Conceptualising Co-creation of Value via Corporate Blogs: A Proposed Research Framework

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Abstract

Web 2.0 social media technologies such as blogs, social networking sites, media-sharing and wikis are significantly advancing the business world towards a more open, interactive, multidimensional and participatory communications model. With increasingly demanding customers, companies are forced to take a step back and re-evaluate their existing online communication channels. To foster more valuable relationships with these customers, this paper suggests using corporate blogs as a dialogical platform for knowledge exchanges between companies and customers. A conceptual framework demonstrating how meaningful value can be co-created online is proposed as a further call for research. It is anticipated that the findings be helpful in generating some collective thinking on how corporate blogs might further benefit companies in the area of online marketing communications.

Keywords: Co-creation of value, corporate blogs, customer knowledge management, corporate blogs, online marketing communications

1. INTRODUCTION

Online marketing communication strategies have evolved since the classic one-to-many distribution ideology. Marketing exchanges are now moving towards a more dyadic approach via technological developments such as web 2.0. The advancements in online information sharing and communication areas have subsequently produced collaborative practices and knowledge activities that are more customer-centric, user-generated, interactive and dynamic. Additionally, such changes are also fostering community participation by building on collective community intelligence activities in the online environment [1]-[3].

As web 2.0 has proven to be a more powerful online marketing tool than any traditional media, perhaps the strongest impact is its emergence as a preferred source of information among consumers [4]. Marketers are witnessing a shift of control from the company to consumers [5], as a result of decreasing costs of delivering, accessing and sharing information online. Consequently, various changes in the marketing landscape, particularly consumer behaviour activities have been observed. For instance, the growing interactions among customers (C2C) and companies (C2B2C) online have evidently replaced the traditional marketing monologue [4].

These dynamic interactions validate Searls and Weinberger’s view of “markets as conversations” [6]. However, there seems to
be a stronger propensity for consumers to talk among each other than the generated consumer-mass media from companies. It even appears that consumers are executing these activities more effectively than marketers can spread their own advertising messages through viral marketing measures [7]. The increasing ways of ‘voicing’, ‘self expression’ and communication with other consumers via emails, instant messaging systems, online reviews, SMSes, blogs with RSS feeds and other web 2.0 social media are enabling individuals to learn about each others’ experiences with products and services more rapidly [5].

With the Internet offering limitless opportunities to understand the overall market perception and consumer preference towards a brand, customers are freely expressing what they think of products, brands and companies whilst offering improvement suggestions [4]. Hence, an enormous pressure is now being placed on companies to re-imagine, re-invent and re-architect their online marketing communication strategies to match the customer’s expectations in this new economy [8], [9]. The need to be favourably distinguished from competitors is more pertinent now, and has led many companies to look at social media tools such as blogs to increase online communication opportunities with consumers. By doing this, [2] points out that this inevitably involves including customers in the creation, delivery and dissemination of brand-related messages in an online interactive environment.

This paper explores the concept of using corporate blogs to foster interactive company-customer communications online. As both parties are perceived as co-creators of value in the online marketing exchange, a discussion on the significance of customer knowledge as a source of value is crucial. Subsequently, the operational constructs of the corporate blog in hosting company-customer interactive communication exchanges are visualised in a conceptual framework. Two research questions emerge from these discussions as a guide for further research in hopes of advancing the area of online marketing communications.

2. WHAT ARE CORPORATE BLOGS?

A “blog” is the irreverent contraction of “web log” [10]. It is a frequently updated webpage that is composed of individually posted items chronologically arranged with the most recent ones on top [11]. Conversely, corporate blogs are defined by three criteria. Firstly, they are usually maintained by individuals who post in an official or semi-official capacity at a company (known as the corporate blogger); the blog content is explicitly or implicitly endorsed by that company and lastly, entries are posted by a person perceived to be clearly affiliated with the company [12].

The uptake of corporate blogging is fast and rising. A collaborative ongoing project called Fortune 500 Business Blogging Wiki1 recently found that 15.8 percent (approximately 79 companies) of Fortune 500 companies have adopted corporate blogs as of May 2010. This is a visible improvement from the 3.6 percent of Fortune 500 companies as quoted in [13]’s study. This indicates a growing realization that corporate blogs are being integrated as part of a company’s advertising, marketing and public relations initiatives.

Many benefits can be derived from the employment of corporate blogs. Firstly, corporate blogs are cost-effective. They benefit companies wishing to be closer to their customers by acting as an inexpensive

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1 Fortune 500 Business Blogging Wiki, http://www.socialtext.net/bizblogs/index.cgi
dialogue-based medium injected with personal character, which can help overcome the consumers’ resistance to traditional media [2], [3], [10]. Secondly, corporate blogs are effective in obtaining quick and direct access to a specific targeted customer group for product-related feedback or market research purposes [2], [13]. However, its overarching objective – fostering interactions between the company and its customers is proffered to have the most social and economic value for both parties [2].

3. VALUE-SEEKING CUSTOMERS

The customer’s value creation process can be defined as a series of activities performed by the customer to achieve a particular goal. A key aspect of the customer’s ability to create value is the amount of information, knowledge, skills and other resources that they can access and use [14]. Therefore, if a company wants to improve its competitiveness, it has to develop its capacity to add to the customer’s total pool of resources in terms of competence and capabilities (relevant to the customer’s mission and values). Additionally, the company can also influence a customer’s decision-making process in such a way that the customer is able to utilise available resources more efficiently and effectively [15].

However, companies should first improve their online communication methods to deliver more value in customer relationships that are based on trust, credibility and transparency [16], [17]. Although consistent company-customer interactions can help companies to gain a better understanding of their customers’ perception of value, a change in the company’s philosophy in viewing customers as value co-creators in such exchanges should precede [18]. As customers are now armed with more information and knowledge in making decisions, they should be considered as important partners in the value creation process [5].

Bearing in mind that customers are at the very heart of the co-creation experience and whose existing knowledge should never be underestimated, companies are faced with a challenging task of accessing, understanding and managing this knowledge already inherent in their customers. Hence, this requires a shift in the company’s mindset to become knowledge partners with their customers instead of knowledge hoarders [5]; the old tempo and tradition that companies have been used to all this while.

4. KNOWLEDGE AS A SOURCE OF VALUE

A nascent research area that involves gaining, sharing and expanding knowledge already present in customers [19], [20] is customer knowledge management (CKM). In this sense, knowledge is being socially constructed through interactions between customers and the company [20]. However, it should be pointed out that CKM is very distinctive from the knowledge management (KM). While the former focuses on directly obtaining knowledge from the customer, the latter concept deals with attaining knowledge about the customer via large customer relationship management (CRM) databases [21], [22]. As such, CKM moves beyond corporate boundaries and is focused on gaining competence in the heads of customers, rather than only in the heads of employees. Its distinctive point is that it lifts the focus from merely collecting information about customers to learning with and alongside them, subsequently contributing to areas related to innovation and growth in the company [19], [17].
This paper argues that existing knowledge management approaches mostly focus on supporting knowledge creation and sharing through traditional marketing activities. They often fail to consider the significance of meaningful company-customer exchanges in an online context. Hence, a suggested way of managing such online exchanges is to introduce corporate blogs as a platform to facilitate dialogical company-customer interactions.

Unique knowledge exchanges that occur between companies and its customers hold strong potential for co-creation of value online [23], [24]. Additionally, advocating corporate blogs as a valuable communicative tool may even help develop enduring relationships between both parties.

5. HARNESSING VALUABLE KNOWLEDGE VIA CORPORATE BLOGS

Companies’ usage of the Internet places them at a competitive advantage when it comes to engaging in CKM, due to the Internet’s cost-effective and user-friendly nature for knowledge sharing activities. With the Internet functioning as a cohesive infrastructure for interaction between companies and customers, it also creates a variety of quality-led experiences. This accomplishes the concept of viewing online exchanges as innovative and flexible ‘experience environments and networks’ [17]. In this view, blogs become the strategic enabler of experiential co-creation processes as it goes beyond typical product and service offerings. Instead, blogs focus on individual-centric interactions with the company’s products, processes, people and customer communities. Hence, this impacts and influences the company-customers’ relationship value. This indicates that corporate blogs have the capacity to build a trusting and mutually satisfying relationship with the customer by engaging them in the co-creation, delivery and dissemination of marketing-related information.

This new business logic of including customers in the knowledge sharing process assumes a more enduring relationship existing between both parties. In this aspect, value can be created in many ways. Particularly relevant is the assumption that deeper relationships will create opportunities for acquiring more knowledge, hence making the company more flexible in adapting to the customers’ needs. As such, the deeper the company-customer interactions, the better the level of creativity demonstrated by both parties. This subsequently leads to new ideas and possibly more productive ways of doing business. To state it simply, co-production in this context can also be regarded as a way of acquiring generative knowledge [25].

Along with a greater level of knowledge shared by both parties, [5] asserts that the co-creation process also accords the customers with a stronger sense of self-esteem and emotional bond with both the company and its offering(s). This way, both the customer and company are rewarded. Through CKM approaches, [19] assert that companies may even be able to foresee emerging market trends and opportunities ahead of competition, which inevitably creates economic value for the company and its stakeholders. From a product development perspective, both the customer and company become equal and joint problem solvers; saving development time and risk reduction for the company while customers get what they want with greater speed and accuracy [24].

In a corporate blog context, [16] makes it clear that in order for blogging to be effective as a creator of value for both the
company and customer, both parties have a dual responsibility to participate in the dynamic conversational facility that blogs provide. Implementing the DART model (Dialogue; Access; Risk Assessment; Transparency) introduced by [17], blogs can be viewed as the perfect tool for:

- Engaging both company and customers in a shared learning and communicative environment (Dialogue);
- Providing the information, platform, and tools needed for dialogue (Access);
- Responsibly informing customers of any potential personal and societal risk(s) present by adhering to sensible and discerning blogging policies and guidelines (Risk assessment);
- Sharing increasingly accessible information about a company’s products, technologies and business systems (Transparency).

The future belongs to those who can successfully co-create unique experiences with customers. Ultimately, the experience is the brand. As such, the company’s co-created and evolving brand reflects the online experience that is constructed by both the company and customers [24]. However, it should be cautioned that co-creating value in the online economy is not easy, seeing that blogs are regarded as a private medium existing in a public space. Therefore, marketers need to be aware of some risks associated to blogs. For instance, sharing company-related information on the blog may raise privacy and legal problems, copyright matters, intellectual property (IP) issues and libel laws. Other issues that may emerge from company-customer interactions online include expectations of the company’s brand performance, the need to consistently achieve mutually satisfying goals and the return on investment (ROI) for both parties as a result of the co-created experience [26].

6. FUTURE RESEARCH

From the literature review presented in this paper, a research framework (as depicted in Fig. 1) and two exploratory research questions have been developed to inform future research directions:

Research Question I: How can corporate blogs function as a dialogical platform for knowledge exchanges between companies and customers?

Research Question II: What other ways can corporate blogs be used to co-create value between companies and customers?

Fig 1: Proposed framework for future research

To illustrate Figure 1 further, the impact a company has (in terms of its role, knowledge, skills and current processes) on its interaction with customers can be investigated by looking at the customer’s role, expectations and existing knowledge in within the knowledge exchange context. By carefully examining the knowledge–related constructs (e.g., customer feedback, company updates, service processes, market trends, product design and industry information) exchanged between both parties on the blog, the resulting interactive communications that occur may provide an indication of the significance and type of value that is being co-created between both...
parties. Particularly relevant is what constitutes value in blogging. From a service-dominant logic of marketing perspective, [27] suggests that valuation might coincide with processes where customers and companies are actively engaged, but very little is known about the actual role that customers play and the nature of the co-production of value itself [18]. In addition to that, the company’s level of competency in terms of the resources, skills, commitment and processes needed to engage in participatory situations should also be further investigated [25].

Adopting a qualitative research method is highly recommended. An active corporate blog in terms of frequent updates and a visible blog community who regularly interact online would be suitable for the research requirements. Carrying out in-depth interviews with both the corporate blogger(s) and a sample of its readers would provide rich descriptions exploring how both parties perceive, think about and engage in value co-creation processes [18]. If the blog’s community is not immediately known (i.e., tracking down blog readers for interviews), then integrating an online questionnaire instrument is an alternative.

A subsequent quantitative study can indicate how the rich descriptive findings revealed from the earlier qualitative study phase holds across different types of marketing contexts (e.g., B2C, B2B blogs). It is important to note that the qualitative study results may help to guide the ensuing quantitative phase as a theory-testing platform for value research. Implications for such a study would be beneficial in terms of market sensing (in anticipating changes), creating customer-sensitive value propositions and developing more effective CRM strategies [27]. This subsequently helps to better understand and advance marketing’s changing nature towards a more service-dominant, customer-oriented and relational paradigms arena [18].

7. CONCLUSION

The long-held traditional firm-centric view of the world is being challenged by ubiquitous communities of interlinked, informed, empowered and active consumers [24]. The role of the consumer in the industrial era has shifted from isolated to connected; from unaware to informed; from passive to active, impacting companies to source for a new frame of reference for value creation [17].

When the customer is conceived as a co-producer and partner rather than subjects, the ensuing company-customer interactions generates more value than a traditional transaction process. This signifies distinct marketing intelligence taking place [19], [28], [25]. Even the market is no longer seen as a sole target for the company’s offerings, but as a converging point that synthesises the company and its consumers’ interests to achieve mutually satisfying results [24].

This paper has investigated the role of corporate blogs acting as a dialogical platform towards co-creation of value between the company and its customer. The importance of understanding the value of knowledge inherent in customers and treating it with diligence to build effective customer relationships online has been discussed. It is anticipated that the insights garnered from Figure 1 would also be helpful in paving way for some collective thinking on how corporate blogs may further benefit companies. Most importantly, it is hoped that researchers heed the call for further investigation into additional ways of co-creating value with the corporate blog. Companies keen on capitalising the potential of corporate blogs as a business building,
branding and marketing communications tool will greatly benefit from the ensuing research findings. Hence it is the marketer’s responsibility to ensure that the corporate blog’s functionality is harnessed to its optimum effect, especially in communicating the company’s brand beliefs and principles to its customers.

REFERENCES


