one of the most interesting stories with regard to how confusing the financial sector can be with regard to JBV:

*"...I asked for loans in an early stage so no banks [were willing to give]. I have guarantees. So they will loan me, for instance, 130 000 to a new car right away, 'here you go, take it'. But to Company X's project they will not"* (Joseph, Subcase 2)

Even though referring to Company X's project here, it seems that the actual issue is, as previously mentioned, JBV in general as a way of buying an apartment that

the banks have a negative attitude towards or do not (want to) understand. Making things even stranger, among the banks he asked for loan from and was rejected by was the same bank that had given loan for the HC in subcase 1 and eventually gave the loan to the HC also in subcase 2:

*“...there was a person who familiarized her-/himself with this and it took two weeks and the answer was ‘no’...The reason was that they do not participate in these kinds of things” (Joseph, Subcase 2)*

Recognizing this flaw in logics from the banks side, Joseph then decided to change his approach in order to secure financing:

*“...[my bank] said that they are not on board when it comes to Company X’s project...[T]wo weeks later I said that ‘well as I am not joining that Company X’s project, I have decided to renovate my current apartment’...so I got 160 000 and I took it out directly” (Joseph, Subcase 2)*

What got Joseph increasingly frustrated was that when the consultant in Company X held presentations about their JBV concept and came to the part where financials were discussed, it was always said that ‘this is the part that the banks like’, something that I also heard when observing the meetings. However, this did not seem to match the reality that he had experienced with no banks giving a loan. Joseph said that he never got an answer to why this was the case. At the same time, Company X had already in the project in subcase 1 recognized that this probably would become an issue for some customers, and based on that acted proactively offering their services to teach bank personnel about Company X’s model on JBV. It could perhaps be assumed that these banks would be glad for the assistance, however, the consultant told that many of the banks had said ‘no’ to the help as they seemed to be satisfied with the current situation with regard to traditional apartment selling and buying:

Moreover, this situation was complicated by the fact that even though there are a handful of banks, there are several bank offices where the practicalities clearly seem to differ. This means that while one office at Bank Y says no, another might say yes. In subcase 1, Company X finally seemed to get a few banks, or particular offices, behind the idea. These bank offices then became the ones that Company X recommended to the customers and there were dedicated persons whom the customers could contact:

*“And Company X then particularly some bank office where there was some persons who understands these things” (James, Subcase 1)*

Although this list of people existed, it seemed that getting the loan was still not an easy task, with some customers having to take the one that was possible:

*“And then they had ready-made lists with people [from banks]...who know about this...because if you go to the bank to negotiate they do not know anything about this and it is quite sure they will not give you the loan. And from that list we went through the banks and [one of them] was the only one who was ready to give as a loan”* (Michael, Subcase 1)

*“It was in a way also that kind of new situation for oneself, when you always think that you ask for bids from banks and then look for whom you will continue with, but now the situation was a bit like you then had to take...the one who wanted to find out more about this and which Company X had in a way briefed. Of course now when the apartment is ready you have been able to ask for bids”* (Elizabeth, Subcase 1)

Interestingly, these customers had different banks who gave them the loan, which may depend on some financial details or on the varying perceptions of JBV that seem to exist even within the same office. What is also of interest here is that as the amount of options are decreased, the traditional way of behaving with regard to comparing loan offers from banks is not possible. It may be assumed that due to this, there is a greater risk of negative value formation, for instance, if the terms of the loan are not satisfying or the customer is not satisfied when having to take the loan from this particular bank.

Besides striving to educate bank staff in order to understand the concept, at least in subcase 1, Company X also assisted those individual customers who had problems with getting loans:

*“But I know that [the consultant] did a damn lot of work for it...I somehow understood that there was some guarantee value received for this. I am not exactly sure how it went”* (William, Subcase 1)

The consultant evidently tried to help the customers especially to get such documents that would help them receive the loan. One of the customers who had a long process involving various actors, such as the bank, consultant, relatives and even the deputy landlord and a real estate broker, was Michael and Jennifer in subcase 1. Instead of merely negotiating the individual part to be able to buy the apartment, they were also negotiating to get funding to cover their part of the loan that the HC had. In order to get the loan, these customers turned to their relatives to gain guarantees for their loan, yet, it was a complex process where the customers acted as the coordinators in a system of various actors:

*“...there had to be some kind of deputy landlord’s certificate given to the bank...so that they (the relatives) could guarantee the loan and then I [said that] ‘we cannot provide a deputy landlord’s certificate as there is no apartment’ that ‘we have a deputy landlord, but...they do not give out any certificates yet as we do not have any building assembled’...However, then it was somehow [resolved]...that ‘we can evaluate it’ or something. But there was something with regard to the bank and this project... [where] I was the coordinating party...I had to ask from there that I can give it there” (Michael, Subcase 1)*

After being in contact with various actors and asking for and delivering required documents, the customers finally received the loan promise and were able to finance the individual part. This was made even more stressful due to the upcoming holidays and vacations. However, eventually they were able to get it sorted out before those. Besides their own efforts, they also gave credit to Company X for being dynamic with regard to the due date for having the financing fixed, and in general for helping out and being on their side:

*“...there was a quite strong feeling that they (Company X) were on our side that we are on the same side. That they want to advance the project...and we are there, engaged to the project” (Jennifer, Subcase 1)*

*“...and I [said that] ‘we are not getting them [to the deadline] as we have to sort out with [our relatives] bank something about the value of their place, that how much does it guarantee’...and I feel that also there [the consultant] was compassionate and Company X did not...pull the breaks, to be absolute with regard to the date...[Otherwise, Company X] asked a lot how it is going for us, what is the situation” (Michael, Subcase 1)*

Having resolved the issue at this stage, Michael and Jennifer thought that everything was in its order and that they would receive a loan to cover the whole sum, not only the individual part. As the project was heading towards its end, some issues, however, emerged:

*“As we had in a way received from the bank the loan promise to a certain amount. And 30 percent of that sum went in the beginning to the loan for the construction time and that had to be paid to Company X so that they can assemble this apartment. Then...before getting to move in the rest had to be paid and at that point the bank then [pulled the breaks while] we had imagined that we have got the loan and then we just lift the rest of it” (Michael, Subcase 1)*

Once again, the bank was asking for different documents that were needed in order for Michael and Jennifer to be able to receive the rest of the loan to pay for their part of the HC's loan. Besides causing extra work, this was difficult as the apartment building was not completely finished:

*“Then we had to get...the price estimate of the apartment and then we [said that] ‘well we cannot’, as you could not go there [to the apartment...[S]o how could some real-estate broker go there as they do not even let us go there and there is at the moment no one else than construction workers, so ‘we cannot provide this’”* (Michael, Subcase 1)

What was also demanding in their situation was that their representative at the bank had left, and as the new representative was not familiar with their case or JBV at all, they had to explain everything again, even though everything should have been clear:

*“We had to in a sense explain this concept once again so that they agreed to give us the rest of the loan, which they had already promised us. We had in a way the loan promise and certificates, signatures or the contracts done concerning it, but...they still wanted once again clarifications regarding what is this thing as the representative had changed”* (Michael, Subcase 1)

This lack of knowledge from the bank's side also caused issues in that they were not sure what documents to ask for from Michael and Jennifer:

*“...they did not really know in the bank what all is needed. And then there came a huge list from there”* (Jennifer, Subcase 1)

Even though facing a hard time, Michael and Jennifer did not give up and being given a hint by the consultant, they contacted a real-estate broker who was previously linked to the project with an offer on taking the customers old places for sale. This real-estate broker was willing to help and eventually gave a price estimate:

*“But then they provided the price estimate to the bank”* (Michael, Subcase 1)

What the story of Michael and Jennifer shows is the complexity that can characterize a customer's activities in striving to get financing for an apartment. In this process, they rely on the help of not only the focal service provider and the bank, but also on other actors to guarantee the loan and to aid with getting the correct documents that are required. In the end, it can be down to one person,

whether a loan is received or not, and this one person can be anyone of the several involved. Moreover, the customer's required activity is also explicated here as there would not be any loan received if the customer would not be active in the process (or system). This active role of the customer in relation to the financial aspect also became evident in other customers' narratives; for instance, Elizabeth from subcase told how they had to be active in educating bank staff:

*"...so you had to go through these kind of JBV basics quite a lot with the banks...[I]t was perhaps a bit surprising that you also had to clarify these things also to the bank..." (Elizabeth, Subcase 1)*

In the big picture, as this type of housing business is not among the mainstream ways and there may be only a few examples that a bank office has been dealing with or heard of previously and that have perhaps ended in disaster, it becomes evident that the financial sector is in most cases not that fond of JBV. While there is presumably a balance between the dominant logic of the financial sector and the dominant logic of the construction industry with regard to the construction and acquisition of new apartments, a tension emerges when the process of JBV is introduced. With their efforts, Company X have striven to enhance the possibilities for customers to receive loans, however, it is also evident that the customers themselves need to put in effort and when needed, other actors, such as a real-estate broker and deputy landlord, may be needed. With regard to the proposed need for a more holistic understanding of a customer's value creating efforts and her value formation (e.g. Heinonen et al., 2010; Heinonen & Strandvik, 2015; Voima et al., 2011), the support and efforts by Company X stand out in the case as a good example of how the provider as a middleman may go beyond the focal service process from its aspect to understand the customer's whole service process in order to find out where the customer's value formation could be further supported and enhanced. In this case, Company X strived to and was occasionally able to enhance customers' possibilities to get financing for their apartment by transmitting relevant project-related information to banks.

To summarize on this whole chapter, the importance of understanding the role that the surrounding ecosystem plays with regard to the group's functioning and hence the customers' value formation has been discussed in this chapter. It has been proposed that besides more formal forces that create boundaries (e.g. legislation and regulation), also the dominant logic that is suggested to exist in the business of constructing and selling of new apartments is in tension with the JBV. Hence, the offering that Company X has created needs to be understood in relation to the rest of the ecosystem. Besides being in charge of creating and managing their offering under the influence of the proposed tension, Company X as well as the

board of the HC have been proposed to act due to their powerful position as middlemen (i.e. actors, groupings or organizations, with responsibility with regard to the proceedings of the project and with contacts to other providers) between the customer group and the surrounding ecosystem. These middlemen were identified as being messengers; in other words, transmitters of information between customers and actors in the surrounding ecosystem. In addition, they were also found to act as gatekeepers and -openers, which means that having a certain power within the project as well as possessing the right contacts, these actors play a focal role in facilitating the rest of the group with accessibility to relevant actors (e.g. opening doors or inviting). Moreover, Company X was found to take the role as a middleman also in relations that customers had with actors indirectly linked to the focal offering, thus providing an insightful example of how the provider may strive to enhance customer value creation and formation also outside of the direct customer-focal provider dyad.

Besides the influence of ecosystem-actors on customers' value formation processes and the managing actors' important roles in relation to that, the case also reveals more general issues that are important to account for. While many of these issues relate to the provider-side ecosystem, they at least indirectly have an influence on the group's constituents and functioning and consequently participating customers' value formation.

Until now, customer value formation has been addressed in relation to incidents and issues that customers have encountered throughout the service process. In addition, focus has been particularly on customers' desires and expectations in relation to different elements during this process. However, the co-creating group is occupied with a project with certain main goal(s)<sup>140</sup> and while fulfilling expectations is a major concern, the study also reveals that for some customers there may be unexpected value drivers with regard to this (cf. Arnould & Price, 1993). Thus, in order to deepen the understanding of conditions pivotal for customer value formation, focus is finally put on addressing the relationship between the expected and unexpected in terms of the project as a whole.

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<sup>140</sup> The goals can be individual, relational and collective (Epp & Price, 2008; 2011).



## 5.5 Expected and unexpected sources of value in the project as a whole

After the construction had ended in subcase 1<sup>141</sup> and the customers were able to move in, two major ways of how value was experienced emerged from the data; the (dis)confirmation of expectations and the extraordinary experiences, which relates to the unexpected sources of value.

### 5.5.1 The (dis)confirmation of expectations concerning the service process

Looking at the whole project, everyone was ultimately involved in it in order to get the (desired) apartment (i.e. the main goal). For many of the interviewees in subcase 1 the actual apartment also seemed to be, at least almost, as they desired and hence, whether one had the logic of a proceeder or initiative-taker, they all appeared to be satisfied with their new home. Here are some typical examples from subcase 1:

*“Well we are really pleased with this apartment”* (William, Subcase 1)

*“This is really nice as a home”* (Elizabeth, Subcase 1)

*“Seems like a high quality apartment”* (John, Subcase 1)

*“Exactly as I thought it would be”* (Mary, Subcase 1)

*“I am basically quite satisfied, it is always a fine situation when you get to move in”* (David, Subcase 1)

Even though some of these customers had faced negative incidents during the project and even though the apartment or building had some minor flaws, the fact that the apartment was ready and they had been able to move in seemed in many cases to cover for a major part of it. A good example of this is provided by Linda (Subcase 1), who said that she does not think about and basically even remember the negative issues during the project anymore and that she is satisfied with the apartment even though there are some minor faults (e.g. wrong colored tile joints and cubicle in bathroom):

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<sup>141</sup> Findings from subcase 1 are relevant as the whole project was finished at the point of data collection. However, some insights from subcase 2 are also drawn on especially in relation to the DG phase.

*“I think this is good. This is just as I wanted it to be. It is difficult to say based on one picture, but the layout was good, so I think this is precisely as the guideline was. I have nothing bad to say about this in any way”*  
(Linda, Subcase 1)

Robert also made similar comments:

*“Nothing to complain about. Not really. They are so minor issues that it is not even worth [mentioning them]”* (Robert, Subcase 1)

It seemed that many of the customers understood that even though the apartments were brand new, there could be some minor issues that were then fixed when noticed:

*“I am quite satisfied, there is always in every new apartment some place that is not...you know there is some scratch in some wall or floor that you then have to complain about... I have also had very small-scale, minor and they have then been fixed. There has been a few scratches in the parquet and a few scratches on some walls. But that is totally normal, a new building is usually not perfect”* (James, Subcase 1)

In many of the cases, Company X fixed issues that were identified by the customers and that were not according to the plan. At the same time, there were some instances where the interpretation of what was meant between the customer and Company X differed or there had been issues in the information flow that led to wrong plans being made and fulfilled. This was the case, for instance, in the previously mentioned situation where Michael and Jennifer (Subcase 1) found the sockets in the kitchen being misplaced after the kitchen planner had presumably misinterpreted their sayings. Consequently, they were not changed by Company X afterwards, as they were in the plans similarly as they had been installed. However, in the big picture, it seems that even though there were negative surprises with regard to the apartment's interior and structure that were not anticipated, what was after all of importance for most of the customers was that their apartments existed to larger parts as they were supposed to and that they were able to move in. In the big picture, the confirmation of this major expectation was a focal issue for positive value formation<sup>142</sup> (e.g. Grönroos, 1982; 1984; Woodruff, 1997). In subcase 1, all the interviewees had received their apartment and thus their expectations with regard to this basic purpose of the service were to a great extent

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<sup>142</sup> Although some of the customers did not at the very start have any other goals than to hear more about JBV and the project, it was evident that at some point, all of the customers had some explicit goal(s) of which the common one was to get a new apartment.

confirmed and led to a basic satisfaction (positive value) with regard to the service. In addition to this, some customers even perceived a positive disconfirmation of expectations with regard to their new apartment and especially the location of it:

*“I am really pleased with the apartment, the location, and I in fact find something new all the time. Occasionally it feels, like in the summer, as if you would have been on vacation in your own home city. So really pleased”* (Mary, Subcase 1)

*“Then it came as a bonus that when is start to walk in that direction for four minutes there is this kind of sunbathing place built by the city...And that is a bonus to this good balcony...I did not think that the sea is so close, as I did not walk around here when I came here in the winter”* (Linda, Subcase 1)

On the other hand, some customers' current value perception were negatively influenced, for instance, by the current lack of communal activity and sense of community. Patricia (silent dreamer logic) was previously quoted telling in her narrative that she would have liked to see more of joint activities among customers, even though she had some hope with regard to the potential use of the clubroom and the joint sauna times for women after jogging. In addition, Elizabeth (group-potentiality maximizer logic) was also earlier cited saying that she would have expected that the group would have been utilized more as a social community.

Besides having explicit desires and expectations to be fulfilled, it also emerged from the data that this was not always the case; for instance, Mary, who was not explicitly looking for any communal activity<sup>143</sup> stated afterwards that there could in fact be more of a social community as had been the case in the previous apartment building she lived in:

*“I could be more [in contact with my neighbors]... I would somehow like it. In my previous [housing] cooperative there was that kind, there lived quite many elderly people and it was that kind of support network, in fact quite nice. Not too much but, mm”* (Mary, Subcase 1)

The quote by Mary shows that there may be implicit and unspoken desires that customers are not even aware of themselves before they find themselves longing for them. This aspect of unspoken and unrecognized expectations is linked to the following subchapter on JBV as an extraordinary experience for some customers. While it is evident that getting to move into the new home was a major expectation

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<sup>143</sup> Mary had the proceeder logic meaning that she merely wanted to move in a put in as little effort as possible.

that needed to be satisfied and once realized led to some basic level of positive value, what also emerged from the data was that when reflecting on the whole process and their feelings at the moment, although having had minor or major issues down the road, some of the customers seemed to experience positive value in a way that was not described by the (dis)confirmation of (explicit) expectations with regard to the service's performance.

### 5.5.2 The extraordinary experience of a JBV process

Besides the (dis)confirmations of expectations, also unexpected issues were found to be relevant for some of the participating customers' value formation in the analyzed case. Some of the customers brought up emergent issues that they clearly had not been anticipating, but that they perceived as being of value afterwards. More specifically, it seems that those customers who have been more involved in their project described this kind of satisfaction even though their value formation might have also been influenced by the disconfirmation of their more explicit expectations. With regard to these findings, parallels can be drawn especially to the work of Arnould and Price<sup>144</sup> (1993) with different themes emerging that are not the result of the (dis)confirmation of expectations, but instead they unexpectedly emerge as a result of the whole experience.

#### *A sense of community*

For some customers, the feeling of being a part of the group and getting to know one's neighbors was a source for value that was not anticipated, however, in retrospect they found it to be of value. There were in fact customers who did not actually desire any communal activity, who at the same time told about how nice it was to get to know the neighbors before moving in:

*"I think it has been a plus for this whole project...that you know your neighbors before you move in"* (Michael, Subcase 1)

When it comes to the DG in subcase 2, many of the interviewees said that the group emerged into a rather tight one with good people in it who strived towards joint goals in a good spirit (even though some exceptions existed). A good example of this was found in Joseph's comments during some of the info sessions and

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<sup>144</sup> They identified the following themes or dimensions of the extraordinary experience of river rafting; 1) being in harmony with nature, 2) *communitas* (i.e. connecting with others), and 3) personal growth as well as renewal of self. In addition, the authors found that these themes could be linked to cultural scripts found within the American historical and cultural context, and were thus implicitly/unconsciously perceived by the customers as being of value.

meetings towards the end of data collection. Joseph, who often asked questions and could be critical in his comments, said a couple of times in these that he is sure that this group of people will reach a good solution. Furthermore, when there was discussions on the interior design of the clubroom and sauna facilities, he explicated his trust towards Susan who was in charge of planning the design. Considering Joseph's skepticism and even criticism that characterized his thoughts in the beginning, these were rather strong examples of how the group had emerged into a tight entity where trust was shared among many of the members. Also in Charles', Richard's, and Thomas' narratives the sense of community and good feeling in the group could be sensed. This was also evident when observing events where the group was gathered together; for instance, in the HC's meetings that were observed, a major part of the group sat together and acted as a strong subgroup within the whole group.

### *Preparing change*

The theme of 'preparing change' emerged especially from the sayings of Thomas in subcase 2. Thomas and his wife became a part of the project already from the beginning of the DG phase. Even though being enthusiastic about the new apartment and putting effort into planning it, it was revealed in his narrative that they had not been sure whether they were able to move or not, and even at the current moment of the interview, there was still some uncertainty, however, not as strong as previously. The reason for this was not financial or rational, but purely emotional. Their current home and the whole physical and social context there was very dear to them and saying goodbye to the place would be very difficult. To his surprise, Thomas had realized during the process that the longer project time and involvement in it gives them time to mentally prepare themselves to move from their current home. As it seems, he would have never expected this effect to occur, even though they knew that moving from their current home would be emotionally difficult.

### *Constructing your home*

As opposed to a deep connection to their current home, for instance, Michael, Jennifer and Elizabeth in subcase 1 were previously quoted speaking about a deeper feeling that they felt towards the apartment having been highly involved in the project for a long period of time, driving by the construction site, planning the apartment's layout and thinking about the different solutions, materials and so on. This similar feeling could also be sensed in Robert's narrative in subcase 1 when he pointed out the importance of having the possibility to be involved in decision-making. At the same time, for instance, William in subcase 1 discussed that he did not perceive to be a constructor and also in subcase 2, for instance, Thomas

brought up that he was surprised with the developer role and did not feel as being a constructor. For William and Thomas these were not deal breakers and for those who really experienced it negatively (e.g. Charles and Richard) it was linked to their desires and expectations, as previously discussed. However, for these couple of customers from subcase 1, it seems that this feeling of constructing your home emerged as a result of the project and eventually meant that it felt like moving home when they moved into the apartment.

### *Self-development*

Finally, the theme of 'self-development' is proposed as a grand narrative or theme that emerged for some customers. While, for instance, David (Subcase 1) and Charles (Subcase 2) explicitly were eager about being able to follow the project and thus, for instance, joined the board of their respective HCs, there were also customers in subcase 1 who stated afterwards that it had been an interesting and meaningful project also in the sense that they got to learn more about, for instance, JBV and how the construction of an apartment building takes place. Michael was previously in chapter 5.2.2 quoted saying that he felt going through all the documentation was highly educational and in relation to that Michael also said that:

*"This has been an interesting time...My own knowledge has increased"*  
(Michael, Subcase 1)

Recalling James' comments on his expectations with regard to the project, it was discussed in chapter 5.2.2 that he perceived JBV to be an interesting concept, however, he had merely read about it sometime somewhere and his expectations with regard to the concept seemed vague. Afterwards, when reflecting on what had been interesting in the project, he told the following:

*"It was the concept [that was interesting], that you could be a part of the project, even though with a fairly narrow input you could kind of be a part of the constructing, you somehow saw a little bit what happens here and what decisions are made even though it in the end was rather shallow"* (James, Subcase 1)

For James, besides making a good investment, he also seemed to be satisfied having been able to follow the project and be a part of it. Even though he did not express it in the terms of self-development, gaining knowledge or something similar, it can be interpreted that he enjoyed following and learning about what goes on in a construction project. From his initial interest in following the project from an investor's point of view with regard to, for instance, the reservation-

situation of the apartments, it seems that the project became meaningful in a broader sense for him.

*Drawing together on the identified themes*

What is common to these themes is that they have not emerged from a single incident and the value is not the result of (dis)confirmation of explicit expectations about the service or a part of it, but instead what is stressed is the important role that the project as a process has played and plays for them. Moreover, the incidents that at the moment feel negative may in fact turn out to be a building block in the positive feeling afterwards (cf. Arnould & Price, 1993); for instance, Michael and Jennifer in subcase 1 had a long and frustrating process trying to get financing from the bank before eventually receiving it. It seems afterwards that this has made their connection to the apartment even stronger as they have really fought for it. Similarly it could be sensed that planning the own apartment had not always been an easy task and, for instance, Elizabeth from subcase 1 spoke about the many questions that needed to be asked and things that needed to be familiarized with. What is relevant is what the customer perceives as meaningful and these meanings can relate to the broader outcome of housing, but also the process of getting there. Moreover, it is important to note that they are not always about the utility, functionality, and performance, but instead, they may be linked to emotions and feelings, and their emergence is not always that easy to pin point (e.g. that incident was the deal breaker). For many, the buying of an apartment is something unique and JBV even more unique, and thus, it is rather natural that for many, especially those highly involved, this might become an extraordinary experience that is valued not only by the (dis)confirmation of explicit expectations.

To summarize, the participating customers are found to have common, but also varying explicit expectations. What some clearly sought for in the project could be positive 'surprises' for others afterwards. Moreover, even though being a similar kind of expectation, the degree to which it was expected to exist could vary also greatly. A good example is the community-aspect with regard to which, for instance, Patricia (Subcase 1) and Richard (Subcase 2) expected that more emphasis would be put on community-related activities during the project, with Patricia emphasizing especially the social aspect and Richard also the innovation aspect. At the same time, for instance, Michael and Jennifer (Subcase 1) explicitly stressed that they were not looking to be part of any highly interactive community, but seemed satisfied with having gotten to know their neighbors, which was now a preferred degree of community. A customer's experiencing and value formation is presumably not a question of absoluteness with regard to whether it is based on (dis)confirmation of expectations or the unexpected that emerges as a result of the

whole experience. Instead, both the fulfillment and also going beyond expectations as well as the grand narrative that emerges as a result of the whole project with both ups and downs are important with regard to customer value formation, at least in these types of longer or extended service processes. With regard to single incidents that lead to negative value formation (e.g. expectations regarding the influencing possibilities do not meet with the reality) might have an influence on bigger decisions. To exemplify, Richard was basically ready to give up the project when they met a lot of obstacles with regard to the layout of their apartment. Eventually they stayed in the project, but it could have ended in them leaving it, which shows that single incidents may carry a big influence on future activities and outcomes. At the same time, the grand narrative that has emerged and the satisfaction and positive value it has led to may be something that the customer has not anticipated beforehand and may also be difficult to describe in detail afterwards (e.g. what caused it, why it is so etc.).

## 5.6 Summary on identified aspects that influence customer value creation and formation in the case

Recalling the conceptualization of the co-creating group (figure 12, chapter 3.7), it is used as a foundation for creating a summary of the aspects influencing customer value creation and formation in the analyzed case, as illustrated in figure 24. The contents of the figure are briefly discussed, however, it is important to note that it is not to be understood as an exhaustive list of all the aspects there are or may be that influence customer value formation in group-based co-creation. This figure includes aspects that are based on the analysis considered to be of great relevance for customer value formation in the case. Instead of going through each box and component individually, these issues are addresses in relation to how the analysis has proceeded.

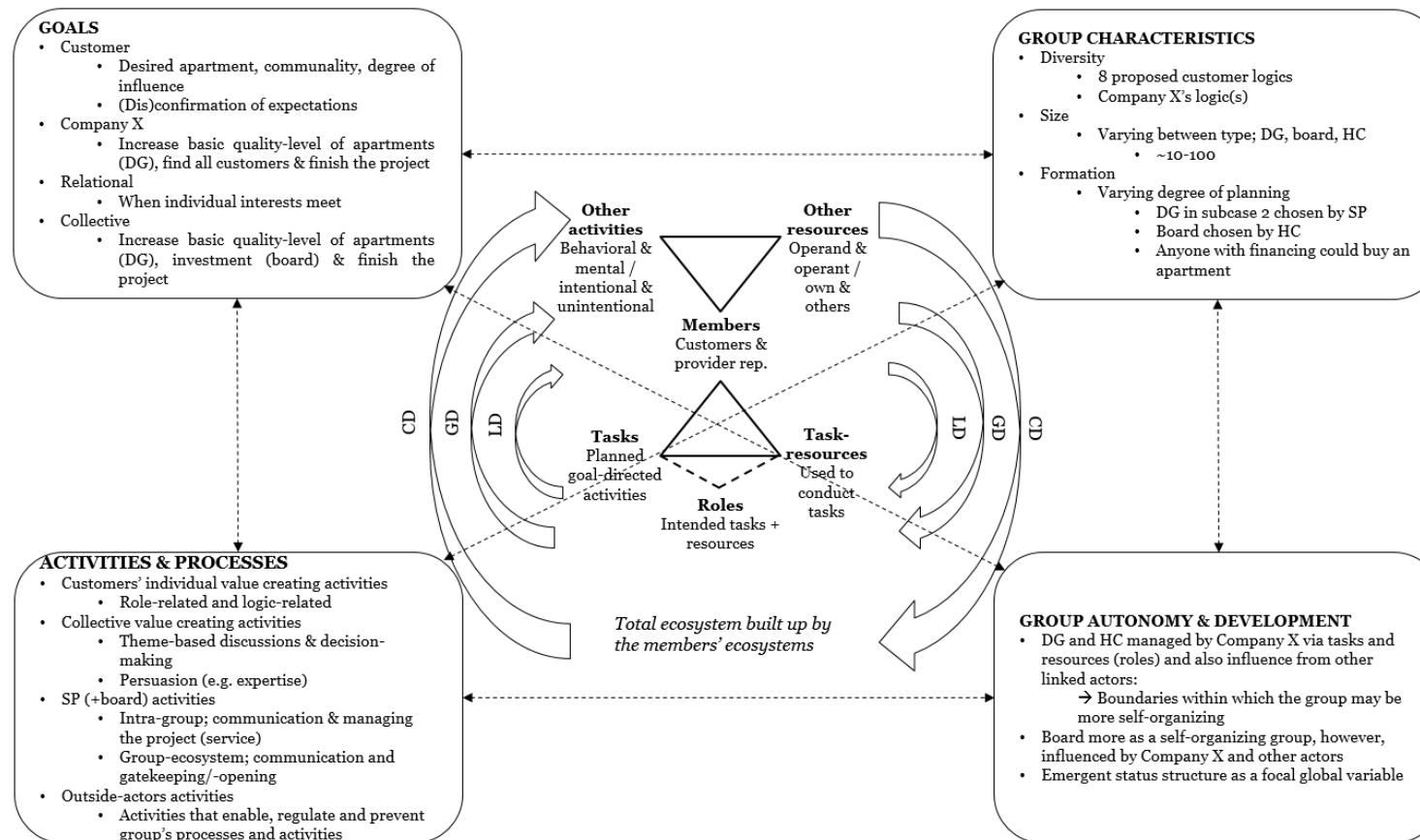
First, eight customer logics are identified from the case. These differ in terms of the scope of goal(s), which is either narrow (i.e. focus on own apartment<sup>145</sup>) or broad (i.e. also focus on the community), and the desired way of behaving that goes from reactive to proactive with also customer logics positioned between the two ends (i.e. active). The activities of the more proactive and involved customers could go beyond what was mandatory with regard to the project<sup>146</sup>.

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<sup>145</sup> Buying an apartment was the common goal for all customers.

<sup>146</sup> E.g. the use of an own interior designer, making plans regarding the purchase of the property, and discussing with various providers.





**Figure 24.** Summary of identified focal aspects in co-creating groups influencing customer value creation and formation

On the provider's side, the major business logic was linked especially to finding all the customers and finish the project, and with regard to the DG, the aim was to utilize it in order to make the apartments more attracting and to have the group as an engaged marketing resource. In addition, it was recognized that the consultant had the goal of increasing the quality-standard of both apartments and the buildings. Regarding the groups, it was evident that there were different types<sup>147</sup> and variations within each of the group could occur throughout the process, which influenced its functioning and eventually customer value formation (i.e. group sensitivity). With regard to the group's autonomy, it was evident for the HC and DG that they were managed by Company X, however, within the given boundaries (e.g. tasks and resources) the group could act in a more self-organized way. While the board was more self-organized, various actors including Company X influenced it.

When it comes to customer value formation, the congruence between participating customers' logics and roles emerged as a focal issue with the customers' expectations in relation to their value creating efforts also influencing. In addition, the congruence between a customer's logic and other customers' enactments of their logics and roles were found to influence the focal customer's value formation. In order to achieve their individual goals, customers used outside social roles in support for their persuasive efforts. These efforts were also conducted in order to achieve a certain role, but also lead to the establishment of new roles for specific customers. At the same time, the customers' value creating activities drove the emergence of a status structure within the group. In addition, intra-group communication emerged as a focal process with the customer's logic, role and phase of project resulting in communicational desires. When it comes to the joint activities within the group, they were to a great extent planned and lead by Company X<sup>148</sup>. Regarding the relational and/or collective goals, it was evident that they varied depending on the purpose of the group; for instance, the DG in subcase 2 focused on increasing the basic quality-level of the apartments, a goal that was congruent with Company X's/the consultant's goal, however, not being too narrow for many of the customers with regard to their individual goals. Concerning relational goals, it could be occasionally seen within the DG that some customers 'teamed up' around a detailed goal (e.g. kitchen provider), however, in the bigger picture there were no 'alliances' of any kind. In subcase 1, the overall collective goal was to finish the apartment building (i.e the whole project), while the board

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<sup>147</sup> The HC, the DG and the board of the HC, focus being mostly on the two former. The HC was quite large and anyone could buy an apartment as long as they had the financial resources needed, while the DG and the board were smaller and not anyone could join them as the DG was chosen by Company X and the board by the HC

<sup>148</sup> Company X had a in fact great influence overall on the project.

seemed to put a lot of emphasis on investment aspects (e.g. related to the property, business and parking spaces, and the material/furniture/equipment choices).

Looking outside member-group interchange, it became evident that participating customers had various interactions with other actors that were relevant for their value creating activities and value formation. In some of these, Company X (and later in the projects the board of the HC) was found to act as a middlemen. This involved the roles of a messenger (i.e. responsible for the information flow between the group and the actors in the surrounding ecosystem) and a gatekeeper/-opener (i.e. making interactions between a customer and a relevant outside-actor<sup>149</sup> possible). It may also be noted that the group's functioning was influenced by contextual forces like regulative (e.g. legislation and zonal planning) and macro-economic ones (e.g. demand for certain types of apartments). Finally, when looking at the whole project, it was found that besides the (dis)confirmation of expectations (e.g. getting the desired apartment) also unexpected issues that emerged as a result of the whole process were influencing customer value formation (e.g. a sense of community and self-development).

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<sup>149</sup> These relate both directly to the focal service (e.g. architect) and indirectly to the focal service, but directly to a customer's value creation (e.g. customer's bank).

## 6 DISCUSSIONS

In order to generate understanding in accordance with the purpose of this study concerning how a co-creating group may become a resource for customers' value formation in a complex service (such as JBV), this chapter is devoted to answer to the two research questions that have been set. By utilizing relevant findings from the case study, focus in the first part of this chapter is put on addressing the different ways in which the co-creating group may be a resource for participating customers. In other words, revealing the resource potential of a co-creating group. Following that, the second part of this chapter is concerned with generating understanding on how the co-creating group actually may become a resource for participating customers' in their value formation. Hence, this is about revealing under which conditions the co-creating group may become a resource for customer value formation (i.e. realization of the group's resource potential). The findings from this study with regard to the research questions and thus the purpose of this study are summarized in chapter 7. The intention is to also go beyond the particular type of case addressed in this study<sup>150</sup> in order to make relevant propositions. Thus, each of the identified issues that are considered to be of relevance are further analyzed in-depth in relation to contemporary service marketing literature in order to make relevant propositions that exceed the particular case. These propositions thus provide theoretical contributions and are further addressed in the theoretical implications in chapter 7. A summary of the propositions are found in appendix 7.

### 6.1 A co-creation group's resource potential based on customers' logics.

The potential that a group may have as a resource for a customer's value formation depends on what the customer is striving to achieve (Löbler, 2013; Peters et al., 2014), thus being linked to the customer's logic (Heinonen & Strandvik, 2015). Customer logic is a customer's reasoning and sensemaking concerning how to act in order to reach one's goal(s) (Heinonen & Strandvik, 2015). It influences a customer's value creating activities and is to be understood as a form of ideal that the customer has regarding what to achieve and how it is done. This means that by understanding a customer's logic, one may also understand the potential that is sought for in resources, in this case especially the co-creating group<sup>151</sup>. Hence, the

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<sup>150</sup> A highly complex service characterized by high involvement and investment related decision-making.

<sup>151</sup> A customer logic is not always the same as what actually takes place (i.e. the actual value creating activities), something that can also be interpreted from the pioneering discussions by Heinonen and Strandvik (2015). Whether the customer is able to enact her

identified customer logics are utilized in order to reveal the resource potential that co-creating groups may have for participating customers. Moreover, with insights concerning the nature of customer logics, further notions can be made concerning the resource potential of a co-creating group.

#### 6.1.1 Group as a varying resource for customers based on their logics

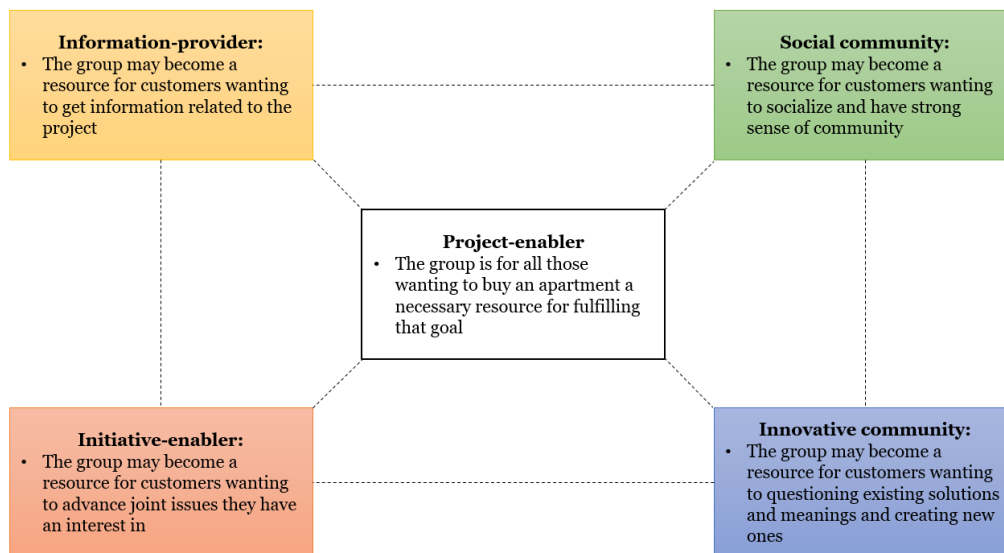
In the analysis, in order to identify and categorized customer logics, the dimensions scope of customer goal(s) and (desired) way of behaving to reach those goals have been utilized. Briefly put, the former is at one extreme characterized by a narrow goal scope involving a focus on own issues, which basically means that the customer is focusing on the own apartment and issues related to that, while the other extremes is depicted as a broad goal scope with emphasis also, or even primarily, on the collective (community). With regard to the latter dimension, it was found that the participating customers' were in general wanting to behave either in a more reactive or proactive way with also 'active' customers in between the two extremes. Ultimately, based on the analysis of the collected data, eight different customer logics were proposed to be identified within the case; the invisible investor, the proceeder, the participator, the delver, the initiative-taker, the silent dreamer, the group-potentiality maximizer, and the visionary ideologist.

Utilizing these eight customer logics, it becomes evident that the potential of the group as a resource for a customer's value formation varies. The different resource forms that are derived based on the analysis are briefly illustrated in figure 25 and before discussing them in more detail, there are a few clarifications that need to be made. The role the group has for a customer is proposed to be ultimately determined by the customer's logic. However, it needs to be noted in this case that the congruence between a proposed customer logic and the way in which the group is seen as a resource is not always one-to-one, but instead there may occur overlapping due to the level of generalization and pure resource forms that are presented. This means that the group may for some customers become a resource in various ways (i.e. involving different resource dimensions). Hence, figure 25 needs to be interpreted as offering the different dimensions of the co-creating group's resource potential and from which a particular customer's resource desire may be constructed (e.g. for the invisible investor the group may be merely a project enabler, while for a visionary ideologist all the different forms are desired).

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logic and the resource potential is realized depends on certain conditions that are addressed in chapter 6.2.

Moreover, the relation between the customer and the group is not one-sided, but instead reciprocal (Arrow et al., 2000). This means that the customer may not merely benefit from the group, but she contributes at the same time to the group, thus becoming a resource for the other customers. Hence, customer value formation is strongly linked to the social context within which it takes place (e.g. Edvarsson et al., 2011; Heinonen et al., 2013; Jaakkola et al., 2015). To exemplify, customers in the analyzed case were part of enabling the project (and hence also drew on that benefit), but at the same time they could more specifically contribute with vital information that other customers benefitted from while gaining social value from the group themselves. What is also important to note is that, as recognized in the theoretical framework and in the empirical analysis, it is not that evident what the exact boundaries of the group are. In fact, the boundaries can be considered to be dynamic and the interpretation is with regard to this particular case that the most engaged representatives of Company X were part of the group, at least in the meetings and information sessions. Moreover, the group's composition could vary at particular occasions, such as, meetings depending on who was present. Hence, the group is not to be understood as being fixed, however, when it comes the analyzed case one can on an abstract level distinguish between three formations with the basis being formed by the group of customers. The second form also involves the focal provider's representatives (e.g. DG phase) and the third involves also other actors who become temporarily a part of the group (e.g. deputy landlord comes to a meeting).



**Figure 25.** The dimensions from which the co-creating group's resource potential for the customers may be constructed

Looking at the different resource forms in detail, at the very basic level, the group is seen as a 'project-enabler' in the studied case. This stems from the fact that without the whole group of customers being gathered together and financially engaged in the project, there will be no apartment building and hence no apartments for the customers. Perhaps a bit self-evidently by broadening the scope one may also find that the focal provider's representatives also need to be present in the group in order to secure that the project proceeds. The role of the group as a project enabler is a necessity for all the customers who are looking to buy an apartment, however, it is arguably the only role that the group has merely for customers with the invisible investor logic and some of those with the proceeder logic. These customers can be seen as being merely extrinsically motivated by the outcome that is being created, while the rest of the ways in which the group may be perceived as a resource can be seen as having both intrinsic (i.e. process-related) and extrinsic motives (Deci & Ryan, 1985; 2002, referred to by Füller, 2006).

Moving one step further from the basic role as a project-enabler, the group is argued to have the role as an 'information-provider' for many customers in the case. Other actors have been found to be of value for the focal customer through provision of relevant information, expertise, and knowledge (e.g. Akman et al., 2019; Colm et al., 2017), which also became evident in the analyzed case. Looking at those who explicitly pointed out this aspect, especially the customers with proposed participator and delver logics as well as one of the customers with the proceeder logic (Linda) can be pointed out as they often emphasized the importance that the group had or could have with regard to hearing project-related information and updates as well as the other participating actors thoughts, ideas and questions, and exchanging information with each other. Importantly, this is not merely limited to what the provider representatives told, but also what other customers were experiencing and thinking, which could be perceived as having a high relevance for some customers. It is important to note that the desired nature of the information exchange varied between these customers, which will be discussed also further in coming chapters.

While it was proposed that the group acted as a project-enabler for all of the customers, for a few customers it also had the role of enabling them to advance certain shared issues in a desired way. This holds true especially for the more proactive customers and it can be thought of as a central aspect for those having the proposed initiative-taker logic. Buying the property during the DG phase in subcase 1 was hindered by Company X's representatives, however, later on when the HC decided on these issues David was able to proceed this particular interest of his. Another example can be taken from the DG phase in subcase 2 where choosing certain providers that Charles favored would not have been possible

without especially the other customers' acceptances or favorable attitudes. It may also be noted that Company X had their saying in these issues. Generally, those customers looking to gain something out of the ordinary related to the shared aspects of the apartment building may be seen as drawing on the group as an 'initiative-enabler' in their value creating efforts. When successful, the group allows these customers to advance issues that they consider personally to be of importance, although being joint for the group.

When it comes to customers with a broader scope of goals, the role of the group as a community is proposedly emphasized in two ways. Some of the customers expressed the emotional side of belonging to a group that they desired and/or perceived, thus making the customer group act as a 'social community', something that also previous research has recognized (e.g. Akman et al., 2019; Colm et al., 2019). Particularly among the customers with the proposed silent dreamer, group-potentiality maximizer (Joseph as an exception) and visionary ideologist logics there was a desire for a strong sense of community and community-building activities. Even though these community-building activities could occur during the project, it was evident that the stronger sense of community was especially desired for when living in the building. Some other customers who were participating in the meetings described that they enjoyed being a part of the group and getting to know their neighbors, even though they were not explicitly looking for that kind of social activity. It seemed that having moved in to their apartments, these customers were not looking for more social activity than recognizing their neighbors and saying hi to them. It shows that the customers' preferences with regard to the degree of sociality within the group may vary, and when considering the true essence of JBV ideology, what is meant by a 'social community' is especially in line with the views of the aforementioned three logics and with focus being on creating and strengthening the community with the future housing in mind. Yet, it is important to recognize that the social aspect during the project and also afterwards may turn out to be of value for some even though not explicitly sought for, and that it may not always be about intensive interacting and socialization.

In addition to being a social community, the group was also viewed by some customers as a resource for the questioning of existing solutions and meanings, and the generation of new ones, thus making it an 'innovative community'. This seemed to be through especially for Joseph as the group-potentiality maximizer and Richard as the visionary ideologists. While Joseph saw the DG as a forum where the customers together with different experts could discuss what kind of solutions would be beneficial, Richard saw it in even broader terms where the activity of housing (i.e. living in the apartment building) would form the very basic



questioning that would be tackled. Looking at these different resource dimensions in relation to the exhaustive list of resource categories by Plé (2016), project-enabler (ultimately a financial resource), information-provider (informational resource) and social community (social resource) have clear linkages to specific categories. However, initiative-enabler and innovation community do not seem to have any particular resource category in the reviewed literature.

What these findings show is that the way in which the group is thought of as a resource by the participating customers is relative to their logics. Within the same group, some customers are engaged merely to get the end product while at the other end some want the group to function as a resource in a holistic way including an intensive collective experience. Moreover, due to the relativeness, the group's resource dimensions do not necessarily mean the same thing for every customer, for instance, the group being a social community can be about intensely engaging in joint activities or merely knowing the name of your neighbor. Based on these insights, the following proposition is made:

**Proposition 1: The resource potential of an offering (or part of it) for customer value formation depends on the participating customer's logic.**

Besides revealing that the co-creation group may possess varying resource potential, it also becomes evident that customer's logics may be utilized to understand customer's aspirations when it comes to influencing on the process and outcome in co-creation. The possibility to do so stands out as a differentiating factor from the usual process of buying a standardized offering, however, the analysis reveals that the participating customers' desires are not necessarily similar among all customers<sup>152</sup>. Instead, there may be great variations that increase the complexity of the service process and creates an imbalance within the group that is found to influence participating customers' value formation and needs to be managed by the focal provider.

**Proposition 2: Customers participating in co-creation may have varying desired degrees to influence depending on their customer logics.**

When it comes to the customers' logics and the related resource potential, the analysis further reveals important insights concerning its dynamism that needs to be addressed.

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<sup>152</sup> Without any insights, the assumption could easily be that all the customers would strive to influence as much as possible.

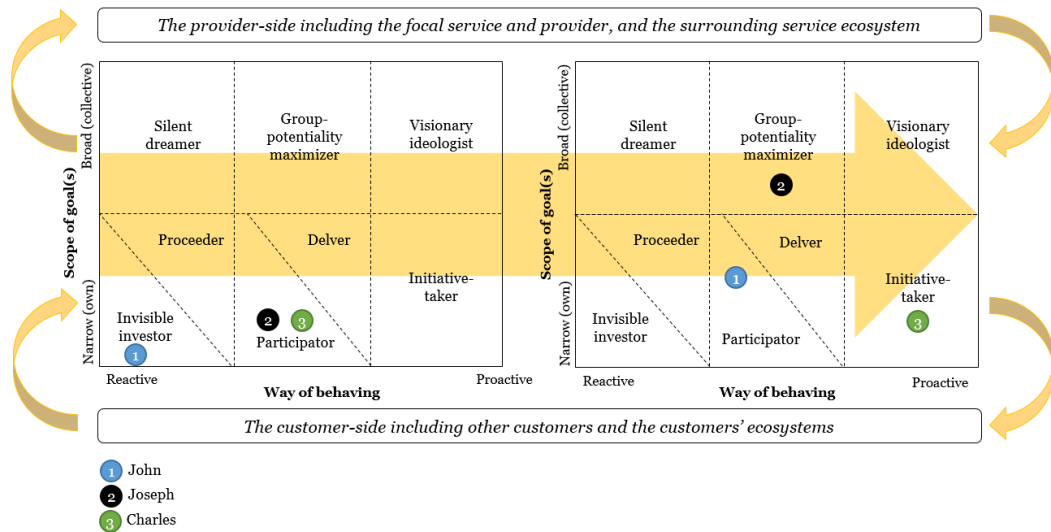
### 6.1.2 The dynamism of customer logics and a group's resource potential

In their conceptualization, Heinonen and Strandvik (2015: 477) argue that the “[c]ustomer logic can change and may be influenced, but it tends to show inertia because it is anchored in customer experiences and the whole pattern of customer activities, customer tasks and goals and customer context.” Within this study, the dynamism of some customers' logics arguably was evident, with John, Joseph and Charles being examples of this illustrated in figure 26<sup>153</sup>. What this means is that the potential of a resource is not always stable for a customer, but that it changes as the customer's logic is altered.

As previously argued, John was one of the, if not the most, abnormal with regard to this, as his shift of logic took place after he had been in the project for quite some time. When joining the project and DG in subcase 1, John proposedly had an invisible investor logic, however, when the project moved to the phase when the whole group was being gathered, John's logic developed into the proposed participator logic as a result of him attending a joint meeting. For Charles in the DG in subcase 2, the development was much quicker as he was originally in it to merely follow what the project is about, thus recalling something of a participator logic, however, when realizing in the first meeting the potential of getting a desired apartment, it evolved into the initiative-taker logic. Joseph had more turbulence in the beginning, first joining the project out of curiosity to quickly finding realizing that there would be a great apartment for him in the project, however, that eventually went to another customer and he received what he called the second best option. Having decided to stay in the project, he eventually noticed that most of the group had a lot of potential with regard to making the project even better, which lead to the evolvment of his logic into the proposed 'group-potentiality maximizer' logic. This described dynamism of logics is probably due to the uniqueness of JBV for the customers. As Heinonen and Strandvik (2015) state in their definition of a customer logic's persistence, the stability is proposed to be based on the value creating efforts and related outcomes being known for the customer. In this case, the service was novel for most, if not all, of the customers and consequently they did not always fully know what to expect and look for, meaning that their logics were more open for change than in relation to more known processes, and hence for some there occurred alterations as the project proceeded.

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<sup>153</sup> In figure 26, John is represented by the blue dot with number 1, Joseph by the black dot with number 2, and Charles by the green dot with number 3.



**Figure 26.** The identified dynamism with regard to customer logics in the case

Although the unfamiliarity of the process was evident, some customers seemed to retain their logic while it changed for some. All of the customers in the examples above had a change in their logic as a result of some influencing factor; for instance, Charles told about how he saw potential in getting the desired apartment and decided to go 'all in' into the project, and John told that having gone to his first meeting he found it to be a satisfying way of being a part of the project leading to him becoming more active in it. At the same time, there were customers who seemingly maintained their logic throughout the project, even though they did not always coincide with the service and other contextual factors. It may be questioned whether their logics could also have evolved into some different kind if there would have been a strong factor influencing. Could, for instance, Patricia with her silent dreamer logic have had a more proactive way of behaving if there would have been more socializing activities that would have supported her desire for a stronger sense of community and socialization among customers (inhabitants)? It seems that the actual dynamism of a logic depends not only on how well it is anchored by the customer's previous experiences, current activities, tasks and goals as well as the surrounding context (Heinonen & Strandvik, 2015), but also by the subjectively perceived strength of the influential factor. Consequently, the following proposition is made with regard to the nature of a customer logic and which influences the group's resource potential:

**Proposition 3: The dynamism vs. stability of a customer logic depends on both the customer's experience and knowledge in relation to the service and the perceived importance of influencing factors.**

Having proposed how a co-creating group may be thought of as a resource in different ways depending on the participating customers' logics and how this may vary, the discussion now moves to the focal conditions that influence customer value formation and the group actually becoming a resource.

## 6.2 Conditions enabling or hindering a co-creation group becoming a resource

The group becoming a resource means that it is able to enhance desired customer value formation and it is thus found to be strongly linked to value co-creation<sup>154</sup>. In the theoretical framework, different value co-creation activities were addressed and some of these can be seen as relevant also in the analyzed case. Taking the activities by Neghina et al. (2015) under consideration, it was evident that, for instance, *developmental joint actions* often took place in the DG when the customers and provider representatives shared their knowledge and experience on discussed subjects. Occasionally, some *relating joint actions* took place (e.g. customers interviewing those sitting next to them), and while some of the customers felt there could have been more of them, others seemed to be satisfied. In addition, the *individualizing joint actions* that aim to support the involved actors' shared understanding on the goals, roles and proceedings related to the project were seemingly not always adequate (e.g. what is the actual role of the DG). With regard to the *ethical joint actions*, for instance, the role of transparency with regard to financials emerged as a focal issue. However, despite their evident relevance, what emerges as more important than the particular activities are the processes underlying value co-creation. Together with the relations between a customer and the other constituents of the group (customers, provider representatives and roles) these form the focal conditions that influence the co-creating group becoming a resource for customer value formation in the analyzed case.

When it comes to value co-creation as approached in this study<sup>155</sup>, accessing (e.g. Grönroos, 2012; Heinonen and Strandvik, 2015), communicating, relating, and (learning and) knowing (e.g. Ballantyne & Varey, 2006; Neghina et al., 2015) are found to be focal underlying processes. Reflecting on the analyzed case, while all of the processes are important, especially accessing, communicating and knowing are to be emphasized here. When it comes to relating, several customers spoke about the importance of trust towards the provider and other customers, while

<sup>154</sup> This has been depicted in the conceptualization of the co-creation group in chapter 3.

<sup>155</sup> Value co-creation is in this study approached as a particular type of value creating process that does not only take place through interaction (dialogue), but also more broadly through presence (e.g. Heinonen & Strandvik, 2015).

some addressed how they became committed to the project or how their commitment was on the verge of disappearing. Trust and commitment are absolute in the sense that either you have it or not and in order to ensure their existence among customers, the other processes become pivotal. Hence, the discussion on the different conditions are structured in accordance with the three value co-creation processes as well as the identified pivotal relations between constituents. All of these are found to influence the group becoming (or not) a resource for customer value formation.

One of the key issues that emerge from the analysis is the relationship between customer logics and roles, which relates to the design of the focal service. In terms of value co-creation, this relates especially to the process of accessing, since it is about providing customers with the right tasks and resources for value creation (Grönroos, 2012). This is, however, not limited to the relation between a customer and her role, but also the influence of other customers' logic and role enactments need to be recognized. As a second major issue is the process of communicating, which relates to both what occurs within the group as well as between customers and relevant ecosystem-actors. Thus, emphasis is particularly on desired communication from the customer's perspective to which also the process of accessing is related. Third, in order for the customer to be able to utilize the potential of the group as a resource in driving desired value formation, it emerges as an insight that the customer needs to possess relevant understanding<sup>156</sup>. Thus, the process of knowing becomes relevant and its enhancement is found to be related to the previously addressed issues of planning roles (i.e. service design) and communication, which are seen as focal managerial processes in this particular case.

The distribution of power within a co-creation group is also found to influence customer value formation in varying ways. In line with this, the fourth issue that emerges as important to address is the customers' desires concerning the managing actor's role in the service. Looking more specifically at the relations between customers, the fifth issue is concerned with the fact that customers in varying degrees strive to influence on the process and outcome, which results in the emergence of status structures that influence customer value formation. In relation to this, the process of persuasion becomes pivotal. Sixth, with focus being on co-creation projects, customer value formation is arguably related to the goals that have been set for it. However, it becomes evident from the analysis that there may also be unexpected factors driving customer value formation when looking at the completion of the whole project.

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<sup>156</sup> It is also recognized that the provider needs to possess relevant information; however, emphasis is particularly on the enhancement of customers' understanding.

### 6.2.1 The interplay between customer logics and roles

Roles are traditionally seen as resources for stability in the service process (Akaka & Chandler, 2011; Solomon et al., 1985). In other words they provide the guidelines for how to behave (i.e. tasks) and with the help of what (i.e. task-resources)<sup>157</sup>. What emerged as focal with regard to this in the analysis was the relationship between customer logics and roles. While the customer logic represents the customer's cognitive processing of what to aim for and how (i.e. desires and related intentions), the role is here seen as being designed by the provider and incorporating the intended activities and related goals (i.e. tasks) as well as resources to be used. Importantly, the congruence between a customer's logic and role does not merely concern what the customer wants to do and achieve in terms of activities and goals (i.e. tasks), but it involves an understanding of how in terms of required resources to accomplish the tasks. It is not only about having the same intention and desire as the planned tasks, but it also requires the appropriate resources. With regard to successful value co-creation, planning roles thus relates to giving customers access to both relevant tasks and resources (Grönroos, 2012). When there is a high degree of congruence between the two, the role-related tasks are in line with what the customer wants to achieve and if the customer lacks resources, the resources provided through the role are complementary to the resources the customer already possesses thus creating a total pool of resources that aid the customer in fulfilling the intended tasks.

In line with Pongsakornrungrungsilp and Schroeder (2011), there were several roles for the customers in the different phases of the case. The roles that Company X had planned were; the basic customer, the developer, the board member, and the customer representative roles. However, in subcase 2, the board of the HC (presumably with the support of Company X) also established novel roles for particular customers to fit their desires as well as to enhance the project and the rest of the groups' members' value formation. These roles were labelled the designer and customer consultant roles based on the analysis. Contrasting logics with roles in the analysis, it was proposed that some customers had a rather good fit between their logic and the role that they had, which meant that they were conducting tasks and having access to resources that were in line with what they wanted to do and consequently it had a positive impact on their value formation. On the other hand, some customers had major tensions between what they wanted to do and what they were able to as well as between their goals and the actual goals of their particular role. This was particularly the case for those customers who wanted to have more influence in the project and for whom the group's resource

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<sup>157</sup> These are the two of the focal constituents of a group together with members (Arrow et al., 2000).

potential thus was towards the more extreme end. When it comes to these customers, novel roles were established for some of them as mentioned and even though it was towards the end of the data collection, it could be sensed that it had some kind of positive influence on their value formation. Based on the analysis, it is thus argued that the group becoming a resource for customer value formation is influenced by how well the customer is able to act out her logic. In broader terms, this leads to the following proposition:

**Proposition 4: Customer value creation and formation is influenced by the congruence between customer logic and customer role.**

In addition to the congruence between logic and role, the analysis brought up the important role that (dis)confirmation of expectations plays in relation to this, as it acted metaphorically speaking as a turbo. As opposed to customers' expectations on other's role enactments (e.g. Akaka & Vargo, 2015; Solomon et al., 1985), it was the customers' expectations concerning their own roles and especially the possibilities to influence that emerged as focal<sup>158</sup>. These expectations related to both the breadth (i.e. what all aspects are influenced) and depth (i.e. how much the aspects can be influenced). Depending on whether these expectations were (dis)confirmed, it influenced the participating customers' value formation (cf. Grönroos, 1982; 1984; Woodruff, 1997). To give an example, those customers who wanted to influence more than what was possible and were actually expecting to be able to do so were seemingly more dissatisfied than those who did not have as big expectations on that. Importantly, this shows that customers do not only have expectations concerning the output of the service (cf. technical quality; Grönroos, 1982; 1984 referred to in Medberg, 2016), but they may also have expectations concerning their own activities (tasks) and the related resources during the process (cf. functional quality; Grönroos, 1982; 1984 referred to in Medberg, 2016). Based on this, role clarity<sup>159</sup> is found to be an important issue to address not only in terms of enhancing the effectiveness of the service process (Auh et al., 2007), other's value formation (e.g. Akaka & Vargo, 2011; Solomon et al., 1985) or the customer's motivation (Dellande et al., 2004), but also in order to keep customers' expanded expectations on a more realistic level to prohibit negative value formation. This leads to the following proposition:

**Proposition 5: In addition to the participating customers' logics, also their expectations regarding desired value creating activities are important to account for.**

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<sup>158</sup> While all of the customers in the case were expecting to get their apartment, their expectations concerning the way in which the apartments and the rest of the building was 'created' varied to a great extent.

<sup>159</sup> Role clarity is further discussed in chapter 6.2.3.

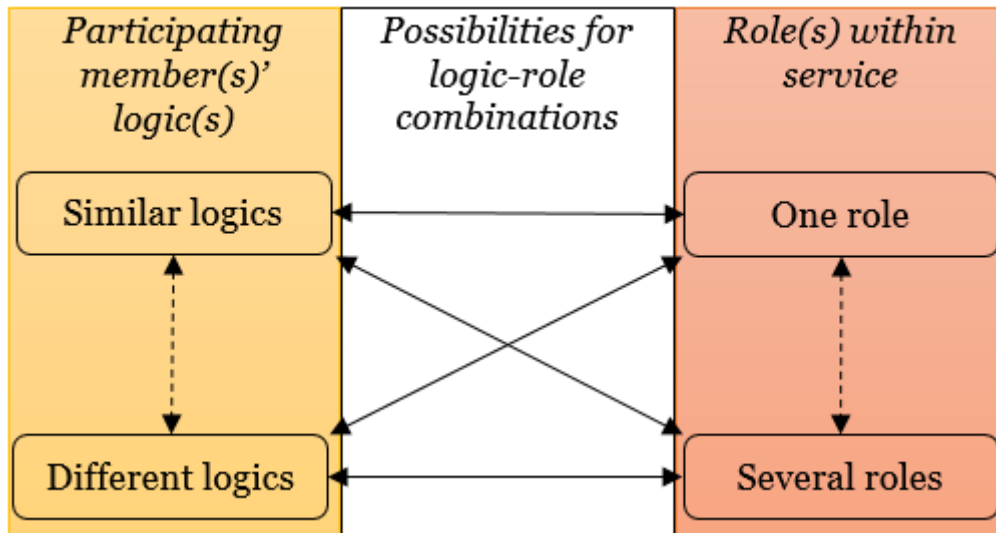
In addition to the congruence between a customer and her role as well as her related expectations, the analysis also reveals the importance of addressing the relation to other customers and their logics and roles. Fundamentally, as opposed to a having one customer in a dyad, what makes groups complex and challenging is the possibility for variance in participating customers and their logics, which is contrasted to the intended roles in the service. Importantly, this means that it is not merely about the customer and her role, but also the customers in relation to each other, which addressed in the following chapter.

#### 6.2.1.1 The relations between participating customers' logics and roles in a group

The influence of social forces on customer value formation (e.g. Edvarsson et al., 2011; Heinonen et al., 2013; Jaakkola et al., 2015) became evident in the analyzed case. The reciprocity of member-group relationships (Arrow et al., 2000) were reflected, for instance, in the importance of showing commitment and trust both from a member to the group (and project) and from the group to that member (e.g. Arrow et al., 2000; Ballantyne & Varey, 2006; Moreland & Levine, 1982; Neghina et al., 2015). Going beyond these issues, it also became evident from the analysis that the participating customers influenced each other's value formation also in terms of the enactment of their roles and logics. With reference to the typology by Colm et al. (2017), these influencing activities may be both uni- (i.e. observations and spillovers) and bidirectional (i.e. interactions). Broadly speaking with regard to this, it is derived from the analysis that the customers' perceptions and experiences of each other's activities depend on the customers' own desires; in other words, the congruence between one's logic and the other customers' logics and roles.

Importantly, customer value formation is thus not limited to whether a customer's explicit expectations on other's role enactments are met or not (e.g. Solomon et al., 1985). Instead, it is also about how the other's activities are congruent with how the customer desires to behave. This does not mean that similar logics or roles are better suited with each other than differing ones; on the contrary, there is arguably a need for some kind of mixture at least in this kind of complex service process that was the case in this study. Drawing on the analysis, it is argued that the relation between various customer logics and roles is a complex issue that does not have a definite answer. Instead, the following discussion that relates to the simple figure 27 aims to open up on the challenging nature concerning the relation between similar or different logics and roles in a group-based service like JBV.





**Figure 27.** The relation between logics and roles in a group-based service like JBV

Fundamentally, one may separate between the two extremes of similar and different logics and one and several roles in a group-based service, thus creating four simple combinations; 1) similar logics and one role, similar logics and several roles, 3) different logics and one role, and 4) different logics and several roles. It needs to be noted that this depiction with regard to logics builds on some level of abstraction and grouping of similar kinds of logics to one, as the basic assumption by Heinonen & Strandvik (2015) is that each customer has a logic of their own. Referring to the case in this study, one might think that the very extreme of different logics would be the eight proposed logics. As argued in the previous chapter, the congruence between logic and role is focal and hence it is also accounted for in this discussion.

When it comes to a situation where the customer logics are similar and there exists one role (i.e. one logic and one role in the simplest case), it can be argued that with high congruence between the two, customer value creation and formation are enhanced, while with a low degree of congruence the influence is opposite. High congruence means that the customer finds the tasks as well as the provided resources as suitable with regard to her goals and thoughts on how to reach them. From the focal provider's perspective, one might argue that with only one or a few logics present, the situation is better manageable when the role can be adapted to better suit the similar logics. From the customers' perspective, it is arguably positive if the logic and role have high congruence. Yet, there may be negative sides to it; for instance, in a co-creative setting where the aim is to be creative, the group's functioning and output may be one-sided if the customers are not diverse to their logics (this can be presumed to have the same outcome as the issue of

'groupthink' when there is a lack of critical evaluation of alternatives by group members; Janis, 1972). At the other end of the spectrum, the situation is that there are differing logics and various roles present. In this case, the same proposition can be made that customers' value creation and formation is enhanced when there is a high degree of congruence between the logics and roles (i.e. each logic has a congruent role), and vice versa. From a managerial perspective, this may be thought of as being as a more difficult issue due to limited resources. When it comes to the participating customers, having several logics and roles involved may lead to tensions between customers on the group level and as it was discussed in the analysis, the sensitivity of the interactions between different customers is high and it may lead at one point to positive value formation and at another point to negative value formation.

The two remaining relations describe situations in which there are either a great variation in logics while there is one role or varying roles while logics are similar. Basically, the first situation can be argued to apply for many simple services where there is one clear role for the customer that suits some type of logic with the other logics having low degree of congruence (e.g. a local supermarket might be suitable for a customer who wants to buy milk quickly while it is not that suitable for a customer who wants to buy all the groceries for a week). In simple terms, this supports the desired value creation and formation for those who have a high congruence between their logic and the role, while customers with differing logics do not find it to be of, at least as much, positive value. The second situation might apply to services where there a big differences between logics and where none of the customers has that kind of logic meaning that some roles are left without a logic (i.e. no customer wants to take on that role). While being harmful for the focal provider, it potentially carries negative influence on the other participating customers' value formation. To exemplify, this could have occurred in the analyzed case where the lack of more proactive customers could have led to fewer candidates for the board of the HC and hence the operating of HC's matters would have been more difficult (e.g. a few persons carrying all responsibility). Similarly, the DG required certain type of logics, and it is worth arguing that without being able to fill those kinds of roles, the basic customers' value creation and formation would have been negatively influenced.

The idea of these proposed basic relations between customer logics and roles in a service is to merely illustrate the different types of combinations that may exist and how it may influence customer value creation and formation as well as the managerial challenges that may relate to them. Going back to the case of this study, the situation between logics and roles varied throughout the processes, yet, it mostly resembled situations with differing logics and one role (e.g. the developer

role during the DG phase) or a few roles (the basic customer role and the board member role). In subcase 2, however, some additional roles were established thus making it move towards the situation with different logics and various roles.

It is important to understand that besides supporting some of the different customers' value creating efforts and consequently their value formation by having a higher degree of congruence between their logic and their role, this process was also enhanced by others' differing logics and roles. In this case, it was thus clear that some level of variation with regard to both logics and roles was necessary to enhance customers' value formation. For successful value formation to take place in the group, there ultimately needs to be involved customers and other actors with different logics who do activities that others do not want to do, who focus on issues that others would not recognize or who bring complementary resources to the group. In this case, it was crucial to have those highly involved, proactive customers with different types of expertise in relation to construction and interior design who took on the responsible roles (e.g. developer and board member). At the same time, there needed to be those customers who merely acted as financiers and were not that much involved, at least in the joint issues, thus giving room for the other customers to act. Similarly, within the DG and the board, it is presumably good if there are customers with similar goals, but also individual interests who can take on different tasks.

However, it is important to note that the contribution that a customer (or any other participating actor) may have to the other participating customers' value formation is not automatic. Similarly, as the group may have potential, but may only become an actual resource for a customer when aiding her value formation in a positive way, the contributing actor also needs to become a resource. This became evident in the DG in subcase 2 with Christopher who was an architect, but whose expertise was not realized to its fullest potential. He left the project after the DG phase; however, it may be presumed based on observations that he had a reactive logic, which meant that he was not actively participating in the discussions taking place. It might be assumed that for those customers looking for relevant information, this customer would have had more valuable contributions to come with through his knowledge.

It is also worth noting that the relation between two logics or roles is not perhaps stable. It was discussed in the analysis that the activities of other customers may be perceived as both positive and negative, and sometimes with a quite thin line between the two. It was found that some customers perceived it as frustrating when other customers kept on discussing a certain theme that they did not find interesting. However, when the exhaustive discussion concerned an issue that one

of the customer's valued, the discussion was highly valued. In their work Colm et al. (2017) make similar propositions based on their findings and previously literature; for instance, when it comes to information-seeking interactions or observations, the nature of the service experience (i.e. positive or negative value formation) depends on whether the customer gains the knowledge she is looking for. As brought up in the analysis, it can be argued that the relations between different customer logics and roles act as double-edged swords, as there can be a fine line between when the value formation is positive and when it is negative depending on what the customer values. It is not possible to even propose what could be an appropriate balance, but it is an important issue to recognize that the customers' value formation and the co-creating group becoming a resource for that process is influenced by the mixture of customer logics and roles within the group in a relative and dynamic way.

Although this discussion has mostly focused on the influence that customers have on each other, it is also of importance to recognize the influence of other participating actors besides the customers. The focal provider and other managing actors are naturally major influencers and this will be discussed in the next chapter. However, also the role that other providers (e.g. the architect) is intended to have has an influence on the customers. Consequently, the following is proposed<sup>160</sup>:

**Proposition 6: Customer value formation is influenced by the mixture of other participating actors' enactments of their logics and roles.**

#### 6.2.2 Communication involving gatekeeping/-opening in relation to a customer's desires

When it comes to the process of communicating, dialogue is traditionally emphasized in (service) marketing literature (e.g. Ballantyne & Varey, 2006; Grönroos, 2011; Neghina et al., 2015). However, what emerges as focal from the case study is the relativity that characterizes communication as well as the wider meaning of it when the broader scope of value co-creation through presence is adopted (e.g. Heinonen & Strandvik, 2015). Following this approach and the findings from this study, there is a need to go beyond mere dialogue and instead recognize the relativity related to the various elements of communication depending on the customer specific characteristics.

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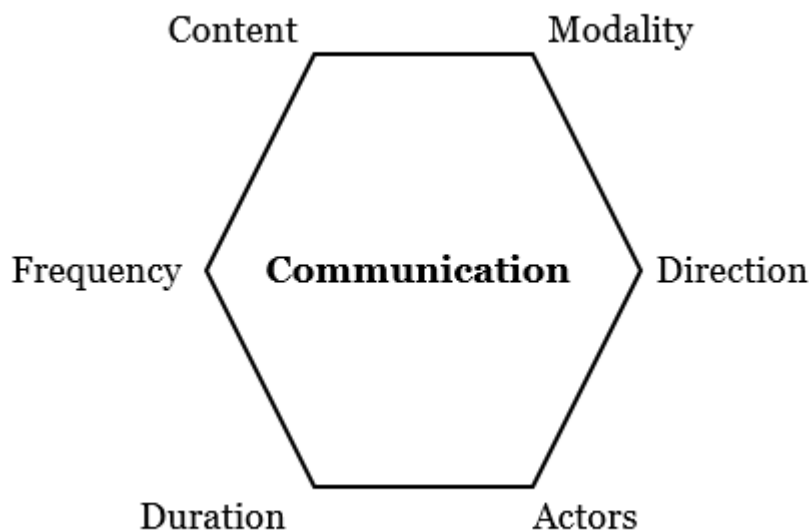
<sup>160</sup> The proposition involves the more general wording of other participating actors and not merely other participating customers.

Content, frequency, duration, direction and modality are found to be the focal elements of communication (Gustafsson et al., 2012; Mohr and Nevin, 1990). As discussed in the analysis and particularly chapter 5.3.2, customers' desires concerning these depend on their logics, but also their roles in the service (project) as well as the current phase of the service. When it comes to the *content*, basically all of the customers brought up the informational aspect, which is arguably pivotal in this kind of project where there is plenty of vital information both for customers and providers to know and understand. In addition, some customers clearly desired, for instance, socialization (e.g. getting to know each other) and elaboration or innovation (e.g. to think about what their housing could be). Regarding *frequency*, one particular tension was linked to the informing of project proceedings and whether communication should be regular even though there would not be anything to tell about or occasional when there is something to tell about the project. Similarly, some customers felt that it was nice when meetings were held more often in a regular manner, while others did not bother that there were less meetings towards the end. With regard to the *duration* of these events, it became clear that sometimes there was not enough time to go through what was intended, which meant that things had to be hurried.

Concerning the *direction* and *modality* of communication, some customers were valuing face-to-face meetings and interactional activity and others preferring to receive updates and react to them when needed. What is of particular interest is that value is not seemingly co-created merely based on dialogues. In line with what has been proposed by Colm et al. (2017), some customers valued to be able to observe and listen to others communicate. Going beyond that, for some, reading one-way communication, such as, briefings with the right content and frequency was highly valued. With regard to these, value co-creation can be seen as occurring when a customer gains the desired information from an info session and when a relevant briefing is sent out and read by the receiver. It is argued that in this type of case, presence of the provider (or board of the HC or some other managing actor) is crucial, and not that there is a dialogue between the actors. Naturally, this may be linked to a previous dialogue based on which the sender knows what kind of briefing to send out. However, the main point is that Heinonen and Strandvik (2015) are absolutely correct when arguing for the need to not only focus on dialogue as a way to co-create value, but also on presence as a way of co-creating value during a service process.

Besides these five previously known elements of communication, a sixth characteristic may be added based on the analysis. When moving from a dyad to a system, the amount of actors participating increase and the desired and actual amount of actors involved in a certain activity may vary. Besides interactions with

the focal provider's representative, customers may want to interact with each other or some other actors. To exemplify, in subcase 2 an architect was involved in the system, however, not being present in DG meetings and with occasional difficulties in the information flow between a particular customer unit and the architect. Hence, besides managing intra-group issues, Company X was recognized as having an important role as a so-called middleman acting as a messenger as well as a gatekeeper and –opener between the group and actors in the surrounding ecosystem. Besides securing the information flow Company X also had the possibility to connect actors with each other. Elaborating the original list of five characteristics (Gustafsson et al., 2012; Mohr and Nevin, 1990), 'actors' can be added as the sixth one with figure 28 giving an overview of all of the focal elements of communication in a group-based service like JBV.



**Figure 28.** The focal characteristics of communication in a group-based service (elaborated based on Gustafsson et al., 2012; Mohr and Nevin, 1990)

When it comes to Company X acting as a middleman in the analyzed case, one particular aspect of its role as a messenger was providing information to outside actors with whom the customer was about to interact. Thus, Company X was not merely concerned with transmitting information from the customer to an outside actor, but also with transmitting project-related information that would be needed when the customer interacted with the outside provider. As an example, when going to the kitchen provider, it was important that the representative at the kitchen provider had the right information concerning the project and especially the specific apartment. Similarly, the importance of having bank staff who understood JBV and this specific service concept was valuable to the customers,

and thus Company X strived to act in a proactive way to make customers' processes with banks easier. Basically, by providing relevant information to outside actors that relate to the project (e.g. kitchen provider) or the customer's other value creating activities (e.g. bank), the project is made present in a way that enhances the customer's value creation and related value formation; in other words, value is arguably being co-created. In the definition of value co-creation, it has been emphasized that it is about the customer deliberately engaging with service providers (Grönroos et al., 2015), and in these cases this process is aided by the focal provider in this case. Hence, value co-creation based on presence is not merely about the customer choosing to engage with the focal provider in her value creating activities in the first place, but it may also be about the focal provider enhancing customers' interactions with other providers that ultimately benefits all parties involved. When it comes to, for instance, banks, if the customers are not able to get loan the construction project will not start, which has economic and reputational issues for the focal provider and the customer does not get a new apartment and so on.

What is important to recognize concerning the process of communication and its six elements is that it is viewed primarily from the participating customers' perspective and hence in relation to their desires. As previously discussed, these desires are influenced by the customer's logic, but also the role that the customer has as well as the phase of the service (project) (chapter 5.3.2, figure 23). Consequently, the communication does not merely concern what occurs between the focal provider and the customer, but also what occurs between the participating customers and/or participating customers and other actors linked to these customers' value creating activities. Recognizing these various relations, the customers' desires concerning communication may vary also in terms of with whom the communication takes place. How these six communicational elements are designed and executed influences how the group is able to enhance customer value formation. Zooming out, based on these discussions, the following proposition is made:

**Proposition 7: Customers' desires concerning the six characteristics of communication depend on their customer logics as well as roles and phase of the service.**

With regard to the demanding nature of communication, it was also brought up in the analysis that besides the customers' desires, also the blurring lines between areas of responsibility between managing actors seemed to cause issues. In subcase 1, for example, it was not clear whether the board of the HC or Company X was responsible for communicating to the rest of the customers (i.e. HC). The

intention is not to engage in any deeper discussions concerning that, yet, it is important to highlight that as customers are given more powerful roles in the service, it also leads to them taking on more responsibility that is traditionally carried by the focal provider. Hence, an interesting aspect in this type of co-creation is also the influence that the establishment of 'managerial roles' for customers has on the service and on the focal provider's processes. In a worst case scenario, it might be that the customers assume the provider is dealing with an issue and vice versa, which ultimately may have an impact on all participating customers' value formation (e.g. no briefings are sent out), thus making clarity in responsibilities focal for a successful proceeding. Presumably, this is not only a matter of communication, but also something that has to be accounted for more broadly. In the analyzed case, although the responsibility of communicating in subcase 1 could be seen as something that had been a bit of a challenge or an issue, there were also aspects that were clearly divided as being in the hands of the HC and the board of it and those that Company X focused on. Based on these findings, the following proposition is made:

**Proposition 8: The blurring lines between customers and provider representatives as managing actors in co-creation are linked to the participating customers' value formation.**

While the importance of roles and communication for customer value formation were addressed explicitly in the analysis, related to these is the focal process of knowing. Based on the findings from the case study, it becomes evident that especially the participating customers' understanding on how to drive desired value formation become crucial to address.

### 6.2.3 The importance of enhancing customer learning in relation to three proposed levels of understanding

With regard to how customer learning is portrayed in literature, it was addressed that while a providers' educational efforts are important in enhancing customer value creation/formation (e.g. Auh et al., 2007), the customer needs to be understood as a goal- and self-directed learner with learning taking place on different levels of complexity or depth (Hibbert et al., 2012; Payne et al., 2008). This means that customer learning may take place outside of a particular customer-provider dyad, thus being reciprocally related to the holistic customer value creation and formation process. Going to the particular case under analysis in this study, the importance of the participating customers' learning is emphasized in several ways. First, as this type of co-creation project is novel in the empirical context, the participating customers had varying expectations that was



consequently reflected in their value formation. Basically, some of the customers' had a lack of knowledge on what kind of project it would be and what tasks and resources their role in the project would actually incorporate. There were customers' expecting, for instance, to have a greater influence on aspects related to the planning of the apartment building and the utilization of the group as forum for discussing and ideating more extensively.

Second, the need to concretize in terms of financial details (i.e. investment nature) and experiencing spaces and objects emerged as critical. It was evident that many of the customers lacked the possibilities to gain proper understanding on these issues, which consequently influenced their value formation. Concerning the former, the customers wanted to learn more about the financial details of the project in order to be able to join and engage themselves in the project as well as in other tasks. With regard to the experiencing of spaces, it was emphasized by many that it was difficult to get an idea of how the different solutions in the apartments would look like and how decisions concerning them should be made. At the same time, when it came to choices regarding materials, furniture and equipment, some customers praised the fact that they were able to visit showrooms to have a look at these and feel them as well as to talk with experts who could guide them. Especially when it comes to the understanding on spaces and objects, it can be seen as linked to the importance of self-efficacy beliefs (e.g. van Beuningen et al., 2009). As the service is novel for many of the customers, they may face a lot of uncertainty and unfamiliarity during the process. Thus, besides financial aspects, also these issues may be reflected in customers' thoughts on whether they are able to go through with the project.

Third, in line with the findings by Fernandes and Remelhe (2016), for some customers the group clearly acted as an informational resource and they enjoyed the fact that they gained more knowledge on construction and JBV-related issues during the project. This learning could also go beyond the construction-related matters to also include aspects, for instance, concerning the residential environment. Consequently, it may be argued that these customers' had to varying degrees ongoing learning processes that influenced their value formation as well as their future value creating activities.

Drawing on the findings from this case, it is evident that certain levels of understanding are necessary for the customers in order to have successful value creation and formation during their projects. On the very basic level, this relates particularly to such knowledge that is crucial for being able to make the necessary decision and choices related to the project (e.g. are we financially able to participate/buy an apartment). This includes understanding on the purpose of the

project and what is to be received as a result of it (e.g. an apartment with certain alterations) as well as on how that purpose is aimed to be achieved (e.g. how is the process organized, what are the roles within it and their basic scope in terms of possibilities to influence). Basically, establishing (and maintaining) a shared logic<sup>161</sup> among the customers and other actors in the project is of vital importance. In order to be able to fulfill the purpose and goals of the group, besides having appropriate roles for the involved actors, there needs to exist some relevant degree of shared understanding concerning key figures of the project, what is to be done, by whom, how and why; in other words, the purpose of the service and the group, the different roles in relation to this and the reason for their existence.

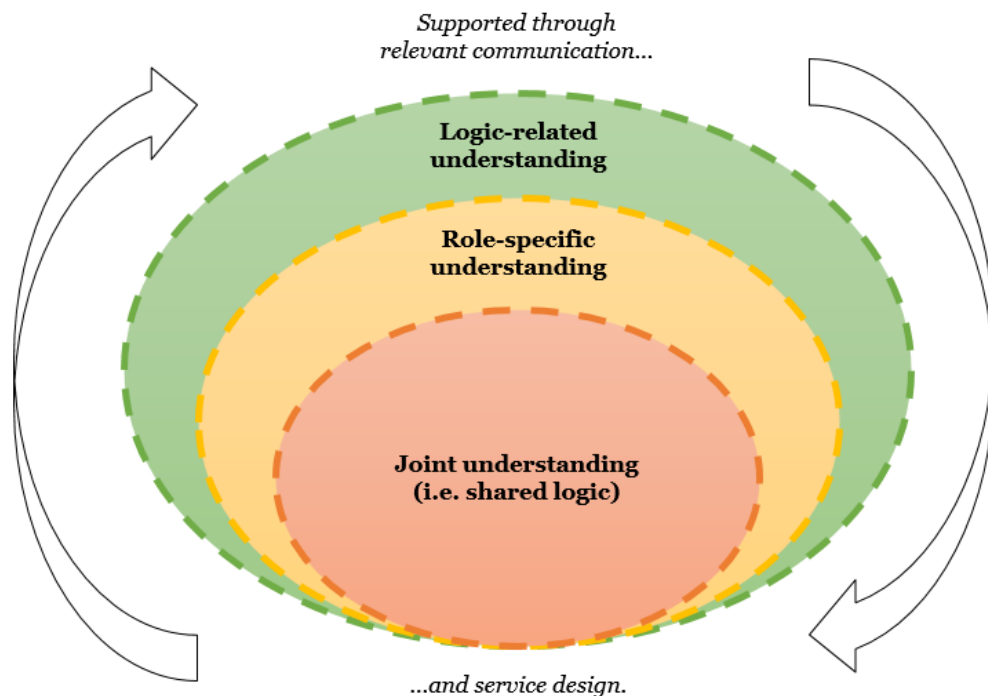
Going into their particular roles, the customers' need to understand their frame of activities in detail, consisting in this case particularly of the tasks there are expected to conduct and the degree possibility to influence within the project (i.e. role clarity, cf. Auh et al., 2007). Related to this, the customers need particular resources and depending on their previous knowledge and expertise the requirements may vary; for instance, a customer with extensive knowledge concerning constructing of an apartment building as opposed to a customer who has never been involved in such a project presumably have great variations in what learning resources are needed. Going beyond the relevant level of shared understanding as well as the roles specific knowledge, depending on the participating customers' logics the learning process may be further broadened and deepened. Evidently, some customers may enjoy learning about project-related matters and some of desire to perform activities that go beyond their roles with the possibility for further resources required to be able to do that. Hence, in line with the self-directed approach to learning by Hibbert et al. (2012), customer learning and related desires need to be understood from the customer's perspective (i.e. customer logics).

Moreover, looking at the different levels of learning, while it is evident that the focal decision of whether one joins the project or not is a result of presumably deep and complex information processing in most of the cases, for future activities in the project, the degree of complexity may vary. Enhancing customer learning relates to the previously discussed processes of service design and communication. As discussed, some of the customers in the analyzed case desired to be involved as little as possible and they merely wanted to receive the main points of the project's proceedings, which in terms of learning can be seen as related to the process of

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<sup>161</sup> Shared logic was defined in the theoretical framework as equivalent to the concept of shared mental model utilized in organizational literature (Rouse et al., 1992; Madhavan & Grover, 1998) and to some extent also group culture (Levine & Moreland, 1991, referred to by Arrow et al., 2000).

remembering (Payne et al., 2008). At the same time, some of the customers wanted to be highly involved and discuss with various experts, with their information-processing desires being more towards the other end of internalization (Payne et al., 2008). This provision of learning resources and opportunities is then reflected in the different communicational characteristics, the main point being that customers' learning needs may vary depending on their logics as well as their roles and the phase of the project. Naturally, engaging in dialogue is focal for creating a shared understanding (Ballantyne & Varey, 2006; Neghina et al., 2015), however, there may be also be various desires regarding the way in which it takes place; for instance, is it online or offline, does it take place once or several times, and are all members present or does it take place in a customer-provider dyad<sup>162</sup>.



**Figure 29.** The three levels of relevant understanding based on the analyzed case.

Drawing together what has been discussed on customer learning based on the findings from the analyzed case, figure 29 illustrates the three levels of understanding that are presumed to exist. First, there is minimum level of

<sup>162</sup> Depending on the phase of the project, the nature of dialogue to generate a shared logic may vary; for instance in the DG, it was focal that all the participating members shared their views, goals etc., while later in the project when new customers joined the project, the necessary dialogue took place between the customer and the provider.

understanding that has to be shared by the participating actors in order to have a successful project. The second level concerns understanding that is relevant for being able to perform one's role in the project, while the third level refers to understanding that goes beyond these and is instead related to the customers' desires and their logics. Naturally, there may be overlapping between these in terms of, for instance, some customers perceiving the shared understanding as sufficient and hence the borders between these are to be understood as fuzzy and dynamic depending on the customers in question. Having relevant understanding is focal for the co-creating group becoming a resource for customer value formation, and at the same time, the group is acting as a focal resource for providing it. Gaining this understanding requires appropriate learning resources and opportunities to be provided by the focal provider (or other actors) with the process being dependent on the customer's previous pool of resources (e.g. expertise in the area) as well as the customer's activities outside of the customer-focal provider dyad. In line with the previous discussions on value co-creation, communication and service design are proposed to be focal processes through which customer learning may be enhanced involving educative activities, but also opening possibilities to learn from other actors and resources (e.g. architect comes and tells about the plans). Based on these insights, the following proposition is made:

**Proposition 9: For successful value creation and formation, the three levels of joint-, role-specific-, and logic-related understanding need to be recognized and enhanced through the processes of communication and service design.**

Drawing on what has been discussed so far, the design and execution of the service with emphasis on roles and communication, involving gatekeeping and –opening, are proposed to be focal managerial processes influencing the participating customers' value formation. In line with the approach taken in this study, particular emphasis has been paid to customer logics and their relations to these processes. Hence, the following chapter is dedicated to the varying desires that customers have concerning the role of the managing actor in the case as explained by their customer logics.

#### 6.2.4 The managing actor's role in relation to customers' desires

Having identified the focal management processes, the desires related to the different proposed customers' logics are discussed. Based on the analysis, it is suggested that when it comes to customers who prefer to be reactive and less involved in the project, they seem to prefer that other actors take responsibility for

tasks related to the construction project and the joint issues related to the building and the HC. Hence, these customers are assumed to not be desiring to have any greater influence on the proceedings and the output that is being created, and instead they expect others to take charge. More specifically, when it comes to those reactive customers who have a narrow goal scope (e.g. the proceeder logic), it seems that they mostly desire one-way informative communication with updates on the proceedings of the project, and they expect that the mandatory tasks that need to be conducted run smoothly. As an example of this, these customers expect that the providers they interact with have the required information and expertise or are provided by a middleman with it to make the outcome satisfying. When it comes to customers who have a broader scope of goals, in this case especially related to the social and communal aspect, but who are also reactive in their behaving (i.e. silent dreamer logic), powerful actors, in this case particularly Company X and the board of the HC, are expected to be the facilitators and organizers of events where customers can interact.

In the middle, between the reactive and proactive ways of behaving, three logics were identified. Those with a more narrow scope of goals are the participator and the delver logics. The former being characterized by an interest in following the proceedings and taking part in the making of decisions related to the own apartment, but also the joint issues in the HC when possibilities are given, meant that it was pivotal that there were actors who were actively contributing to discussions and prepared the decisions to be made. Customers with the delver logic, on the other hand, value a deeper involvement into especially issues that concern their own apartment and housing. When it comes their own apartments in this case, these customers put a lot of effort in thinking about different alternatives concerning the layout and interior design, and on a more general level, they were argued to be 'living the project'. Thus, the customers with the delver logic not only want to be a part of the decision-making, but they want to be able to come up with different choices concerning the own apartment. Even though enjoying being a part of also the joint decision-making, the focal communication presumably takes place between the customer and provider representative (dyad).

At the broader end of the goal scope is the group-potentiality maximizer logic that was proposed to be characterized by a utilization of the community with regard to either socializing or innovating. As opposed to the ones with a silent dreamer logic, these customers are more actively involved in the various aspects of the service (e.g. going to meetings and keeping contact with the focal provider), however, they are not taking initiative and making propositions, especially when it comes to these communal issues. Thus, even though presumed to possess a greater desire to

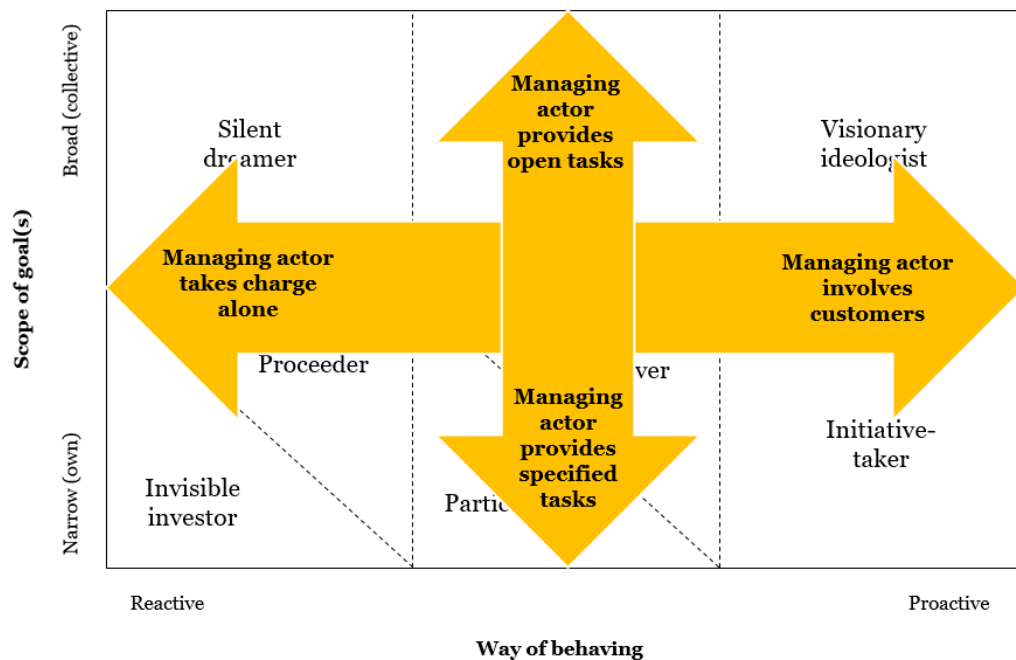
influence, these customers also require some other actor to take charge with regard to these issues.

Furthest away from the origin are those customers who behave proactively, want to be highly involved and have their influence on the proceedings and the output that is being created (i.e. initiative-taker and visionary ideologist). These customers want to be part of managing and influencing in the project and thus the act of taking responsibility is not an issue, but instead it is desired. Moreover, these customers look forward to having active dialogues with other customers and providers' representatives (not only the focal provider) as well as other relevant actors. For these customers, Company X was expected not only to be a messenger (i.e. a transmitter of information), but more importantly a gatekeeper who becomes a gate opener; in other words, in order to meet with relevant actors, they often expected Company X to do so as they possessed the right contacts. In situations where the customers themselves had relevant contacts, they could act as middlemen themselves opening up doors.

When it comes to information flow within the group, having the right tools to find documents and to keep in touch with each other is of essential importance. While the less involved customers are more like followers (of relevant information available), these more involved actors are proposed to be active content creators, discussants and influencers within the group. Looking more specifically at the goals, in this case it was proposed that there are two different types of proactive customers. While the initiative-takers are proposed to focus on issues that are considered as being of individual importance, the visionary ideologists are more interested in the creation and utilization of the community as a resource. Hence, while the former type is suggested to prefer activities that support their preferences and desires, the latter type presumably also values more deeper interactions within the community that may relate to socializing or innovating, thus demanding different kind of facilitation from, for instance, the focal provider.

Based on the analysis and the above discussed, figure 30 gives a simplified illustration of what customers desire from the managing actor(s) and with variations being linked to the proposed customer logics. The more reactive the customer logic, the more it is expected that the managing actor acts individually on its own, and the more proactive the logic, the more it is expected that the managing actor involves the customers in different tasks (e.g. ideation and decision-making). When it comes the scope of goals, those customer logics with a narrow scope were proposed to be characterized by a desire to focus on the own issues in relation to the project and housing. Consequently, it is desired that the managing actor provides a focused process where emphasis is put on concrete

issues that concern the focal outcomes that are co-created, which in this case are the apartments and the apartment building. In other words, the managing actor provides customers with specified tasks. With a broader goal scope, the power of the collective in innovating and the sense of community is emphasized besides the concrete aspects of the outcome. This is proposedly reflected in a desire for more open co-creation processes where there is room for discussions and reflections on more abstract issues, such as, meanings related to housing and enhancement of the socialness. Hence, it is desired that the managing actor provides the customers with more open tasks.



**Figure 30.** Desired role of the managing actor based on the proposed customer logics in the case

Consequently, the role that customers expect or desire the provider to have vary depending on their logic and the actual role of the managing actor influences the group becoming a resource for customer value formation accordingly. Zooming out from this particular case, it is worth arguing that this implies to also other service processes, however, it presumably becomes highly crucial in group-settings where different customer logics are simultaneously present. This leads to the following proposition being made:

Besides the focal provider, in this case Company X, automatically having a more powerful, managing role in the service and the group, there were also certain customers who gained a more powerful or influential position in relation to the other customers. The next implications discussed concern this issue.

#### 6.2.5 Evolving power relations between customers

Utilizing social construction theories to better understand service exchange, Edvardsson et al. (2011) have proposed that a focal aspect to account for are the power relations (asymmetries) within social systems. With particular focus on co-creating groups, this study brings empirical insights to this issue. Although customers within the different groups had the same roles, it was evident that there emerged an imbalance with regard to how power was distributed within the group. Moreover, it was evident that this was often the result of intentional activities, where particularly the use of outside social roles, persuasion and value negotiation emerges as relevant topics to address. These issues ultimately had an influence on customer value formation and the group becoming a resource for that.

##### 6.2.5.1 Customers use of outside social roles to alter social positions or gain social roles

Especially when it comes to the DG in subcase 2, which was observed over a longer period of time, it was evident that a status structure clearly emerged within the group. This status structure was not dependent on customers' roles in the group as they were the same, but instead it was about the social position that some of the customers gained. In line with Akaka & Chandler (2011), it has been brought up in this study that social roles are not only to be seen as resources for stability during the focal service process (e.g. the role of the basic customer or developer in the case) (e.g. Solomon et al., 1985). Instead, they may also be utilized as resources for change, which basically means that a customer strives to alter one's position in the focal value system with the help of an outside social role (Akaka & Chandler, 2011; Baker & Faulkner, 1991). In the observed DG meetings, some of the customers used their outside roles and related expertise to strive to have group-decisions go their way; for instance, Charles utilized his long experience and role as a salesperson in construction related matters, while Susan brought up her studies and enthusiasm in interior design.

Besides striving to gain a more powerful position within the group of customers having similar roles, the use of outside social roles and related expertise were also utilized in order to gain more powerful roles within the projects. When the



candidates to the board of the HC in subcase 2 presented themselves basically all of the candidates expressed their relevant working history with relevant matters (i.e. the social roles they had in other systems) as well as the expertise they possessed. In subcase 1 it could be interpreted from several of the customers' narratives that for those customers who received more influential roles, their work and/or education background and the (presumed) expertise in relation to that had played a major role. Finally, in subcase 2, novel roles were established for Susan and Richard that could be seen as resulting from their particular outside social roles and expertise from there. Hence, besides using outside social roles to merely enhance one's social position within the group of customers with similar roles, some of the customers also used them to gain some other existing role or have a new role become established within the group. This insight can be seen as elaborating the current view on social roles as resources provided by Akaka and Chandler (2011). It is, however, important to note that not all customers were utilizing their outside social roles (e.g. Christopher in subcase 2). Consequently, the following is proposed:

**Proposition 11: Outside social roles may be used by customers as resources for change in order to alter one's social position, but also in order to gain another social role within the group (system).**

#### 6.2.5.2 The important role of persuasion in group-based customer value creation and formation

Showing how customers utilize social roles to enhance ones social position or to gain another social role that better supports ones value creating efforts, reveals the important role that persuasion may play in a group. As opposed to the traditional perspective in marketing where the customer is being persuaded by the provider, in the analyzed case also the customers acted as both persuaders and those who were persuaded. Interestingly, while some customers were actively involved in the discussions and strove to persuade others, others were not at all trying to do so and were in general more distant to the project.

Most would probably argue that buying an apartment is a high involvement decision that customers put a lot of cognitive effort in. For some customers (i.e. those with more proactive logics) this clearly holds true and it is manifested in their active participation in dialogue and aspirations to persuade others when joint decisions are made (e.g. when choosing board members or interior providers). On the other hand, there were customers who did not seem to be that highly involved (logics that are more reactive) and were in fact satisfied when they did not have to put much thought and effort into the project. It might be assumed that for many

of these customers, the intensive cognitive effort was linked to the decision of joining the project. However, for instance Mary from subcase 1 (proceeder logic) seemed to actually not have paid that much attention at all and she, for instance, asked her friend to read through the documents and give an opinion, which was to buy the apartment. These customers who were not that highly involved in the project appeared to be satisfied that there were actors who seemed to know what they were doing and saying and that they thus could trust them.

The above discussed can be seen as resembling the ideas of dual systems (Samson & Voyer, 2012), and with regard to persuasion particularly, for instance, the Elaboration Likelihood Method proposed by Petty and Cacioppo (e.g. 1981; 1986). The intention is not to get into an exhaustive discussion on the ELM, other views concerning customers' processing of persuasive information nor whether the ELM or some other theory is better<sup>163</sup>. In brief, it may be argued that the ELM is a theory on how persuasion is linked to attitude change and it is argued that customers take either the central or the peripheral route when processing information (that is intended to be persuasive). In simple terms, when taking the central route, a customer is putting in a lot of cognitive effort to process the information and this is characteristic for customers who are highly involved, while when taking the peripheral route, a customer is not putting in a lot of cognitive effort and it is characteristic for customers in a low involvement context (e.g. Petty, Cacioppo & Goldman, 1981; Petty, Cacioppo & Schumann, 1983; Petty & Cacioppo, 1986; Samson & Voyer, 2012). Consequently, when being persuaded through the central route, the quality of the arguments presumably play a focal role while in the peripheral route simple (peripheral) positive or negative cues (e.g. a celebrity) are enough to make attitude change.

In the analyzed case, those customers who presumably had a low involvement spoke of trust towards, for example, the board of the HC based on their perceptions of the actors sayings of their relevant expertise through work or education (e.g. telling about ones relevant expertise and working or education background acted as cues for customers with lower involvement). Similarly when Company X had a hard time selling the apartments in subcase 1, the consultant spoke to the customers about their efforts in the info sessions and these customers with presumably lower involvement seemed to be satisfied with them telling that they try their best without paying more focus on what has been done, what could be done and so on. On the other hand, the customers with higher involvement were actively participating in discussions and asking questions as well as follow-up questions, which can be thought of as being signals of higher degree of information

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<sup>163</sup> For a discussion on the ELM see e.g. Petty & Cacioppo, 1986 and for a discussion involving also other perspectives see e.g. Samson & Voyer, 2012.

processing. It was also clear that in situations where these customers did not receive an adequate answer, negative value formation took place. To exemplify, as was discussed in the chapter concerning the influence of outside-actors, some of the developers in subcase 2 wanted to meet the architect, however, that was not made possible by Company X and the answer to why it was not possible was not perceived as satisfactory by the customers, something that they were disappointed and/or frustrated over.

Drawing on the above discussed, what is suggested to be of importance to understand based on the analyzed case is that for those customers with lower involvement, it is of value that those taking charge have the needed expertise. However, their perception of expertise is not necessarily based on any deeper understanding of those actors, but instead on an assumption in relation to their work and/or educational background. Of course, it might be that they are experts and thus valuable for the group, as it was in the analyzed subcases; however, it shows that these customers rely on a peripheral cue. On the other hand, for those more highly involved customers, it was clearly important to be able to participate in the various discussions and to receive clear and high-quality arguments to the various issues that were brought up during the process; for instance, why things have been or are done in a certain way, details concerning the apartment, building, and financials as well as the neighborhood. For the highly involved customers wanting to have an influence on the proceedings, it is also important that their persuading efforts are successful. To summarize, it may be noted that when co-creating in a group, customers are both persuading and being persuaded by each other with these persuading efforts having a varying impact on the participating customers' value formation depending on their logics and involvement in the process.

#### 6.2.5.3 Introducing the concept of value negotiation

Looking at persuasion in the group in relation to participating customers' value formation, it has been pointed out from the case that seemingly some of the customers were satisfied when being able to take the peripheral route, while others were valuing deeper cognitive processing. Moreover, the customers were not only those being persuaded, but they were also the ones persuading with some clearly enjoying when being successful in their persuading activities. While value co-creation builds on an idea that there is an aspiration to reach something that is of value for all involved actors, some of these persuading efforts resembled more of negotiations. In relation to value co-creation, it was brought up that Varey and Ballantyne (2006) present negotiated value as a form of value that emerges from

the making and keeping of promises; however, here the term negotiation is understood not only in relation to promises, but more importantly in terms of what one considers to be of value. Hence, value negotiation is proposed as a novel concept that describes customers (or other actors) efforts to strive to persuade others that their ideas and propositions are the best. Recognizing that value may emerge as positive, negative or not at all (Echeverri & Skálén, 2011; Heinonen et al., 2013; Makkonen & Olkkonen, 2017), value negotiations and other persuading attempts may result in outcomes where some customers gain positive value and others experience negative or no value. To exemplify, positive value emerges for a customer when she finds out that another customer is capable of doing the tasks or knows which material is the best, while negative value may emerge when there are two or more customers who have strong opinions and want to have their idea being chosen by the group. These insights support the idea that value co-creation is not automatically taking place, and extends our knowledge by illustrating how the experienced value may vary between involved actors.

#### 6.2.6 Completing the group project - the role of expected and unexpected issues in influencing customer value formation

Until now, the focus has been mainly on addressing focal issues with regard to the relations between the group's constituents that enable or hinder the group becoming a resource for customer value formation. These concern to great extent the customer's desires in relation to the design of the service (especially roles) and the group's members activities (e.g. communication and persuasion). However, as the co-creating group is occupied with a joint project, it is also important to address how the completion of that relates to customer value formation. Regarding this, both the expected and unexpected are found to play important roles to varying degrees.

When reflecting on the project afterwards, most of the customers in subcase 1 expressed a general satisfaction especially due to the fact that they had (finally) been able to move in and to live in their new home, even though there might be some minor issues in the apartment or other housing related aspects. Despite some of them having had negative experiences during the process, they did not seem too disappointed, but instead rather satisfied with 'the big picture' that they had after the service had ended. For the interviewed customers, their final value perception built on a more or less general view of the end-result in relation to their main expectation of getting the desired apartment, which in most cases includes besides apartment-related attributes (e.g. layout) also building- and location-related attributes. In other words, many of the customers expressed afterwards thoughts

on their value experience based on the (dis)confirmation of expectations as the main source for value (cf. Grönroos, 1982; 1984; Woodruff, 1997).

Even though the interviewees in subcase 1 were satisfied with their apartments, one might question whether all of the customers received a desired apartment as customers evidently had varying expectations with regard to the degree of influence and what kind of apartment they wanted. While this might have occurred for some customers, it is important to point out from subcase 2, which was followed closely, that as the project proceeded the customers who had higher expectations realized the actual possibilities and were apparently satisfied with their future apartments within the given boundaries. These customers with higher hopes regarding the degree of influence talked about being convinced that they will in the end get an apartment that they are satisfied with, even though having and still being to some extent disappointed with the possibilities to influence on the end-result. Realizing the possibilities and boundaries, even though creating frustration and disappointment at the moment could be seen as 'softening' the customers' final value perception. It is also worth noting that those customers who did not see any chance of getting their desired apartment presumably left the project at some point. For some customers, it was pointed out in the analysis that this 'tipping point' came very close and it could be a single detail that determined whether the customers would stay in the project or not.

Consequently, it is argued that getting the chosen (and desired) apartment with other focal housing-related attributes forms a basic expectation that needs to be confirmed whether the customer has a lower or higher degree of desire to influence and whether she is more or less involved in the project. On a more general level, this can be viewed as indicating that customers' have some general goal(s) and expectation(s) in relation to a service and fulfilling it (them) relates to the customer perceiving a minimum required level of positive value. In this case, if the customers would have not got their apartment or it would have been radically different to their expectations, they would probably have experienced negative value also afterwards. What is then an acceptable level of variation from the expected is an issue that cannot be answered based on this study; however, it is probably a subjective and dynamic issue that is difficult to give a general answer on.

Looking at the big picture after the project had finished in subcase 1, besides confirming to customers' explicit expectations, it was brought up in the analysis that value emerged also from unexpected sources. While there could be occasional unexpected issues during the project, such as, having a surprising outside-visitor in a meeting, for some customers also the whole project-experience lead to the emergence of unexpected value formation. ). As discussed in the analysis, this is in

line with the findings of Arnould and Price (1993) who stress that customer satisfaction is not always only about the (dis)confirmation of expectations, but that the unexpected may also be of importance, particularly in these kinds of extended service processes (or encounters). When it comes to this case study, the particular unexpected themes that were identified were a sense of community, preparing change, constructing your home and self-development (i.e. learning). Arnould and Price (1993) link the sources (narrative themes) for unexpected value formation to underlying cultural scripts, and similarly in this case, for instance, the themes of self-development and a sense of community could be seen as something that is valued in the society within which this study has been conducted. In this context, however, too much socializing and community-activity with strangers is not always appreciated. This was evident in some customers' explicit comments about them not looking for any community-living even though they could value the fact that they got to know their neighbors, which could be perhaps giving them a sense of security or feeling of belonging when greeting each other in the stair- or hallway. At the same time, some customers would have wanted stronger community building, which means that the desired degree of socializing may vary between customers.

However, perhaps more importantly, when elaborating on the above discussed, it becomes evident that there seems to be variation with regard to the role that the unexpected plays for different customers' value formation. Those customers who brought up issues like the learning experience and getting to know their neighbors were in this case customers who were more involved in the project, while those less involved customers mostly focused on discussing explicit expectations. This is not to be understood as if those more involved customers' value formation would not be influenced by the (dis)confirmation of expectations, since it plays an important role. However, for these customers, as they are actively participating in meetings and interacting with different experts and other customers, reading reports and so on, there are 'spin-offs' emerging that lead to unplanned value formation for the customers. Thus, in simple terms described, for those customers who are not actively involved in the service process, the (dis)confirmation of expectations is crucial, while for those highly involved the holistic experience offers various expected and unexpected sources for value formation. This leads to the following proposition:

**Proposition 12: The influence of expected and unexpected aspects on customer value formation depends on the customer's involvement in the service process.**

Fundamentally, what these insights indicate is that the group becoming a resource for customer value formation is not always related to what the customer is striving for. Instead, it may also take place unexpectedly, especially for those customers who are more involved in the process.

In this chapter, the two research questions of this study have been addressed based on the empirical findings and relevant theory. At the same time, there have been propositions made that go beyond this particular case study and provide contributions to ongoing theoretical discussions in the field of service marketing and especially the CDL. A summary of the findings in relation to the research questions and the purpose of this study is presented in the following chapter followed by a presentation of the theoretical implications of this study where the propositions play a major part. In addition, managerial implications and the limitations and avenues for future research are addressed.

## 7 SUMMARY OF FINDINGS AND CONCLUSIONS

Spurred by practical developments concerning the utilization of co-creation groups and the growing interest within the field of service marketing and especially the CDL in addressing customer value formation holistically (Heinonen et al., 2010; 2013; Heinonen & Strandvik, 2015; 2018) and with recognition for the involvement and influence of larger customer units (e.g. family, group or community) (e.g. Arantola-Hattab, 2015; Närvänen et al., 2019; Pongsakornrunsilp & Schroeder, 2011; Voima et al., 2011), *the focal purpose of this study has been to generate understanding on how a co-creating group may become a resource for customers' value formation in a complex service*. In doing so, this study has adopted a novel approach by striving to capture customer value formation holistically and to understand the role of the co-creating group in that process. Thus, focus has not been primarily on the group, which often characterizes studies concerning collectives.

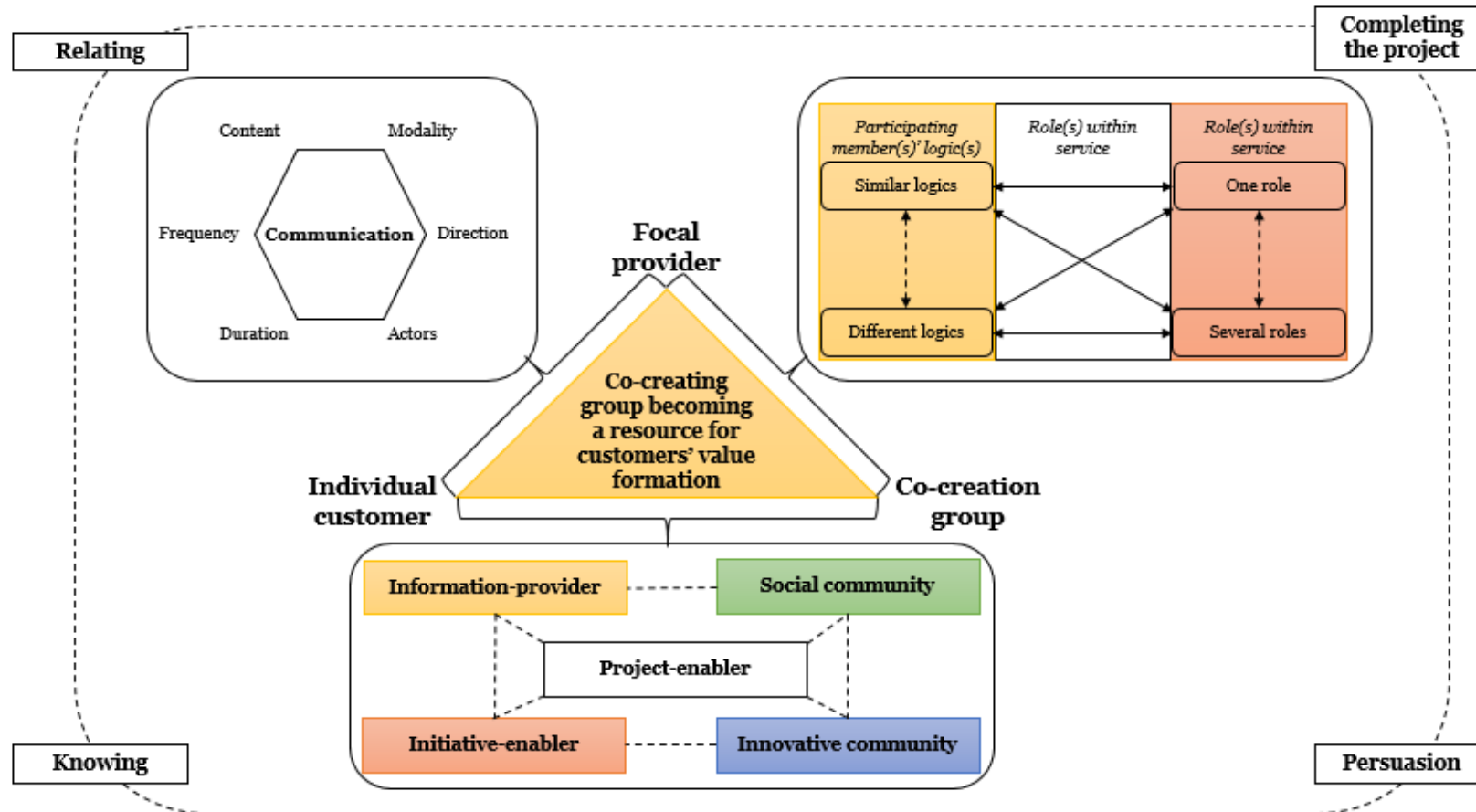
Besides enriching understanding on this particular issue, addressing this purpose has been found to provide the opportunity to make also other contributions to service marketing and especially to concepts within CDL that lack empirical investigation (e.g. customer logics). Consequently, the aspiration in addressing the purpose of this study has been to broadly capture and model the complexity of the phenomenon as well as to go deep into the empirical data in order to be able to make relevant propositions to the ongoing discussions in the field of service marketing. In order to do that, two specific research questions have been set. These have been addressed through the use systematic combining (Dubois & Gadde, 2002; 2014) with the in-depth analysis of an empirical case involving two provider-driven JBVs.

In order to address the main findings and contributions of this study, the chapter starts with a summary of findings that relate to the purpose of the study. These findings are addressed through the two research questions. Following this, the contributions of this study are presented in terms of the theoretical and managerial implications as well as ideas for future research. In addition, the limitations of this study are addressed in the final subchapter.

### 7.1 Summary of findings in relation to the purpose of this study

With regard to the purpose of this study, two research questions have been defined and the aim of this chapter is to provide a summary on the answers to these and thus achieve the purpose of this study.





**Figure 31.** Focal aspects in understanding how the co-creating group may become a resource for customers' value formation

While the answers are opened up in the coming sections, figure 31 provides an illustration of the most pivotal aspects to account for based on the analyzed case.

*The first research question concerns the type of resource potential that the co-creating group offers for participating customers.* This is deemed relevant since a customer's value formation is based on experiencing that emerges as a result of her goal-directed (i.e. value creating) activities (Heinonen et al., 2013). In order to answer to this question, customer logics have been utilized. Customers' behave in a goal-directed manner guided by their logic (Heinonen & Strandvik, 2015), which leads to the novel interpretation that customer logics offer the possibility to understand what customers are striving to achieve and consequently what role the group has as a resource in that process.

From the case, eight different customer logics have been identified and based on them five different resource-dimensions have been proposed. These are illustrated in figure 31 in the relation between the individual customer and the co-creating group<sup>164</sup>. It became evident that the co-creating group could be a resource both in fulfilling extrinsic (i.e. outcome-related) and intrinsic (i.e. process-related) motives/goals (Deci & Ryan, 1985; 2002, referred to by Füller, 2006). What was found to be common for all customers was that the group acted as a project-enabler. However, going beyond that, for some customers the group could be a resource in terms of being an information-provider, an initiative-enabler, an innovation community and/or a social community. Importantly, these are not to be understood as isolated resource types, but instead the co-creating group as a (potential) resource may be constructed of one or several of these dimensions depending on the customer's logic. Moreover, the potential of a resource changes if the customer's logic is altered, which depends on the amount of experience and knowledge that the customer has regarding the particular offering as well as the perceived importance of an influencing force.

Besides identifying the different types of resource potential that the co-creating group offers for the participating customers, it was deemed necessary to generate understanding on how the co-creating group may actually become a resource for the participating customers (i.e. resources are not, they become, e.g. Löbner, 2013; Zimmerman, 1951, referred to by Vargo & Lusch, 2004). *Thus, the second research question is about identifying under which conditions the co-creating group becomes a resource for participating customers' value formation.* One of the major factors that has been identified based on the case study is the relation between participating customers' logics and roles. This is depicted in the relation

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<sup>164</sup> Originally figure 25 from chapter 6.1.1.

between the co-creation group and the focal provider in figure 31, as it relates to the design of the service with particular emphasis on provider's planning of roles within the group<sup>165</sup>. Basically, it is deemed important that a customer's logic (i.e. value creating desires) is congruent with the tasks and task-resources that are planned for her by the provider (i.e. she is given access to relevant tasks and resources, Grönroos, 2012). In addition, the customer's role-related expectations are found to influence value formation, as it may either strengthen or diminish the strength of the experience.

Besides the congruence between a customer's logic and role, it is also important to recognize the influence that other actors' enactments of their logics and roles have on the focal customer's value formation. For the group to become a resource for a customer, the other customers' as well as provider representatives' activities need to be congruent with her logic and role. Moreover, as groups develop over time, the power relations (e.g. status structure) within them emerge and change influencing future activities and participants value formation (i.e. global dynamics, Arrow et al., 2000). Depending on a customer's logic, this may imply different outcomes; for instance, for a customer who wants to have a strong influence on the proceedings and outcome it becomes necessary to gain higher status within the group. With regard to this, the utilization of outside social roles to enhance one's position (Akaka & Chandler, 2011), but also to gain a novel role within the group are found to be relevant aspects to account for. Thus, persuasion (e.g. Petty & Cacioppo, 1981; 1986) is found to play a focal role in participating customers' value creating activities as well as influencing their value formation (cf. Edvardsson et al., 2011). It is a process that has varying meaning depending on the customer's logic and involvement in the process. The less involved, reactive customers arguably value if there are members who are persuasive in terms of taking charge and seemingly having knowledge on the issue (i.e. peripheral cues), while the opposite type of customers want to see high quality arguments by other members (i.e. central route). These more involved and proactive customers also act as persuaders and are dependent on their persuading efforts being successful for desired value creation and formation to take place.

As the second major process with regard to the co-creating group becoming a resource is communication, as understood from the customer's perspective. This is illustrated in figure 31 in the relation between the individual customer and the focal provider<sup>166</sup>, as this is a matter of how communication within the project is planned and carried out in terms of what a particular customer desires. These communicational desires are found to depend on the customer's logic and role as

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<sup>165</sup> Originally figure 27 from chapter 6.2.1.1

<sup>166</sup> Originally figure 28 from chapter 6.2.2.

well as the phase of the service. Importantly, this is not limited to the provider's communication towards or with the customers, but when understood from the customers' perspectives, the desired communication activities that need to be facilitated may take place with other participating customers or some linked outside-actors (e.g. bank or architect). In order to enhance customer value formation and thus making the group become a resource in that process, the provider (or other managing actor) is found to act as a middleman between the group and actors in the surrounding ecosystem, with the more specific roles of a messenger and gatekeeper/-opener. Therefore, besides taking into account the content, modality, direction, frequency and of communication (Gustafsson et al., 2012; Mohr and Nevin, 1990), when moving from dyads to systems of actors, it also becomes crucial to account for the 'actors' who need to be involved to make desired customer value formation possible.

Communication and the design of customer roles also relate to the process of knowing and while it is important that the provider learns about its customers, focus is in this particular case on the pivotal role of customer learning (e.g. Hibbert et al., 2012). Here, creating a shared logic (cf. shared mental model, e.g. Madhavan & Grover; 1998) among the participating actors is proposed to be crucial for successful customer value formation. It is found important that the customers have a joint understanding concerning certain fundamental issues, such as, the purpose of and the roles within the group. Going beyond that, it is proposed that increasing customers' role- and logic-related understanding also need to be facilitated in order to enhance customer value formation. It is crucial that customers know the contents of their role and that they are able to perform it (e.g. Auh et al., 2007), but also that they gain relevant understanding that goes beyond their role and relates to their desires in terms of what they want to achieve and how. Consequently, the process of customer learning, although being strongly linked to communication and service design in terms of planning of roles, can be pointed out as an important process for the co-creation group becoming a resource for customer value formation. Furthermore, through successful communication, access to relevant resources and enhancement of appropriate understanding, trust and commitment (i.e. relating) among the members is enhanced, which is also to be regarded as pivotal for the group actually becoming a resource for customer value formation (Arrow et al., 2000; Ballantyne & Varey, 2006).

Co-creation of an offering in a group setting is ultimately a project in which there is a certain outcome that is striven for. Consequently, in order for the group to become a resource for customer value formation, this outcome needs to be created successfully. With regard to this, the participating customers had certain expectations with their (dis)confirmation having a major impact on their value

formation (cf. Grönroos, 1982; 1984; Woodruff, 1997). Getting the apartment formed a basic expectation that had to be confirmed in order for positive value formation to take place in the end. It was each members' individual and thus the whole group's collectively shared expectation and goal to finish the apartment building. However, it also emerged from the case that the whole project could drive customer value formation also in unexpected ways<sup>167</sup>, especially for those more involved customers (cf. Arnould & Price, 1993). The identified unexpected themes were a sense of community, preparing change, constructing your home and self-development. Thus, the group becoming a resource for customer value formation is not always in relation to the deliberate acts, desires and expectations of the customer, but it may also become a resource in surprising ways. This further adds to the complexity of a co-creation groups' influence on customer value formation, since these unexpected sources may not always be that easy to identify, especially when they are found to emerge as a result of the whole process.

Consequently, this study provides enriched understanding to service marketing and especially the CDL concerning customer value formation, value co-creation and systemic customer units by finding that the group becoming a resource for customers' value formation is a highly complex issue that is dependent on the participating customers' logics and expectations, but also unexpected issues, in relation to the various group constituents and activities that have been identified as important. In order to enhance this in a favorable way, the focal processes underlying value co-creation; communicating, knowing and relating (Ballantyne & Varey, 2006; Neghina et al., 2015) as well as accessing<sup>168</sup> (Grönroos, 2012) are all found to be important with distinct areas of emphasis that further enrich our understanding of these processes. It is also important to recognize that groups may vary a lot and even the same group's structure and functioning may vary depending on the developments that have taken place and the current composition; for instance, the members and their power relations and who is participating at a particular time influence goal-setting and related proceedings (i.e. the influence of various local-, global-, and contextual dynamics, Arrow et al., 2000). Hence, although certain elements are found to be common for groups and some conditions emerge as focal, the only thing that all groups share with certainty is their heterogeneity. Thus, it may be concluded that both studying and managing co-creating groups is a highly demanding task with multiple aspects to account for.

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<sup>167</sup> Unexpected issues might naturally drive value formation also during the project; for instance, a customer with a reactive logic expecting to have to take on the board member role might be pleasantly surprised if another customer does that. However, here emphasis is on the unexpected issues that emerged as a result of the whole project.

<sup>168</sup> The underlying processes are originally the three former ones, however, accessing has been added as a fourth one in the theoretical framework of this study.

Going beyond this particular case, this study provides several contributions in the form of theoretical and managerial implications as well as ideas for future research. These are addressed in the following chapters.

## 7.2 Theoretical implications

Based on the elaborations and enrichments that have been made in the theoretical framework as well as the insights and propositions (marked in footnotes) from the case study, there are several theoretical implications for service marketing research and especially for the CDL, with some also potentially being found as relevant by the broader audience in the academic field of marketing. Moreover, it was outlined in the introduction that there is a growing practical and academic interest in the co-creation of offerings and small groups, and some of these implications can be found as relevant also by scholars occupied with that type of research. While the detailed implications are addressed in the following subchapters, the main contributions of this study can be summarized in the following way. For the CDL, where most of the work has been conceptual until now, this study provides elaborated and enriched understanding particularly on the nature of customer logics and their relation to (or influence on) customer value creation and formation. This study also extends our understanding on value co-creation through presence and introduces the perspective on resource integration to CDL. Going beyond CDL, the work on customer logics is found to be contributive also to the more general discussions on customer value (co-)creation and formation that are taking place in service marketing. Current understanding on (co-creating) groups in the field is also expanded both theoretically and empirically.

The more specific implications are divided into three categories and addressed in detail in the following subchapters.

### 7.2.1 The customer as a goal-driven value creator

While service marketing researchers often emphasize the provider-side activities in relation to customer value formation<sup>169</sup>, this study has adopted the view by CDL where the customers is seen as the primary value creator for herself (e.g. Heinonen et al., 2013; Heinonen & Strandvik, 2015). In line with this approach, some relevant implications emerge from this study.

#### *Providing empirical insights on the nature of customer logics*

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<sup>169</sup> The locus of interests within SDL is a good example of this (Vargo & Lusch, 2016).

Customer logic is a rather novel concept within service marketing literature and it has previously been mainly addressed on a conceptual level (e.g. Heinonen & Strandvik, 2015; 2018). Through this study, empirical insights on customer logics have been gained that contribute to the understanding of their nature. First of all, it may be noted that a structure (matrix) for mapping customers' logics has been provided. Utilizing the conceptualization of customer logics (Heinonen & Strandvik, 2015), two focal dimensions were derived with one relating to the scope of goals and the other to the desired way of behaving in order to reach those goals. This is one of the first efforts in striving to identify and categorize different customer logics, which can be utilized also in future studies<sup>170</sup>. From the case study, eight different customer logics were identified and positioned within this matrix. When it comes to the nature of customer logics, the assumption in existing conceptualizations has been that customer logics may change, however, that they show inertia (Heinonen & Strandvik, 2015). The empirical findings of this study support this as it is recognized that the customer's experience and knowledge in relation to the particular service as well as the perceived importance of influencing factors (e.g. an experience that sheds new light on the process) influence whether the logic may change or not (P3<sup>171</sup>). Basically, this implies that when the value creation process is more un-/familiar and the perceived importance is strong/weak the logic may change more easily/difficultly.

Besides enriching our understanding of the nature of customer logics, this study also provides insights regarding the utility of customer logics, which becomes evident in the following sections and chapters. Briefly put, it is a highly relevant concept for striving to capture what the customer is striving for and together with relevant counterparts, it may be utilized to understand actual customer value formation.

#### *Customers engaging in co-creation as a part of their value creation processes*

When it comes to co-creation, previous research shows that participating customers may have both process- (i.e. intrinsic) and outcome-related (i.e. extrinsic) goals (Füller, 2006). Besides intrinsic motives like enjoyment and curiosity, also the social and informational (knowledge) aspects of co-creation are found as being valued by some customers (Akman et al., 2019; Fernandes & Remelhe, 2016). This study provides support for those notions, as it is found that

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<sup>170</sup> Alterations and specifications regarding the dimensions can be made depending on the nature of what is being studied; however, the matrix provided in this study may at least act as inspiration for future studies concerned with identifying and categorizing customer logics.

<sup>171</sup> P3: The dynamism vs. stability of a customer logic depends on both the customer's experience and knowledge in relation to the service and the perceived importance of influencing factors.

the co-creation group may act as a potential resource for customer value formation in varying ways. Ultimately, the resource potential of a co-creating group based on the analyzed case is found to be constructed out the following dimensions; project-enabler, information-provider, initiative-enabler, social- and innovative community. While the group is in this case always a project-enabler for the customer, beyond that the group's resource potential may be constructed in various ways out of these resource dimensions.

Going beyond the particular case analyzed in this study, what can be seen as contributive is the novel utilization of customer logics when striving to understand the resource potential that an offering or part of it (in this case the co-creating group) offers for participating customers (P1<sup>172</sup>). Utilizing identified customer logics, different resource dimensions related to an offering can be identified and combined to understand the resource potential it has for a particular customer. In addition, while project-enabler (financial), information-provider (informational) and social community (social) have clear linkages to existing resource categories (Plé, 2016), the resource dimensions of initiative-enabler and innovation-community seem to be novel resource types. Furthermore, when it comes to the co-creation of an offering, influencing the process and outcome in desired ways is a focal aspect (e.g. to get the desired apartment); however, the findings of this study indicate that although participating in the co-creation, there is not a common, strong desire to influence. Instead, there are variations in the desired degree to influence that proposedly can be linked to the customers' logics (P2<sup>173</sup>). Going beyond the relation between a logic and desired degree of influencing, this indicates the potential use of customer logics in order to better understand what customers' desire and strive for in particular service processes.

#### *Utilization of outside social roles as a value creating activity*

Akaka and Chandler (2011) have proposed that actors utilize their social roles from other value systems as resources in order to enhance their social position in the current system, thus striving to enhance desired value formation. Hence, they are not only resources for maintaining stability (i.e. traditional view, e.g. Solomon et al., 1985), but also resources for driving change (Akaka & Chandler, 2011; Baker & Faulkner, 1991). This study provides empirical support for this argument; however, it is further found that this is not merely restricted to altering one's social position. From the case study, it is found that there may be different roles and novel ones may be established within a system and the outside social roles may

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<sup>172</sup> P1: The resource potential of an offering (or part of it) for customer value formation depends on the participating customer's logic.

<sup>173</sup> P2: Customers participating in co-creation may have varying desired degrees to influence depending on their customer logics.



also be utilized to gain these (P11<sup>174</sup>). This proposition is further linked to the important role of persuasion in co-creation, which is addressed later in this chapter.

*The role of expectations in customer value creation and formation*

While many of the insights in this study relate to the participating customers' logics, also customers' expectations concerning the desired value creating activities have been found to be of importance (P5<sup>175</sup>). Emphasizing expectations in relation to value formation is nothing novel per se (e.g. Grönroos, 1982; 1984 Woodruff, 1997), but what was found as intriguing in this study was the fact that that expectations may strengthen or diminish the effects of experienced value outcomes<sup>176</sup>. Hence, while the CDL stresses the importance of understanding customer logics (e.g. Heinonen & Strandvik, 2015), this study finds that it is relevant to account for both logics and expectations in order to gain a more holistic understanding regarding customer value formation.

The findings from this study also imply that customers have certain basic expectations that need to be met. In this particular case, all of the customers were not only aiming to get the desired apartment, but they were also expecting it<sup>177</sup>. If they would not receive their apartment, it is no matter how successful the process has been in generating positive value before that. Thus, identifying basic expectations is of crucial importance. However, at the same time, it also becomes evident that value formation is not always defined by the (dis)confirmation of expectations. While particular surprising incidents may drive positive value formation during the process, what emerged from the data was especially the unexpected sources of value related to the project as a whole (e.g. learning opportunities during the project leading to self-development) (cf. Arnould & Price, 1993). While this is not novel per se, what is contributive is the insight that whether value formation is driven merely by the (dis)confirmation of basic expectations or also some unexpected sources is found to be a matter of the customer's

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<sup>174</sup> P11: Outside social roles may be used by customers as resources for change in order to alter one's social position, but also in order to gain another social role within the group (system).

<sup>175</sup> P5: In addition to the participating customers' logics, also their expectations regarding desired value creating activities are important to account for.

<sup>176</sup> This implies that if a customer desires something that is not possible to conduct, the effects of negative value are strengthened (diminished) if she has (not) expected it to be possible. If the customer is not expecting to be able to conduct a certain activity, but it is made possible, the customer is positively surprised with positive value outcomes.

<sup>177</sup> These desires and expectations were for some altered throughout the process, however, the main point being that they were expecting to get an apartment that they were satisfied with.

involvement (P12<sup>178</sup>). It is proposed that less involved customers mostly emphasize the fulfilment of explicit expectations, while the more involved customers are also influenced by unexpected sources of value. This implies that the disconfirmation of expectations is still a relevant theory, but at the same time, the unexpected may also play a focal role for customer value formation. Hence, these are not isolated issues, but instead it needs to be recognized that these two may be apparent simultaneously. In other words, it is not a question of either or, but of both that need to be accounted for when striving to understand customer value formation.

### 7.2.2 A foundation for understanding co-creating groups

Emphasis in service marketing has traditionally been on customer-provider dyads (e.g. Grönroos, 1982; 1984; Parasuraman et al., 1988) and it continues to be an important part in the field (e.g. Grönroos, 2011; Medberg, 2016). More recently, a systemic approach to value creation and formation has been applied with a particular interest in the provider-side service ecosystems (e.g. Frow et al., 2019; Vargo & Lusch, 2016), but also a more holistic view on customer value formation (e.g. Heinonen et al., 2013; Voima et al., 2011). Despite especially this latter stream of research where groups form a focal aspect (e.g. Arantola-Hattab 2013; 2015; Närvänen et al., 2019), it has been recognized that there is a lack of a holistic understanding on the structure and elements pivotal to account for in a group. Consequently, in order to be able to conduct this study, but also to enrich current service marketing research on customer value (co-)creation and formation, the theory on small groups as complex, adaptive, dynamic, bounded and coordinated systems by Arrow et al. (2000) has been utilized as it offered a comprehensive basis for understanding groups. As a result, the structure and functioning of the co-creation group has been broadly captured and illustrated in the conceptualization in figure 12, which has been elaborated based analyzed case in figure 24.

What can be noted from the holistic conceptualization is that a group consists not only of its members, but also of planned tasks and task-resources that are proposed to together form the members' roles within a group. As a group is formed and functioning, local dynamics emerge (e.g. division of roles between members) that gradually create global variables (e.g. cohesion and commitment) residing in dynamics that reciprocally influence future local activities. In addition, with recognition for the openness<sup>179</sup> of groups, also the contextual variables causing

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<sup>178</sup> P12: The influence of expected and unexpected aspects on customer value formation depends on the customer's involvement in the service process.

<sup>179</sup> Groups are bounded, yet, not closed systems (Arrow et al., 2000).

dynamics need to be accounted for. The recognition of these constituents and dynamics is found to be an important implication for service marketing research. When it comes to the coordination (management) and value co-creation activities, although expressed in different terms, similarities were found between those brought up in group and systems research (Arrow et al., 2000; Ståhle, 1998; 2004) and (service) marketing research (e.g. Neghina et al., 2015; Närvänen et al., 2019). Consequently, also the underlying processes found in marketing literature were deemed relevant in a group setting, however, some elaborations were made concerning them. These are addressed in the following chapter.

### 7.2.3 Focal processes for the enhancement of customer value formation

Going beyond the value co-creation and coordination activities, the processes of communicating, relation and knowing are found in (service) marketing literature as pivotal for successfully conducting these (Ballantyne & Varey, 2006; Neghina et al., 2015). However, with recognition for the importance of access to resources (e.g. Grönroos, 2012; Heinonen & Strandvik, 2015), the process of accessing has also been added in this study, making there four focal underlying processes for value co-creation. Moreover, with recognition for the narrower interaction- and broader presence-based approaches to value co-creation<sup>180</sup> (e.g. Grönroos et al., 2015), these four processes have been addressed in relation to both. While the interaction-based approach is well documented for in the literature, this can be seen as contributing with how the process of accessing relates to that. Yet, the bigger contribution relates especially to the elaborated as well as enriched understanding of the presence-based approach, since it is depicted how the various processes become relevant in that. Until now, the presence-based approach has merely been addressed on a surface-level in terms of how it differs from the traditional interaction-based approach (e.g. Grönroos et al., 2015; Heinonen & Strandvik, 2015), however, this study offers a more profound structure in terms of how it may take place as well as the differences to the interaction-based approach.

Drawing on the empirical insights in combination with the approach on value co-creation as occurring through presence, this study offers further depth and structure to the ongoing discussions on the customer dominant logic and value co-creation in the field of service marketing (e.g. Heinonen & Stranvik, 2015). With regard to the underlying processes, the implications that are made especially relate to communicating, accessing and knowing, with relating (i.e. trust and

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<sup>180</sup> One could argue that SDL's approach to value co-creation as an all-encompassing process is a third approach; however, value co-creation is in this study understood as a particular type of value creation.

commitment) being based on successful enactment of these. In addition to these, persuasion emerged as a novel process influencing customer value formation.

*The broader scope of communication in accordance with a customer's desires*

Moving from mere interactions to presence, it has been recognized in the theoretical framework that communication becomes relevant in other ways than merely dialogue, something that is supported by the empirical findings. According to literature, the focal characteristics of communication are; content, frequency, duration, direction and modality (Gustafsson et al., 2012; Mohr and Nevin, 1990), however, with the findings from this study, 'actors' has been added as a sixth characteristic. When focus is on a systemic setting<sup>181</sup>, there may be different actors with whom the customer wants to interact, something that is highly relevant to account for. Moreover, besides merely proposing for a sixth focal characteristic of communication, it also became evident from the analysis that the customers' may have varying desires with regard to these. Importantly, it is proposed that the customer's logic and role as well as the phase of the project play an important part in shaping the customer's desires concerning the six communicational characteristics (P7<sup>182</sup>). With the presence-based approach to value co-creation, there may be great variations concerning the different characteristics; for instance, some customers may value long dialogues with several actors, while others merely want to receive informational letters (i.e. updates) on the project's proceedings.

With recognition for the customer's holistic value formation that may go beyond a particular customer-provider encounter (Heinonen et al., 2013; Voima et al., 2011), the empirical findings suggest that the important communication-related activities are not only be limited to intra-group activities. In order to enhance communication with so-called outside-actors, the provider (or any managing actor<sup>183</sup>) was found to act as a middleman in the case. More specifically, this was conceptualized as involving the role of a messenger, which means that the provider is transmitting information between the customer(s) and the outside-actor(s). This is not limited to information that the customer asks the provider to transmit, but it may also be information that the provider directly sends in order to make the

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<sup>181</sup> It was recognized that when moving from a dyad to a system, the amount of actors participating increase and the desired and actual amount of actors involved in a certain activity might vary. This is not merely limited to intra-group activities, but may also concerned activities outside of the group (i.e. customer ecosystem, Voima et al., 2011).

<sup>182</sup> P7: Customers' desires concerning the six characteristics of communication depend on their customer logics as well as roles and phase of the service.

<sup>183</sup> This could also, for instance, be a customer who has a managerial role in the process; however, the provider is here used in order to keep things more simple.

customer's value creation process run smoother.<sup>184</sup> . In addition, being a middleman was also found to involve the role as a gatekeeper and –opener, which means that the provider is responsible for connecting the customer(s) with relevant outside actor(s)). Thus, this study contributes to the understanding of a provider's role in enhancing customer value formation beyond the customer-provider dyad. With regard to the ongoing discussions concerning value co-creation based on presence, these findings imply that it is not only about the customer choosing to engage with the focal provider in her value creating activities in the first place. Instead, value co-creation may also be about the focal provider enhancing customers' interactions with other providers that ultimately benefits all parties involved (i.e. making the offering/process present in the customer's life)<sup>185</sup>.

*The focal relation between logics and roles – gaining access to relevant tasks and resources*

Social roles have been a part of service research for a long time (e.g. Solomon et al., 1985) and as noted in the work of Akaka and Chandler (2011), they still remain a relevant issue. When it comes to roles that are linked to a particular service encounter (i.e. roles that provide stability), customer value formation is seen as being dependent on the customer's assessment of how the provider representative is able to enact her role (Akaka & Chandler, 2011; Solomon et al., 1985). Thus, there are certain expectations that an actor has regarding the other actor's role and these expectations are then compared to the actual enactment of that role. What emerges as particularly intriguing in this study was, however, the influence that the customer's role has on herself. In this study, roles are understood not merely as given by the social context, but also in terms of a provider's plans regarding what an actor is supposed to do, hence capturing the relevant tasks and task-resources (Arrow et al., 2000) that the actor is given access to (cf. Grönroos, 2012). Consequently, a customer's role becomes an enabler or hinderer of what the customer wants to do and achieve. This means that the customer's logic and role become counterparts with their congruence influencing customer value creation and formation (P4<sup>186</sup>). Roles are thus seen as something that the provider need to manager, which is arguably a novel perspective to understanding customer value formation during a service and contributive to the ongoing discussion on customer logics in the field of service marketing and especially CDL.

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<sup>184</sup> E.g. sending necessary information on the apartment to a kitchen provider, which means that everything is ready there when the customer arrives.

<sup>185</sup> As an example, it was pointed out that if a customer is not able to get loan from the bank, the construction project will not start, which has economic and reputational issues for the focal provider and the customer does not get a new apartment and so on.

<sup>186</sup> P4: Customer value creation and formation is influenced by the congruence between customer logic and customer role.

With activities taking place in a group setting, it is found that also the other participating actors' activities influence the focal customer's value formation. Besides the previously mentioned assumption that customer value formation is related to whether a customer's expectations on other's role enactments are met or not (Solomon et al., 1985), it was found that a customer's desires in relation to the other's logic and role enactments also play a focal part in influencing value formation (P6<sup>187</sup>). Depending on the type of co-creation project, there may be required different types of customers and other actors in terms of what logics they have and what roles they want to enact<sup>188</sup>. Coming up with an optimum mix of logics and roles is a context-dependent issue. Instead, the main point is that particularly when it comes to a group (or other system) in a complex service, the logic-role relationships also need to be viewed in relation to each other and in relation to what is the purpose of the group.

Related to the above addressed, it was also found that the participating customers had varying desires regarding how the project was managed in terms of what tasks were given (open vs. specific) and who managed it (provider alone vs. strong customer involvement) (P10<sup>189</sup>). In the analyzed case, there were in fact rather great variations with regard to what was desired and balancing between these emerged as a difficult issue. In addition, as customers become co-creators and gain more active roles in the process, it has been recognized that both customers and provider representatives can be managing actors. This potentially creates diffusion in terms of, for instance, areas of responsibility, which may have an influence on participating customers' value formation (P8<sup>190</sup>). This does not merely concern the customer who has a more managerial role, but also the other involved customers, due to issues, such as, lack of communication as the responsibilities are not clear between the managing actors.

Fundamentally, it is important to recognize that when it comes to processes where customers are involved in the co-creation of an offering, the traditional customer and provider roles are open for change and they may also overlap. In addition, as this type of activity may be of novelty for many of the participating customers, the expectations and desires regarding roles are not universal, but instead

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<sup>187</sup> P6: Customer value formation is influenced by the mixture of other participating actors' enactments of their logics and roles.

<sup>188</sup> To exemplify, if there is a more passive and a more active role for customers to take on and both need to be enacted in order to have a successful process, a customer with a logic that is congruent with the passive role is in need for a customer who wants to take on the active role and vice versa.

<sup>189</sup> P10: The desires that a customer has regarding the role of the provider (or other managing actor) depends on the customer's logic.

<sup>190</sup> P8: The blurring lines between customers and provider representatives as managing actors in co-creation are linked to the participating customers' value formation.

characterized by greater variations. There is dominant urge within service marketing (SDL) to capture how large service ecosystems function, which is reflected in the use of the generic term actors (e.g. Akaka & Chandler, 2011; Vargo & Lusch, 2008; 2016). However, what these findings indicate is that with the ongoing introduction of novel, norm breaking and often more complex offerings, it becomes pivotal instead to recognize the context-dependency and to address the richness of different actors in terms of expectations and logics as well as roles.

### *Three levels of relevant understanding for customers*

When referring to the process of knowing in relation to value co-creation, focus is often on the provider's knowledge (Ballantyne & Varey, 2006), however, it has been recognized in service marketing research that customers need to have the necessary knowledge and skills regarding how to successfully 'create value' (e.g. Auh et al., 2007; Hibbert et al., 2012). Traditionally, this relates to role-specific understanding, which is generated from a provider's educative initiatives and that gives the customer, for instance, clarity regarding the role and ability to perform it (e.g. Auh et al., 2007). In addition, the importance of creating a shared understanding, which in this study is labelled a shared logic<sup>191</sup>, between the participating customers (and other actors) has been recognized (e.g. Neghina et al., 2015; Närvänen et al., 2019). This concerns a minimum level of knowledge that everyone involved should possess, such as, what is the purpose of the co-creation and who has which role in the project. Recently in service marketing literature, the customer has been recognized as an active, goal-directed learner, hence broadening the scope of the learning process beyond a particular service encounter (Hibbert et al., 2012). In addition, besides gaining necessary understanding on how to reach desired value, it has been found that the learning process itself may be valued (i.e. learning is a goal in itself) (Fernandes & Remelhe, 2016). This last level of understanding has been labelled logic-related understanding in this study, covering aspects that are deemed relevant by the customer, but that are not linked to the joint- or role-specific understanding<sup>192</sup>.

Following the above addressed, it has been proposed that possessing joint-, role-specific, and logic-related understanding becomes crucial for a customer's successful value creation and formation. In order to support the emergence of this understanding, the previously addressed processes of communication and service

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<sup>191</sup> The concept of a shared logic is found to relate especially to the concept of a shared mental model utilized in organizational literature (e.g. Rouse et al., 1992; Madhavan & Grover, 1998).

<sup>192</sup> E.g. knowing how the drainage system has been planned is information that is perhaps not thought of as relevant for a customer buying an apartment, however, if the customer is interested in a certain type of drain in her apartment, then that information becomes relevant.

design (i.e. planning tasks and task-resources) are found to be crucial (P<sub>9</sub><sup>193</sup>). These findings contribute to the literature on value co-creation by putting focus on the customers' need for knowledge and skills. Moreover, while contemporary research on customer learning emphasizes the role of customers' as active learners (Hibbert et al., 2012), this insight brings further depth by distinguishing between different levels of relevant understanding from the customer's perspective.

*Persuasion and value negotiation characterizing a co-creation group's activity*

From the analysis, persuasion among the members of the group emerges as a focal issue. It was found that customers are both persuading and being persuaded by each other within a group and resembling the ideas of the ELM (e.g. Petty and Cacioppo, 1981; 1986), it was recognized that some customers take the central route and others the peripheral route when processing information. Basically, less involved customers looked for cues, such as, the perceived expertise of those persuading (i.e. peripheral route), while the more involved customers wanted to receive high quality information and arguments (i.e. central route). Consequently, the less involved customers are satisfied when there are actors with expertise conducting activities and the more involved customers when relevant arguments of high quality are presented as well as when their own persuading efforts are successful<sup>194</sup>. Thus, one might assume that when there is an appropriate mix of customers with regard to persuasion, value co-creation may be enhanced. However, the nature of value co-creation implies that all the involved actors gain positive value from the activity (Grönroos et al., 2015), but the findings from the case study indicate that this is not always the case, leading to neutral or negative value for some customers (cf. Echeverri & Skålén, 2011; Makkonen & Olkkonen, 2017). Moreover, it would not be fair to state that all the customers in the analyzed case were striving for value co-creation. Instead, with customers having different opinions and preferences there emerged debates and negotiations concerning what is of value. Consequently, instead of pure value co-creation, this process of can be better described as value negotiation, which involves persuading efforts from participating customers and that may reside in different value outcomes for the participating customers. Consequently, persuasion and the process of value negotiation are found to be important issues relating to customer value formation and value co-creation that need not to be neglected and that offer intriguing avenues also for future research.

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<sup>193</sup> P<sub>9</sub>: For successful value creation and formation, the three levels of joint-, role-specific-, and logic-related understanding need to be recognized and enhanced through the processes of communication and service design.

<sup>194</sup> The more involved customers were found to have higher desired degree to influence in the co-creation of an offering.



## 7.3 Managerial implications

This study can be seen as being managerially relevant in several ways. On a general level, it opens up the complexity that characterizes group-based co-creation, but it also offers implications for managers concerning how to design, conduct and develop a service that supports different kinds of customers' value creating activities and enhances their value formation in terms of both the particular phenomenon as well as more generally concerning co-creation. This chapter provides implications in the form of specific management activities in relation to co-creating groups as well as more general issues concerning the enhancement of customer value formation both in a group setting and beyond it.

### 7.3.1 General implications with regard to the enhancement of customer value formation

Enhancing customer value formation is presumed to be of high relevance for conducting better business and in order to do that, managers are encouraged to focus on understanding participating customers' logics<sup>195</sup> and actual value creating activities in relation to the customers' value formation processes. It is not always sufficient to merely focus on the own offering, as it is crucial to embrace the customer's holistic value formation process that possibly involves the customer engaging with various actors when striving to reach her goals (Heinonen et al., 2013; Voima et al., 2011). Through this understanding, the provider may gain insights into how the existing value facilitation and co-creation activities can be enhanced (e.g. designing roles that are congruent with the logics), but also how it can be conducted in ways that go outside of the existing service. Sometimes, the deal breakers for the customer's whole service process may exist outside of the focal service and sometimes it may be a source for potential added value. Hence, besides the own core offering and related experience, embracing the customers' logics may also open up avenues for providers to engage in relevant collaboration with other actors, thus strengthening the support for the customers in their value creating activities while at the same time driving positive value formation for themselves. Thus, by adopting a holistic perspective on what the customer is striving to achieve and how value formation takes place, the provider may elaborate its existing or create novel offerings alone or with other providers to better serve their customers' needs (e.g. Heinonen & Strandvik, 2015).

Besides customers' logics, it is also important that managers recognize and strive to manage customers' expectations. First of all, it needs to be noted that customers'

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<sup>195</sup> Although customers have a logic of their own, some sort of relevant generalization and grouping is important to conduct (Heinonen & Strandvik, 2015).

may have certain basic expectations that are crucial to meet, as they are the main reason for why the customer has chosen to engage the offering into her value creating activities (e.g. getting an apartment when engaging in a JBV<sup>196</sup>). Going beyond the basic expectations, the participating customers may also have other major expectations which (dis)confirmation has a clear influence on their value formation. It was described that the gap between an expectation and realization acted as a turbo increasing the strength of the experienced value. To exemplify, a customer who desired social activity, yet, knew it would not take place in the desired degree was not as dissatisfied as a customer who also expected it to take place. Thus, the confirmation (or positive disconfirmation) of customer's expectations is crucial (e.g. Grönroos, 1982; Woodruff, 1997), however, as that is not always possible, it is pivotal for managers to also strive to manage participating customers' expectations. In order to do that, communication gains a pivotal role and it has to be executed in accordance with the customers' desires (i.e. influenced by logic, role and phase of project). At the same time, customer value formation is not always the result of intentionality and related to expectations (e.g. Anderson and Price, 1993; Heinonen et al., 2013) and hence managers need to be open towards recognizing influencing factors that are not (explicitly) expected or desired by the customers. Basically, the unexpected and unintentional side is as important as the explicit, since even though being unspoken or even unrecognized by the customers, it also offers potential for developing offerings in order to better support positive value formation for customers.

When it comes to the question of how to identify customer logics, expected and unexpected value drivers as well as issues influencing customer value formation, the main point is to get close to the customers' lives. In this study, narrative interviews and observations have been found to be extremely relevant with regard to this. The former allows the customers to tell their desires and experiences (with related cognitions, emotions and behaviors) as a narrative, which means that they can speak up freely about their whole service process. Observations then provide a useful complement as they give the possibility to record the customers' actual behavior that may contain important insights that the customer is not aware of or does not want to share.

Besides these more general implications, there are also particular managerial implications provided that concern especially the management of co-creating groups.

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<sup>196</sup> If the customers' would not have received their apartments, one might say that nothing else in the project would have mattered, since in the end, all of the customers' were in it to get their apartment.

### 7.3.2 Focal activities and processes in the management of co-creating groups

This study brings forward the complexity that characterizes group-based co-creation, which also means that giving detailed guidelines for managers on what to do is highly difficult. However, in an attempt to do that, existing management (i.e. coordination) activities found in relevant literature may be utilized as guidance. On a general level, it is of importance that the group's activities are coordinated and that the group is able to share and give meaning to relevant information as well as deal with conflicts and reach consensus (Arrow et al., 2000). To provide even more specified activities, especially the management activities related to consumption communities by Närvänen et al. (2019) can be utilized as a source for inspiration. Although not being directly linked to co-creating groups, what is common for both groups and communities are their social and co-creating nature that is thought of as crucial for their successful functioning. Thus, these management activities are elaborated to provide activities suitable for the management of co-creating groups in complex services. While some of them are similar and some are more different to the originally activities by Närvänen et al. (2019), they share the same structure in terms of being related to the management functions of framing, activating, mobilizing, and synthesizing (Järvensivu & Möller, 2009). The elaborated management activities are presented below and listed in figure 32, while the original activities are found in chapter 3.4.1.

Going beyond merely establishing a shared purpose, the first management activity becomes *establishing a shared logic and role- and logic-related understanding*. Similarly as communities, also co-creating groups have a shared purpose<sup>197</sup> (i.e. collective goal(s) relating to the group project, Arrow et al., 2000) that needs to be understood by the members, however, there is a need to also assess how those goals are achieved. Thus, a shared logic among the participating actors within the group needs to be established. With regard to the establishment of this joint understanding, also, for instance, the group's norms and rules need to be created and communicated. In addition, customers also need to gain relevant role- and logic-related understanding, thus broadening the scope of what type of knowledge and skills that are needed. To enhance relevant customer learning, appropriate communication and access to relevant tasks and task-resource is pivotal. Besides fulfilling the shared purpose and collective goal(s), also members' individual and relational goals need to be achieved (Arrow et al., 2000; Epp & Price, 2011), which leads to the second activity being *aligning service-related actors' interests*.

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<sup>197</sup> It needs to be recognized that there may be different subgroups that are part of a larger group and each subgroup and the whole group have some particular purpose(s) for their existence.

Besides aligning the participating customers' interests, which was emphasized originally, also the focal and other providers' business interests and the dominant logic of the industry need to be accounted for as there may be and/or emerge tensions between these. Importantly, the focal provider acting as a middleman needs to act as an aligner of the various interests through active communication and gate-opening keeping in mind the possibly varying customer logics.

In order to achieve the diverse goals and desires and with recognition for the focus being on a group as opposed to a network, the third management activity is *structuring the group* (i.e. adjusting it accordingly). This relates to the actual planning of the customers' as well as other actors' roles in order to achieve a congruence with their logics as well as between different logic-role combinations. *Inviting and selecting customers and other actors* is the fourth management activity. While it is focal to have interaction platforms through which customers are invited (cf. Närvänen et al., 2019), also other mediums of communication (Gustafsson et al., 2012; Mohr and Nevin, 1990) can become necessary depending on the participating customers' communicational desires. Moreover, group-based co-creation is not always open to anyone, as there may be certain requirements (e.g. financing or particular logic), which means that inviting customers also involves the selection of relevant customers for the various stages in the project. In addition, this is not restricted to merely customers, as it is also focal to choose and engage other actors relevant for the co-creation.

The fifth and sixth management activities are *motivating relevant actors' participation* and *enabling relevant actors' participation*. Besides customers, also other actors who are relevant for the co-creation of an offering and/or customer value formation need to be activated in the processes. With regard to the motivation, the tailoring of communication in accordance with customers' and other actors' desires becomes pivotal. Similarly as in communities, it is about providing relevant content and possibilities for interactions (cf. Närvänen et al., 2019), however, the motivation may also be enhance through other types of communicational efforts in which also the other elements need to be accounted for (e.g. who is involved in communication). The design of roles is also important, since they need to enable the customer (or other actor) in reaching her goal(s). Moreover, at least when it comes to customers, it may be necessary to support her in being able to conduct activities that go beyond her original role (i.e. logic-related understanding). When it comes to the enablement of actors' participation, it is important to support the actors in not only enacting their roles, but also in producing relevant content (cf. Närvänen et al., 2019). Relevant content could be, for instance, questions that emerge during the co-creation and actors need to be

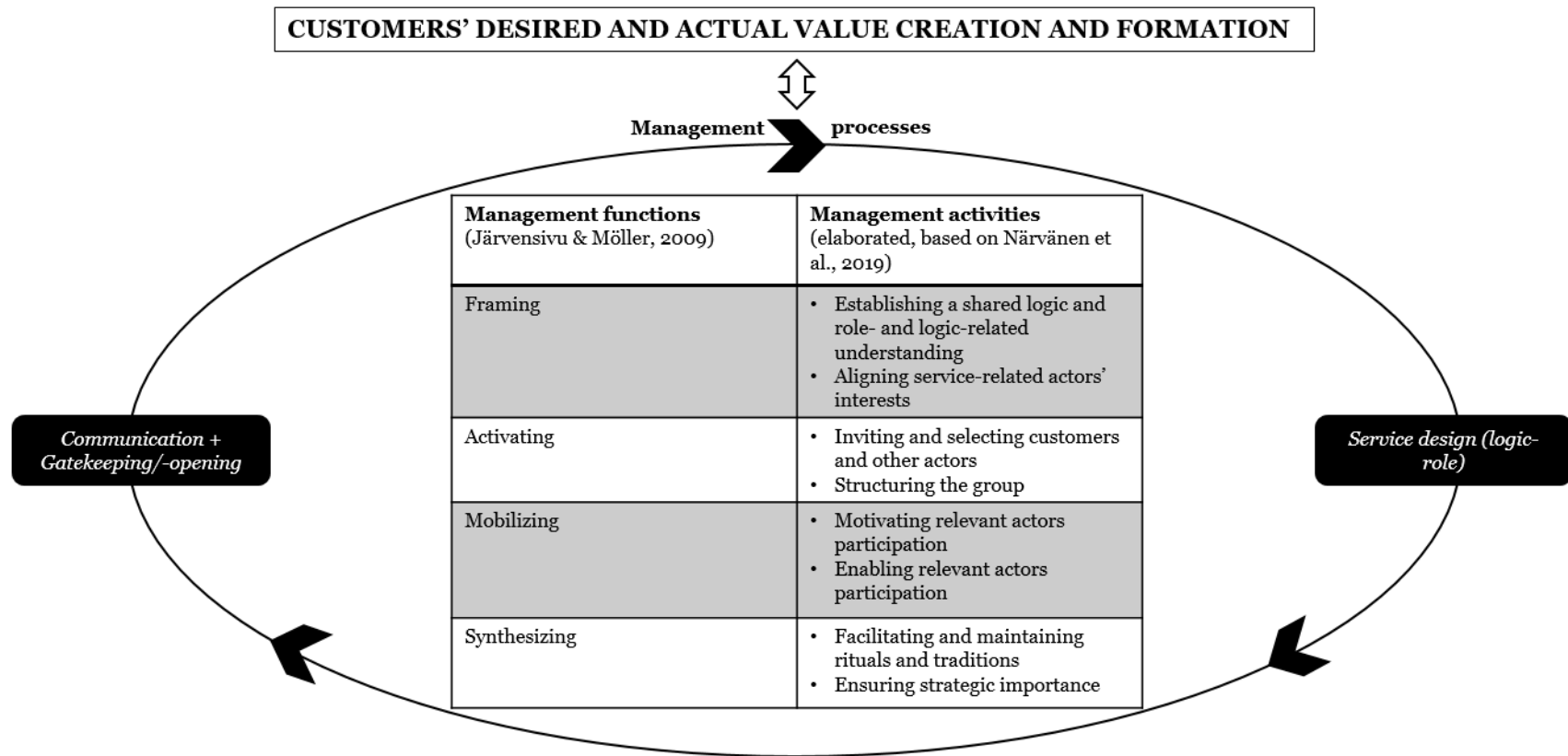
able to share and discuss group- and service-related issues with each other. To support this, appropriate mediums are required.

*Facilitating and maintaining rituals and traditions* is the seventh management activity. Having rituals and traditions in relation to the consumption of a particular brand is vital (Muñiz & O'Guinn, 2001, referred to by Närvänen et al., 2019), but when it comes to co-creating groups, like the ones in JBV, this issue might not be as evident. However, it is thought of as important to have project-related rituals and traditions (e.g. regular updates) and there may also emerge rituals and traditions important for customer value formation that go beyond the focal service. These do not emerge from nothing and hence their emergence needs to be facilitated with appropriate goal setting<sup>198</sup>. The final management activity is *ensuring strategic importance*, which in a similar manner as for consumption communities is about making sure that the rest of the firm and especially top management recognizes the vital role of the group. In fact, the co-creating group is mandatory for the project to take place.

In order to conduct these management activities successfully, their interconnectedness needs to be recognized; for instance, aligning interests and structuring the network or group are highly interconnected activities that reciprocally influence each other. Moreover, service design (i.e. managing the logic-role combinations) and communication (involving gatekeeping and – opening) become focal. While the management functions and activities describe what needs to be done in order to enhance value creation and formation taking place within systems of actors, the management processes proposed in this study are the underlying mechanisms through which they are conducted and thus they complement each other. Finally, the ultimate goal being to enhance customers' value formation, accounting for how that should take place is of pivotal importance to account for when planning and conducting the management processes and particular activities.

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<sup>198</sup> Ultimately, this is an issue of the scope of goals; whether the aim is to merely deliver the tangible output or whether intangible issues like sense of community are also emphasized.



**Figure 32.** Focal management processes, functions and activities in relation to management of group-based co-creation

Besides these focal management activities and processes, managers also need to be dynamic as well as to adapt their facilitation of the co-creating group in accordance with the purpose of the group

### 7.3.3 Dynamic and purpose-related facilitation of a co-creating group

A group's structure, functioning and development is influenced by the composition of constituents (i.e. members and roles) and inner- as well as outside-dynamics (Arrow et al., 2000), which means that each group is heterogeneous. Consequently, it is pivotal that managers are dynamic in their management; for instance, by altering and/or establishing novel roles when there are issues with existing logic-role combinations. At the same time, it is important to bear in mind that each actor adds to the complexity of the group, not only in terms of being one actor more, but also by, for instance, bringing other goals and ideas for how to reach them. Consequently, resources, such as time and energy, become even more limited. Having a dynamic approach or mindset does hence not mean that not anything should be standardized. Similarly as it has been argued that some level of generalization is necessary when it comes to identifying customer logics, also the roles, communicational efforts and other activities/processes need to have some degree of generalization. Hence, managers need to focus on understanding where they can be dynamic and to which extent.

Managers also need to find the appropriate level of facilitation of a co-creating group's activities<sup>199</sup>. Facilitation is not the opposite to control in the sense that the manager would let the customers, or other actors, do freely what they want. Instead, coordination is found to be pivotal for the group and its members to be able to achieve the desired goals (Arrow et al., 2000; Neghina et al., 2015). This means that there may be mandatory tasks that need to be accomplished in order for the group to exist, function and reach goals (e.g. providing financing and making and following contracts). Facilitation is thus about striving to support the customers and the group in reaching their goals while under the influence of various dynamics. However, based on the findings from this study in terms of the

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<sup>199</sup> In a simplistic manner, one may separate between two management approaches; controlling (authoritarian) and facilitating (supportive) (Järvensivu & Möller, 2009). The former can be seen as related to a perspective on groups as isolated and mechanistic, where the members of the group are passive recipient and followers of the managing actors' orders, while the latter approach is congruent with a perspective on groups as complex, adaptive and dynamic, but at the same time coordinated and bounded (Arrow et al., 2000). The latter approach has been applied in this study, as it is the one that is arguably more congruent with the reality of groups, and the implications are that it is the perspective that managers ought to take when managing groups.

different types of groups that were encountered, it is argued that the approach to facilitation should vary depending on the purpose of the co-creation. These differences can be illustrated with the help of the degree of innovativeness<sup>200</sup> as well as what is being innovated (Verganti, 2009; 2016). When it comes to the former, incremental and radical (degree of) innovation is usually utilized; yet, when discussing co-creating groups and not co-innovation, it also needs to be recognized that the group might not be occupied with any innovating activity. This innovativeness may then relate to technology (functionality and performance), but also meanings<sup>201</sup>. Consequently, the approach to facilitation needs to be adapted in accordance with what is striven for with regard to these dimension. When there is no innovation taking place (or it is very incremental), the facilitation is proposed to be *focused*, which means that there is a lower degree of freedom for the participants to act. This is manifested in, for instance, there being a clear and concrete purpose for the group and a managing actor who leads the process towards that goal by having clearly defined tasks and resources for the participants. Moving up the ladder, the more radical the innovation activity becomes in relation to performance and/or meanings the less focused and restricted the facilitation should be, since the aim is to come up with novel ideas, meanings and solutions. Consequently, the purpose of the group becomes more abstract with more *open and dynamic* facilitation required in terms of, for instance, task- and resource-setting. This gives the group-members more room to share their ideas and thoughts being supported by more abstract themes as opposed to strictly defined and concrete ones. Here, the group should act truly as a self-organizing system in which, for instance, different opinions and critique are encouraged (Ståhle, 1998; 2004; Verganti, 2016). Importantly, the more radical the innovation purpose, the more emphasis needs to be paid on finding customers and other participants with the right logics and resources, as they need to be able and eager to engage in these kind of activities where the path is presumably not as clear.

Based on the above discussed, figure 33, which is an elaboration of the innovation framework by Verganti (2009: 5), gives a general illustration of how the nature of facilitation is proposed to need to vary depending on the degree and purpose of innovation (i.e. underlying approach to how the group is managed). Importantly,

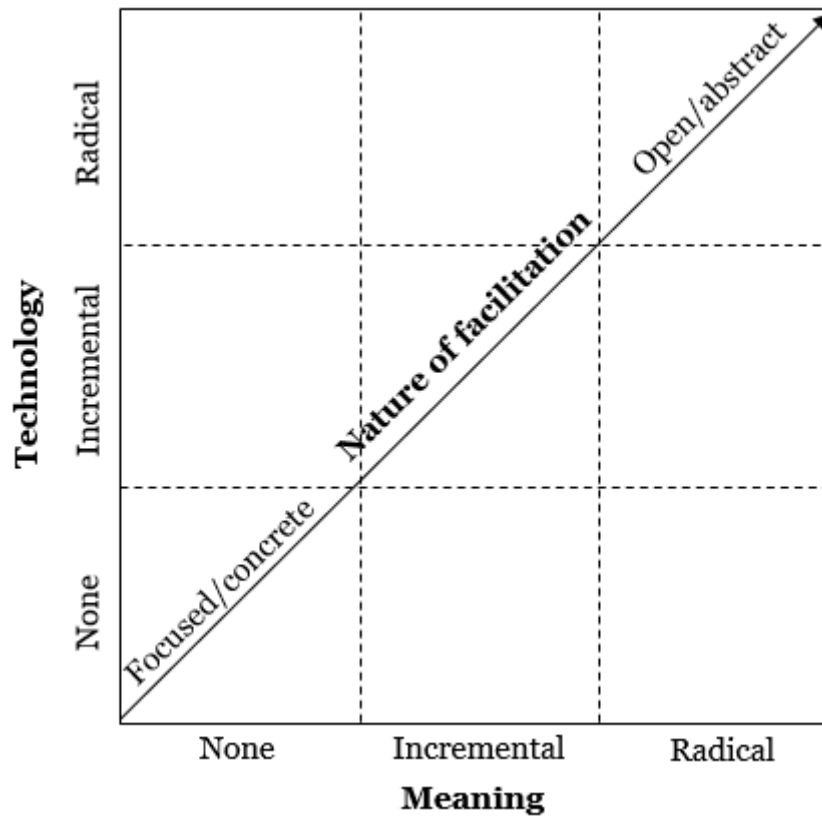
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<sup>200</sup> In this case, degree of innovativeness is viewed in terms of novelty for the customers as the customers are co-creating the offering for themselves. However, in another context, the novelty might be viewed from the industry's perspective.

<sup>201</sup> Innovation focused on technology is about making a solution function or perform better within a given frame of meanings (e.g. in an apartment building the laundry room is equipped with better washing machines), while innovation of meanings is about altering the underlying frame of meanings (e.g. the laundry room is not only used for washing laundry, but for other novel purposes).



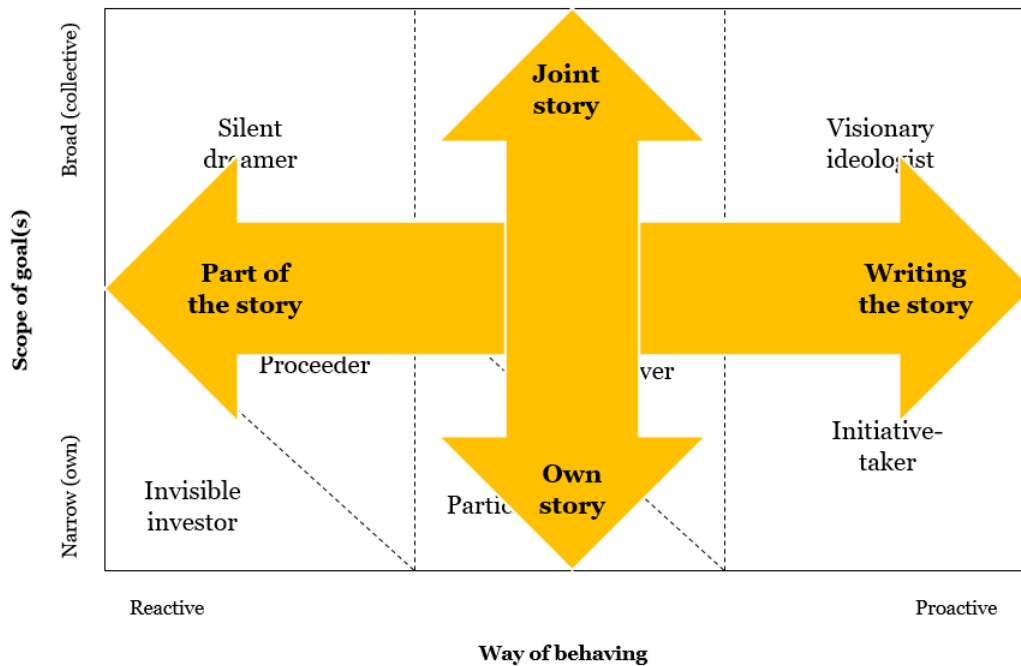
the approach is manifested in how the different roles and communicational activities are planned, which means that it influences the group's functioning by creating the frame for its activities.



**Figure 33.** The nature of facilitation in relation to the type and degree of innovation (elaborated based on Verganti, 2009: 5)

In order to give a simple, practical illustration of what it means to be dynamic and facilitative when managing a co-creating group, the metaphor of writing a story can be taken. The core components of the metaphor in relation to the different customer logics proposedly identified in the case are illustrated in figure 34. When it comes to the purpose of an offering, such as JBV, the focus should be on creating a happy story where both the customer(s) and the provider(s) gain positive value. Based on the findings, it becomes evident that some of the customers merely want to become a part of the story and thus they need others (the focal provider, but also other customers) to write it. At the same time, there may be customers who want to be an active part of writing the story and these customers need the other customers, but also the focal provider and other relevant actors in order to make it a happy story. In addition, the desired content of the story may vary. Some customers are only interested in their own story, while others find the story of the

whole group as a collective also to be of importance. With combinations of these present, the customers require different roles that vary, for instance, to the degree of involvement in influencing the plot. Besides having a suitable role in the process, the customers also want to receive and share information in varying ways with those merely wanting to be a part of the story waiting for others to share the newest ideas in the plot and those desiring to be a part of the writing wanting to actively discuss how the story should become. Accordingly, managers need to be dynamic in the service and to strive to facilitate each customers' value creating efforts appropriately, however, within the given offering-related boundaries (e.g. general purpose of the group and business- and industry-related factors). Thus, writing the story is not about planning it all beforehand and then executing, but it is about having a general idea and purpose that forms the frame and within which the story emerges in an ongoing process where alterations may and need to occur in order to make the story as happy as possible.



**Figure 34.** The managerial complexity related to JBV simply illustrated with the help of the metaphor of writing a story

Finally, zooming out from the organizational level, it becomes evident that group-based co-creation may provide beneficial possibilities also on a societal level that need to be addressed.

#### 7.3.4 The potential of group-based co-creation

Viewing the possibilities that group-based co-creation may have on a societal level, focus can be particularly put on the community and social aspect of co-creation. When being involved in co-creating activities, such as JBV, individuals as customers and provider-representatives come together not only to create the focal end-product, such as a tangible product or an idea for a service, but at the same time they create social capital and value for themselves and for others that may go beyond the mere existence of the service process in question. In the case study, when moving in, the customers had formed social relations and the community continued to exist and evolve at least at some level. This does not necessarily mean that the customers develop strong friendships, but it can be that knowing who your neighbors gives, for instance, a sense of security to an inhabitant. In 2019, 1,2 million people were living alone in Finland, which is almost 45 percent of all the household-dwelling units (Tilastokeskus, 2020) and presuming that at least some of these people also are and feel alone, group-based co-creation can be seen as offering a way out. Projects, such as JBV, may fill a critical function in making it possible for individuals to create communities of varying kinds, with some being more loosely and other more tightly connected, however, the general purpose being to make people feel that they belong somewhere and to provide security. This can also relate to issues that are not as resource-intensive as buying a home; for instance, in the context of housing, the communities within existing HCs could be strengthened with the help of relevant services. Research shows that people enjoy participating in co-creation activities partly due to the social value they gain from them (e.g. Akman et al., 2019) and the importance of these kinds of activities need to be understood as bearing a lot of potential with regard to the enhancement of people's well-being.

JBV arguably has the potential to revolutionize especially urban housing. When it comes to the construction of apartment buildings, standardized and homogenized solutions dominate the industry, while JBV offers a better possibility to create housing in accordance with the inhabitants' needs and wants, lifestyles and – stages while also supporting the emergence of a community. Furthermore, as the customers become the constructors, the projects should be financially more transparent than in traditional apartment selling. With varying purposes and degrees of innovativeness that the group is concerned with, different types of services and project can be established that are desired by different types of customers; for instance, there can be JBV projects emphasizing cost-efficient apartments or sense of community. However, there are challenges to making it possible to realize this potential. The construction industry is highly complex with, for instance, several actors involved more directly or indirectly in construction

projects and with influence from institutions and institutional arrangements. In addition to this, there is an apparent path dependency within the construction industry as well as linked industries, such as the financial sector, and the strongly cemented processes are not always congruent with a more customer-driven process, such as JBV. When it comes to customers' ability to finance their apartment, issues may emerge when they need a loan to cover for their part. Basically, the traditional loan system is created in accordance with the idea that customers buy an apartment that already exists and hence it is not congruent with a process where the apartment does not physically yet exist. If the customer does not have a guarantee for the loan in form of, for instance, another apartment/house, it may prove rather difficult to get a loan. Even though there are some bank offices where exceptions are made, it is arguable that in order for JBV to become a more used method, the financial sector and loan systems need to be updated or there has to emerge other ways of supporting customers' financing.

One idea could be that the municipality or state comes in and guarantees the customers part of the loan. When it comes to the provision of materials, equipment and furniture, it seems that the basic logic is that of mass ordering, which means that it is difficult to provide the customers with a broad array of alternatives. In the analyzed case, for instance, kitchen, bathroom and material providers with certain options were chosen by the DG together with the provider representatives, which meant that some customers ended up deciding that they would take the basic choices and then replace them when the apartment was move-in ready. Drawing it all together, it is argued that in order for JBV to become a more popular method for constructing housing, the whole logic and processes within relevant industries needs to be built around JBV as opposed to it being a method glued on top of the existing processes.

## 7.4 Limitations and avenues for future research

When it comes to the conducting of this study and the findings that have been emphasized, there are certain limitations as well as avenues for future research that need to be highlighted.

### 7.4.1 Limitations of the study

When it comes to this particular study, it is important to highlight that there are certain limitations to it. First, as focus is put on a complex service like JBV, it is evident that there are multiple perspectives from which the phenomenon can be approached and focus can be put on different issues. In this study, focus has been

particularly on the enhancement of customer value formation. The focal provider and surrounding ecosystem has been recognized as creating dynamics that influence the customers and the group, however, there could be different findings and insights if the focal purpose would be on understanding, for instance, the provider-side ecosystems functioning (i.e. systemic value creation taking place between actors in the construction industry and particularly JBV).

Second, the empirical case consists of two similar subcases, which means that the findings are from a very specific type of service. However, this has been a deliberate choice and seen as a strength, as described in the methodology chapter. Instead of looking at several cases, the intention has been to go broadly and deeply into a particular case to derive novel insights with regard to the existing knowledge in service marketing. At the same time, it is important to keep in mind this limitation when reading the findings from this study and when it comes to avenues for further research, this kind of study could be conducted with regard to other JBV projects and more broadly other group-based services. In addition, while the utilized case study methodology as well as the particular methods for data collection and analysis have been relevant considering the purpose of this study, the choice of other methods could possibly lead to other types of insights.

Third, in order to understand groups as resources for customers in their value creating activities, this study has utilized small group theory provided particularly by Arrow et al. (2000). As described, the reason for this has been its high relevance and congruence with regard to the purpose of the study as well as the lack of similar knowledge on the structure, dynamics and functioning of groups. This is to be seen as an opening for future research to be encouraged to look more into group theory, as the developments there may provide important insights for service marketing as well as marketing and consumer research more broadly.

Continuing to the potential avenues for future research, the findings from this study yield an array of interesting proposals that are discussed in the following chapter.

#### 7.4.2 Avenues for future research

The ideas for future research that emerge from this study can be divided into two main categories; future research on 1) customer logics and 2) on group-based co-creation as well as value co-creation. These are addressed in the following sections with a summary of them being provided in appendix 8.

##### ***Future research on customer logics***

Customer logic has been a pivotal concept in this study and due to its novelty there are many more issues that could and should be focused on in future research. The intention is to highlight those considered most relevant.

#### *The nature of customer logics*

It has been proposed that especially when the service process is novel for a participating customer, her logic is proposedly more open for change, but as time goes and the customer is acquainted with the offering, the logic becomes more stable. Besides the customer's previous experience and knowledge, also the perceived importance of an influencing factor is proposed to influence the potential alteration. Yet, it is relevant to further study these and also other potential aspects that influence the nature of customer logics in terms of their stability or dynamism. It is also important to continue examining what is the appropriate level to view customer logics. In this study, a customer logic has been viewed in relation to the service of buying an apartment, as defined by the customer. Hence, it has been linked to the offering of JBV, but also to other offerings, such as, those provided by banks and other related providers. However, should a customer logic be viewed on some other level of analysis; for instance, a more aggregate level, such as, in this case a customer's logic related to investments?

With regard to the dynamism, it could further be asked that when a customer's logic is altered, does this previous logic disappear or does it stay with the customer and possibly become activated at a later stage? This is a question that is probably more relevant considering mundane offerings that the customer engages with more frequently; for instance, if a customer sometimes visits the local supermarket and sometimes the hypermarket outside of town, does the customers' grocery-shopping logic dynamically change or does the customer have two logics of which one is activated at a certain time? Moreover, can the same store become part of the customer's service process through more than one logic? Ultimately, this might be seen as a question of approach as well as level of analysis and it may well be in many service processes that the customer has merely one logic. However, it would be encouraged that scholars would look into the possibility of customers' having several logics in relation to a service and if affirmative, the implications it has and the possibilities for future research that it opens up. If it would be that a customer has several logics, the question would not only be about how they are altered, but also how they are activated and deactivated.

Besides it being of theoretical interest to further enrich our understanding on the nature of customer logics, it can also be seen as vital from a managerial and societal perspective. Being able to influence customers' logics, whether it is the emergence

or shaping of an existing logic or the activation of some particular logic, can be seen as relevant for enhancing customers' positive behavior, for instance, in terms of sustainability and well-being, and hence an important aspect to focus on in future research.

#### *Customer logics in relation to an offering and other constructs*

In order to better understand actual customer value formation, roles have been identified as the pivotal counterpart for customer logics (i.e. there should be congruence between the two). It has also been proposed that customers' have varying communication- and knowledge-related desires where customer logics together with their roles and the phase of the service play are of importance. These issues supposedly need more attention from scholars with focus on understanding the relations better; for instance, are there key characteristics or dimensions for logics and roles or elements of communication that make it possible to study their congruence. When it comes to the outcome of the use of an offering, there were also variations found between what was valued by the customers. Basically, less involved customers seemed to value that their expectations were confirmed (or positively disconfirmed), while the more involved customers appeared to value also unexpected outcomes (e.g. learning process or socialization with others). What this indicates is that different types of customer logics are related to different kinds of sources of value formation when looking at the whole process, which is something that future research could look closer at. In addition, the role of expectations and relation to logics is worth further studying. Customer logics may also provide various opportunities for the development of existing offerings as well as the innovation of novel ones, something that future research could also focus on. Further enriching our knowledge on how the focus on customer logics can become part of these processes, both in theory and practice, is considered to be of relevance; for instance, what does a successful adoption of a focus on customer logics within the innovation process require from the organization?

#### *Tools and methods for the identification and utilization of customer logics in service*

This study involves one of the first attempts to empirically categorize different customer logics in relation to a particular service. Even though the idea behind how this can be done in terms of methods used and clustering of logics based on pivotal dimensions is presented in this study, it is evident that there is room to further develop tools and methods for the identification of customer logics. In this case, with primarily observations and narrative interviews as data collection methods and with the research context being a complex and extended service process, the empirical part of the study was arguably resource-intensive, especially

in terms of time and effort put on collecting and analyzing data. At the same time, this was necessary in order to find out what was of particular interest in the phenomenon and in the vast amount of collected data. A customer logic is an abstract construct that goes beyond particular incidents and describes the underlying sensemaking behind a customer's behavior. This means that studying customer logics certainly requires more data, time and effort than studying single events. Drawing on these insights, it would be of particular interest to have improved tools and methods that aid in conducting both more precise and more efficient and effective research on customer logics; for instance, could digital solutions (existing or developed) be utilized in order to aid in the process.

### ***Future research on group-based co-creation and value co-creation***

When it comes to the study of groups in the field of service marketing, it may on a general level be stated that although there have been studies conducted, the area is still in its infancy in the field. This study has introduced service marketing with a comprehensive view of the structure, functioning and dynamics relevant to account for in groups and opened up the complexity and sensitivity that characterizes groups both through literature (e.g. Arrow et al., 2000) and the empirical in-depth case study. In the empirical study, customer logics have been utilized as the main perspective to understand how the group may receive varying roles in the participating customers' value creation and formation processes. Going in to the more specific activities and processes in the member-group interchange related to that, value co-creation becomes the focal concept to which this study also contributes by proposing novel insights, but also by recognizing interesting topics for future research that are discussed in the following subchapters.

### ***Persuasion and the process of value negotiation***

The influence of power relations between participating actors in social systems on value formation has been previously recognized as an important topic to address in service research (Edvardsson et al., 2011). By providing empirical insights on co-creating groups, especially persuasion is found to be a focal topic. Persuasion is something that consumer behavior researchers have traditionally been occupied with, and based on this study, it is proposed to be something that service researchers especially concerned with studying co-creating groups and value co-creation could and should focus on. As the study reveals, co-creation between customers is not always a harmonious process and with focus merely on the collective goals, but instead, it is also characterized by persuading efforts and customers striving to fulfill also their individual and/or relational goals. When it comes to customers' value formation in a group setting, one might assume that persuasion bears a negative influence, yet, some of the customers perceived



persuading efforts by others as positive. This could especially be traced back to the customers' logics, with those desiring more influence utilizing, for instance, their expertise as a persuading factor and with those less involved customers being satisfied with there being customers with expertise taking responsibility in the group's tasks. In a broader sense, to capture what took place with regard to value co-creation, the novel concept of value negotiation was proposed based on the study. While it has been recognized in previous literature that value is not always co-created and that negative value may also emerge (e.g. Echeverri & Skålén, 2011), it was found in this study how members of groups were engaged in discussions concerning what is actually of value. Value negotiation, in which persuasion proposedly plays a major role, is seen as offering a novel perspective on understanding interactions and presence-related activities (Colm et al., 2017) that influence participating customers' value formation. It is argued to be a relevant concept to account for in service marketing. However, due to the early phase of its existence, there is room for major developments concerning the concept (e.g. scope and relation to other focal concepts).

*Dynamic facilitation of co-creating groups - securing that value co-creation actually takes place*

The previous aspect bring us to the importance of dynamic facilitation of co-creating groups. It has been proposed based on the study that dynamism is a focal aspect in the successful management of co-creating groups; in other words, by being dynamic, the provider can make necessary changes in, for instance, customers' roles and in their communication in order to enhance customers' value creation and formation. A focal question then becomes how the provider can be dynamic in its facilitation without weakening the offering in terms of, for instance, delivery and cost of the process. In line with the main ideas of CDL, this study has emphasized customers' holistic value creating activities and value formation (i.e. customer centricity) (e.g. Heinonen & Strandvik, 2015; 2018). However, referring to balanced centricity (Gummesson, 2008), future research needs to pay further attention to how value co-creation with recognition also for the provider's value formation may actually take place. While customer centricity is a focal issue, the actual activities of the provider need to be understood also with recognition for the provider's logic as well as the influence of other provider-side actors and factors (e.g. dominant logic within industry). One might ask, to what extent is and should customer centricity be possible? As pure customer centricity is often a utopia, the findings from this study suggest that, for instance, establishing a relevant shared logic among the participating actors is crucial in order to manage related issues. However, it is important to continue studying how true value co-creation for all

involved parties may take place especially in these types of more complex services involving several actors.

*Scope of value co-creation with a recognition for its emergence through presence*

When it comes to value co-creation, there is a need to further study its occurrence through presence (Heinonen & Strandvik, 2015). While the focal processes underlying value co-creation (communicating, relating, knowing and accessing) have been linked to the presence-based approach and the scope of it has been broadened beyond what occurs in the focal customer-provider dyad, these issues need further attention from scholars. Future research should focus on generating more understanding on, for instance, the relations between these focal processes and customer logics as well as on the focal provider's presence-ensuring activities in other relations that are a part of the customer's value creating activities. While communicating, accessing and relating have been focused on in this study with relevant propositions<sup>202</sup> being made that can act as a starting point for future research, the process of relating has not received as much attention. Yet, the importance of also that process is recognized and scholars are encouraged to also focus on how to enhance trust and commitment among participating actors.

*Enhancing customers' (individuals') well-being*

Both previous literature and the findings from this study point out that customers may gain social value from interacting with other customers and that may carry beyond the focal service process; for instance, in the case of JBV, the customers form a community that continues to live in the apartment building after it has finished. Recognizing the potential that co-creation, in the context of housing but also beyond that, might have for lonely people and people looking to find others to interact with, the phenomenon deserves more attention from scholars. Naturally, there are those individuals, as was the case also in this study, who do not look for any community-activity, and hence it is pivotal to find appropriate ways of realizing the potential that co-creation may have for different types of customers.

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<sup>202</sup> P4 & P6 relate to accessing, P7 to communicating, and P9 to knowing.

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## Appendices

### Appendix 1 – Definitions of concepts

<b>Concept</b>	<b>Definition/use</b>	<b>Examples of source(s)</b>
<i>Value</i>	In this study, if not otherwise stated, value refers to what is often discussed as value-in-use and based on subjective experiencing. Thus, value ultimately emerges for customers as experienced through physical or mental use and it can be negative, neutral or positive.	Grönroos, 2008; 2011; Heinonen et al., 2010; Heinonen & Strandvik, 2015; Vargo & Lusch, 2008; 2016
<i>Potential value</i>	As value emerges through use instead of being delivered through exchange, resources can be seen as carriers of potential value, which may be realized through use.	Grönroos & Voima, 2013
<i>Desired value</i>	Describes the value that the customer wants to achieve and is thus related to her goals and needs.	Woodruff, 1997; Woodall, 2003
<i>Value formation</i>	Used to describe how value comes to be or emerges. Value is not always the result of deliberate activities (value creation), but can also emerge unintentionally.	Heinonen et al., 2010; Heinonen & Strandvik, 2015
<i>Value creation</i>	Used to describe an actor's deliberate, goal-directed activities in striving to reach desired value. Takes place through resource integration.	Payne et al., 2008; Bruce et al., 2019
<i>Value co-creation</i>	Value co-creation is a particular type of process related to value formation. It involves two or more actors who intentionally and in a goal-directed manner strive to create value for themselves and each other in joint activities. Traditionally seen as occurring through direct interaction, however, may also be seen as occurring through presence.	Grönroos, 2011; Grönroos & Voima, 2013; Grönroos et al., 2015; Heinonen & Strandvik, 2015
<i>Offering</i>	Incorporates a provider's configuration of different tangible and intangible resources which the provider offers (sells) to customers in order to support customer's value formation as well as to reach its own goals. Offering incorporates the concepts of, for instance, products, services, service, solutions, relationships value propositions and promises.	Heinonen & Strandvik, 2015

<i>Resource</i>	Resources can be of various types, however, the importance is that they are not, but that they become such through use and when perceived to be of value by the user.	Löbler, 2013; Peters et al., 2014; Vargo & Lusch, 2004; Zimmerman, 1951
<i>Customer logic</i>	A customer's reasoning for what to achieve and how.	Heinonen & Strandvik, 2015; 2018
<i>Customer role</i>	Drawing on group theory, roles are seen as planned and consisting of activities or tasks and related resources. May be utilized as resources for stability and change.	Akaka & Chandler, 2011 (roles as resources); Arrow et al., 2000 (group constituents).
<i>Co-creating / co-creation group</i>	A systemic unit consisting of more than two actors who co-create to fulfill individual, relational and collective goals. May consist merely of customers but may also include provider representatives. In addition to the members, the tasks and resources (i.e. roles) are also basic constituents of a group. Approached as a resource for the participating customers' in their value creation and formation.	Arrow et al., 2000 (groups); Epp & Price, 2011 (goals); Voima et al., 2011 (systemic customer unit)
<i>Co-creation of offering</i>	Refers to customer's participation with the provider and/or other customers in some or all of the stages from ideation to consumption.	Oertzen et al., 2018
<i>Local, global, and contextual dynamics</i>	Three levels of dynamics influencing group functioning and development. Local dynamics emerge from interactions between members, tasks and other group-related activities, and resources. Global dynamics emerge out of local dynamics and reciprocally influence future local activities/dynamics (e.g. status structure). Contextual dynamics are created by factors in the surrounding ecosystem (e.g. institutions).	Arrow et al., 2000
<i>Joint building venture (JBV)</i>	A way to construct buildings with apartments (e.g. apartment building, row house etc.) by involving the future inhabitants (i.e. customers) as the constructors from the planning-phase onwards as opposed to the traditional way of constructing.	Korpela, 2014; Seemann et al., 2019

## Appendix 2 – Interview structure in subcase 1

[Originally in Finnish]

**INTERVIEW STRUCTURE**

**DATE** \_\_\_\_/\_\_\_\_ **TIME** \_\_\_\_:\_\_\_\_

**PLACE** \_\_\_\_\_

**INTERVIEWEE** \_\_\_\_\_

[Read out loud to the interviewee]

*Welcome! And thank you for being able to join! Before we start the interview, I would like to briefly go through the reason why we are here and how the collected data will be used. I am doing my doctoral dissertation in marketing and the University of Vaasa concerning co-creation and I am interested in understanding more about JBV as a phenomenon. I am especially interested in hearing more about the participating customers', in other words yours, experiences during the different stages of the project. I want to explicate that there are no right or wrong answers, only your own experiences. The collected data will be used in my doctoral thesis (study) and in other possible publications. Anonymity is guaranteed to you so that your name is not included in any of these publications and instead you receive a new name. Do you have any questions?*

*Is it okay for you that I record this interview? The recording helps me a lot when processing and analyzing the collected data.*

*Before we start, I would ask you for some information:*

**The amount of persons moving in/living in new apartment:**

**Size of the apartment:**

**Time of joining project:**

*We use this kind of process map/-timeline to our help during the interview. We can start anywhere you want, since I am interested in hearing you tell me about how the JBV has proceeded from your perspective. We can move back-and-forth on the timeline and you do not have to feel any pressure about having to exactly remember when certain incidents took place. This is merely a supportive tool for striving to understand the process.*

**SUPPORT QUESTIONS (not from word to word and with emphasis on “the own perspective and experience”):**

*Could you tell me about how you joined the project?*

*Could you tell me about your goals concerning the project?*

*Could you tell me about how you have participated in the project?*

*Could you tell me about the group meetings.*

*Could you tell me about the decision-making in the group.*

*Could you tell me about what kind of activities, like meetings and other interactions you had outside of the group meetings?*

*Could you tell me about how you experience the end-result?*

***When you look at this timeline, could you tell me...:***

*...what kinds of thoughts you had during the different phases.*

*...what kind of feelings you had during the different phases.*

#### **MORE SPECIFIC INCIDENTS**

*Could you tell me more about incident X.*

Support questions (not from word to word):

1. *What were you thinking?*
2. *What were you feeling?*
3. *What activities were related to that?*

**When the different incidents have been gone through, focus is put on going through potential question marks. Finally, the process timeline is gone through together:**

*This is the end-result of our discussion. Is there anything else that you would want to add?*

#### **FINALLY**

*Finally, I would be interested in hearing about which different persons and actors the participators have been engaging with in the different phases of the project. Therefore, I would kindly ask you to tell me about whom you have been engaging with concerning the project in the different phases, how often and concerning which matters. The names of the persons or actors are not published and instead they are given new names to guarantee anonymity.*



## Appendix 3 – Interview structure in subcase 2

[Originally in Finnish]

**INTERVIEW STRUCTURE**

**DATE** \_\_\_\_/\_\_\_\_ **TIME** \_\_\_\_:\_\_\_\_

**PLACE** \_\_\_\_\_

**INTERVIEWEE** \_\_\_\_\_

[Read out loud to the interviewee]

*Welcome! And thank you for being able to join! Before we start the interview, I would like to briefly go through the reason why we are here and how the collected data will be used. I am doing my doctoral dissertation in marketing and the University of Vaasa concerning co-creation and I am interested in understanding more about JBV as a phenomenon. I am especially interested in hearing more about the participating customers', in other words yours, experiences during the different stages of the project. In this interview, focus is particularly on the development group phase (DGP). I want to explicate that there are no right or wrong answers, only your own experiences. The collected data will be used in my doctoral thesis (study) and in other possible publications. Anonymity is guaranteed to you so that your name is not included in any of these publications and instead you receive a new name. Do you have any questions?*

*Is it okay for you that I record this interview? The recording helps me a lot when processing and analyzing the collected data.*

*Before we start, I would ask you for some information:*

**The amount of persons moving in/living in new apartment:**

**Size of the apartment:**

**When did you join the project:**

*We use this kind of process map/-timeline to our help during the interview. We can start anywhere you want, since I am interested in hearing you tell me about how the JBV has proceeded from your perspective. There is about one year of the project behind and during this time, you have been participating in the DGP, which is represented by the middle part of the timeline. The first part thereby concerns the time before you joined the project and the last part the time after that when the apartments have been opened up for public sale.*

*We can move back-and-forth on the timeline and you do not have to feel any pressure about having to exactly remember when certain incidents took place. This is merely a supportive tool for striving to understand the process.*

**SUPPORT QUESTIONS (not from word to word and with emphasis on “the own perspective and experience”):**

*Could you tell me about how you joined the project?*

*Could you tell me about your goals concerning the project?*

*Could you tell me about how you have participated in the DGP/project?*

*Could you tell me about DG's role in the project?*

*Could you tell me about the group meetings with the DG/others?*

*Could you tell me about the decision-making in the DG?*

*Could you tell me about what kind of activities, like meetings and other interactions you had outside of the group meetings?*

*Could you tell me about how you experience the end-result of DG's work?*

*Could you tell me about the proceedings after the DGP?*

***When you look at this timeline, could you tell me...:***

*...what kinds of thoughts you had during the different phases.*

*...what kind of feelings you had during the different phases.*

### **MORE SPECIFIC INCIDENTS**

*Could you tell me more about incident X.*

Support questions (not from word to word):

1. *What were you thinking?*
2. *What were you feeling?*
3. *What activities were related to that?*

***When the different incidents have been gone through, focus is put on going through potential question marks. Finally, the process timeline is gone through together:***

*This is the end-result of our discussion. Is there anything else that you would want to add?*

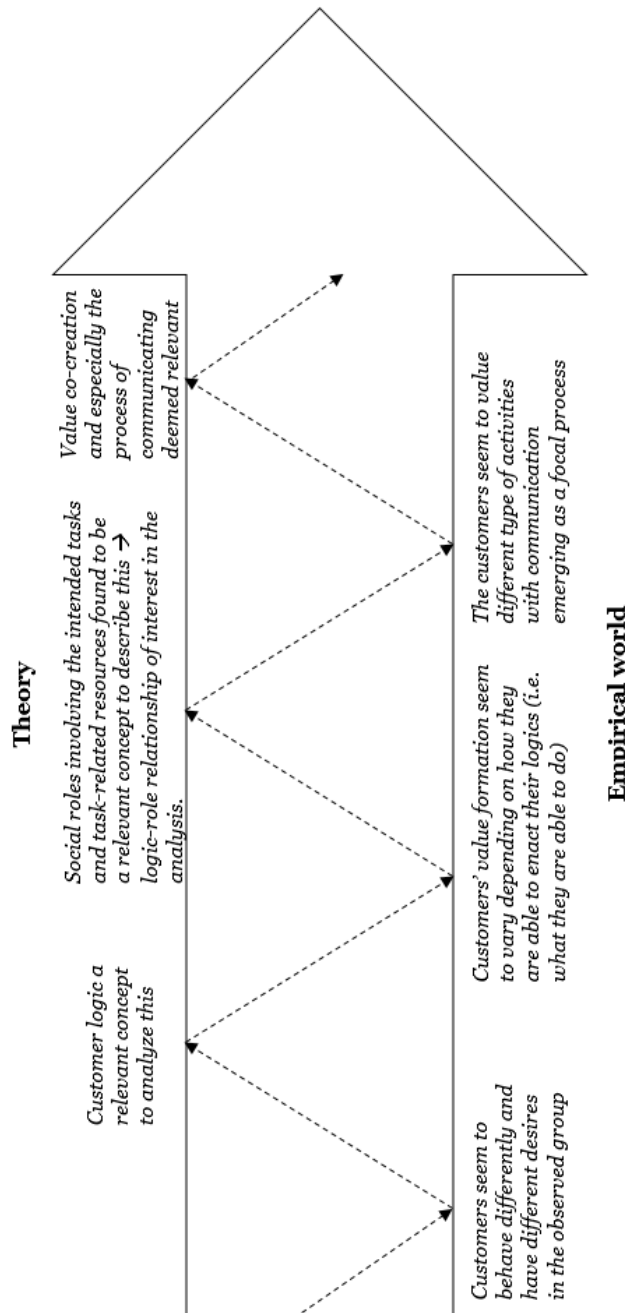
### **FINALLY**

*Finally, I would be interested in hearing about which different persons and actors the participators have been engaging with in the different phases of the project. Therefore, I would kindly ask you to tell me about whom you have been engaging with concerning the project in the different phases, how often and concerning which matters. The names of the persons or actors are not published and instead they are given new names to guarantee anonymity.*

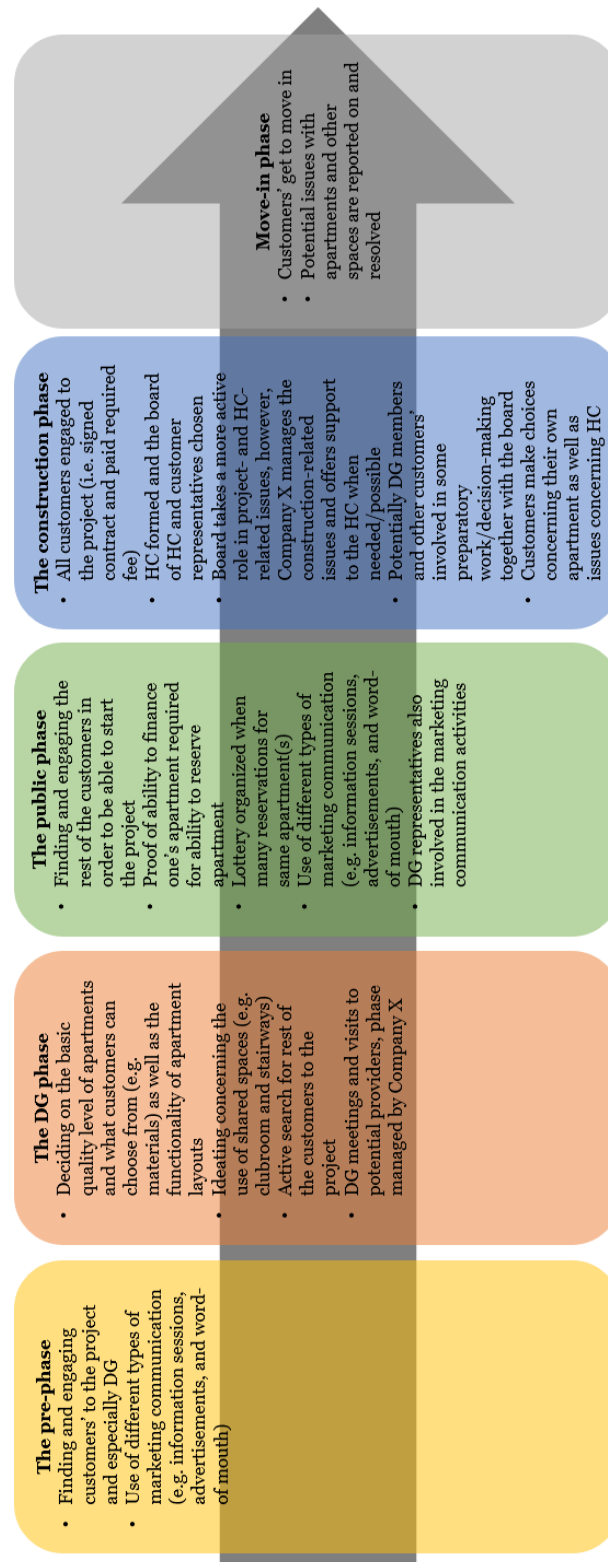
## Appendix 4 – Overview of details concerning data collection in the two subcases

<b>Data collection method</b>	<b>Subcase 1</b>	<b>Subcase 2</b>
<i>Narrative interviews with customers</i>	<ul style="list-style-type: none"> <li>• 13 interviews</li> <li>• End of summer/autumn 2019</li> <li>• Approx. 43-113 min. / approx. 826 min. in total</li> </ul>	<ul style="list-style-type: none"> <li>• 5 interviews</li> <li>• Autumn/winter 2019-2020</li> <li>• Approx. 74-109 min. / approx. 401 min. in total</li> </ul>
<i>Interviews with consultant</i>	<ul style="list-style-type: none"> <li>• 1 interview with consultant in autumn 2018</li> <li>• Several informal discussions on relevant topics concerning the case</li> </ul>	
<i>Non-participant observations</i>	<ul style="list-style-type: none"> <li>• 1 meeting where I collected a list of potential interviewees</li> <li>• Winter 2018</li> </ul>	<ul style="list-style-type: none"> <li>• 13 meetings in total</li> <li>• 3/5 DG meetings</li> <li>• 3 meetings for potential customers</li> <li>• 3 meetings for potential customers and those having reserved apartments</li> <li>• 1 meeting for those having signed the JBV contract</li> <li>• 1 meeting for all new inhabitants (i.e. the HC). Board of HC chosen there</li> <li>• 2 meetings where the use of extra funds was discussed by persons from the board of the HC and DG</li> <li>• Beginning of year 2019 to autumn 2019 and again in spring 2020</li> </ul>
<i>Secondary sources</i>	<ul style="list-style-type: none"> <li>• E.g. project-related documents, books, news articles and events</li> </ul>	

Appendix 5 – Example of abductive reasoning in the emerging case



## Appendix 6 – Structure of the process in the provider-driven JBV's (subcases)



## Appendix 7 – Table of propositions

Proposition 1	The resource potential of an offering (or part of it) for customer value formation depends on the participating customer's logic.
Proposition 2	Customers participating in co-creation may have varying desired degrees to influence depending on their customer logics.
Proposition 3	The dynamism vs. stability of a customer logic depends on both the customer's experience and knowledge in relation to the service and the perceived importance of influencing factors.
Proposition 4	Customer value creation and formation is influenced by the congruence between customer logic and customer role.
Proposition 5	In addition to the participating customers' logics, also their expectations regarding desired value creating activities are important to account for.
Proposition 6	Customer value formation is influenced by the mixture of other participating actors' enactments of their logics and roles.
Proposition 7	Customers' desires concerning the six characteristics of communication depend on their customer logics as well as roles and phase of the service.
Proposition 8	The blurring lines between customers and provider representatives as managing actors in co-creation are linked to the participating customers' value formation.

Proposition 9	For successful value creation and formation, the three levels of joint-, role-specific-, and logic-related understanding need to be recognized and enhanced through the processes of communication and service design.
Proposition 10	The desires that a customer has regarding the role of the provider (or other managing actor) depends on the customer's logic.
Proposition 11	Outside social roles may be used by customers as resources for change in order to alter one's social position, but also in order to gain another social role within the group (system).
Proposition 12	The influence of expected and unexpected aspects on customer value formation depends on the customer's involvement in the service process.

## Appendix 8 – Avenues for future research with proposed research questions/themes

<b>Theme/concept</b>	<b>Proposed research questions/themes</b>
Customer logic	<ul style="list-style-type: none"> <li>• The nature of customer logics <ul style="list-style-type: none"> <li>○ The dynamism of customer logics (e.g. what makes it change)</li> <li>○ The level of analysis</li> <li>○ One vs. several logics</li> </ul> </li> <li>• Customer logics in relation to an offering and other constructs <ul style="list-style-type: none"> <li>○ Logic – role/communication relationship/congruence</li> <li>○ Logic – outcome of use of an offering</li> <li>○ Logic – expectation relationship</li> <li>○ Customer logic as a source for development and innovation</li> </ul> </li> <li>• Customer logics in relation to other elements value formation</li> <li>• Tools and methods for the identification and utilization of customer logics in service</li> </ul>
Group-based co-creation and value co-creation	<ul style="list-style-type: none"> <li>• Persuasion and the process of value negotiation</li> <li>• Dynamic facilitation of co-creating groups - securing that value co-creation actually takes place</li> <li>• Scope of value co-creation with a recognition for its emergence through presence</li> <li>• Enhancing customers' (individuals') well-being</li> </ul>