



Strategies for creating value through individual and collective customer experiences

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Abstract Despite tremendous interest in how online communities create value, existing research tends to focus on limited means through which such value is generated. In this article, we develop a conceptual model of customer value formation. This model rests on two dimensions, namely whether value is formed in the customer or provider domain and whether the value is individual or collective in nature. This enables value formation to be characterized in four ways and enables a more nuanced view of value formation to emerge. Firms are encouraged to reflect on their efforts to support each of the four value formation types. In particular, our conceptualization challenges companies to consider customer contexts outside of customer-firm interaction as important sources of value creation for customers. Such reflection enables practitioners to develop strategies for supporting individual and collective value creation across both the customer and provider domains.

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1. The increasing role of the customer

Customer value—defined as the value customers derive from products, services, or brands—is a topic of extensive interest among marketing academics and practitioners alike. It is widely

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recognized as a key concept in marketing and one of the main drivers of business success. Value is recognized as being co-created by the provider and the customer (Grönroos, 2006; Payne, Storbacka, & Frow, 2008). This realization is part of a larger shift in how marketers understand value. The fact that customers and firms have different value-creating processes implies value is created in different domains and is no longer entirely in the firm's control (Heinonen et al., 2010). Managers are increasingly aware of the need to understand customers' roles in firms' activities, such as those evident in service process blueprinting or customer journeys (Bitner, Ostrom, & Morgan, 2008; Voss & Zomerdijk, 2007). The increasing role of customer participation amplifies the need to understand how customers orchestrate value (Heinonen et al., 2010). Such understanding requires recognizing the individual and collective aspects of value (Macdonald, Kleinaltenkamp, & Wilson, 2016) and, as mentioned, that value creation is not always controlled by a company.

Current thinking in marketing concentrates on the ways customers experience firm activities and processes and the interactive moments of truth related to the value co-creation between customers and firms (Baron & Harris, 2010). The focus is on what is happening within the control zone of the company. However, the activities happening outside the service boundaries in the customer's context are also important enablers of customers' value creation (Schau, Muñoz, & Arnould, 2009). By turning attention outside the firm—to customer-to-customer interactions and collectives—relationship managers can understand how customers integrate various resources in their own processes with the goal of creating value (Grönroos & Voima, 2013). However, companies struggle with heterogeneous customer communities, each with different individual and collective preferences and needs (Pongsakornrungrungsilp & Schroeder, 2011), and require more information about the interconnected role of the individual within a social group (Macdonald et al., 2016). We address these challenges by emphasizing the individual and collective aspects of value that emerge within provider and customer domains. Specifically, by juxtaposing collective and individual value and the customer and provider domains, we propose a conceptual framework of customer value formation to delineate (1) the locus of value formation (i.e., value formed in the providers' domain or customers' domain) and (2) the scope of value (i.e., individual and collective value formation).

2. The notion of value

The classic definition of value is “what I get for what I give” (Zeithaml, 1988, p. 13). This unidimensional value model involves a trade-off between what a customer has to give up or sacrifice in order to receive one or more benefits. The benefits generally include perceived quality and other relevant high-level abstractions. What the customer has to give (the sacrifice) usually includes the monetary price as well as some sort of nonmonetary price such as time, energy, and effort. Realizing the complexity of the give-and-get relationship, researchers today commonly view value as a multidimensional construct with both benefit and sacrifice elements. For example, Anderson and Narus (1998, p. 6) described it as the “worth in monetary terms of the technical, economic, service, and social benefits a customer company receives in exchange for the price it pays for a market offering.”

Although value is commonly seen as perceived and experienced by customers, the focus is typically on aspects of a product or service controlled by the firm. This exchange of value is based on the notion that “products perform services that provide the relevant value creating experiences” (Holbrook, 2006, p. 715). In essence, the focus of existing research is on aspects of an offering that either generate or decrease the value experienced by customers. Yet, as Schembri (2006) noted, sometimes the customer does not experience the offering as intended by the firm, but rather a value-adding aspect emerges outside of the definition created by the firm. For example, consumers in online communities hacked the original iPhone to unlock it and enable it to run non-Apple approved programs. iRobot similarly acquiesced to the desire of consumers to use their iRobot vacuuming robot as a platform to create other robots, launching iRobot Create for this purpose. Likewise, IKEA unsuccessfully attempted to take down IkeaHackers.net, an online community devoted to repurposing the furniture pieces that comprise IKEA's official kits. Even Coca-Cola and Mentos candy saw value creation occurring outside the intended use of their products, as consumers shared online videos of the explosions that occur when Mentos candies are combined with Diet Coke (Plangger & Robson, 2014). Each of these cases highlights how value is a relativistic phenomenon.

Holbrook's (2006) classic value framework argues for such a relativistic perspective of value. Rather than the components of a service being absolute, they are treated as relative to alternative services and evaluated against an individual reference

point. In other words, aspects beyond the exchange, product, service, or interaction may constitute value as experienced by the customer. Sometimes value elements are invisible to the firm and independent of the firm (Bolton, Gustafsson, McColl-Kennedy, Sirianni, & David, 2014). Moreover, value is not only inherent in the offering itself but also in elements only indirectly related to a specific service provider. Customer value can be conceptualized as including both customer-defined and relativistic aspects with value-adding or value-decreasing characteristics.

2.1. Where is value created?

Researchers suggest that value is formed in three domains: (1) in the company's world through value-in-exchange, (2) through co-creation through customer-company interactions (i.e., joint value creation), and (3) in the customers' world through value-in-use, otherwise known as independent value creation (Grönroos & Voima, 2013). Value arises in customers' internal and external contexts based on both individual and collective elements (Heino-nen, Strandvik, & Voima, 2013). Hence, value not only is based on customers' experiences with provider-created elements but also can emerge outside the domain of the service provider in the customer's world. We will now turn to a discussion of how value is created, who creates value, and when value created.

2.2. How is value created?

Value is inherent in the interaction between the customer and provider, but it also emerges through interactions with other customers. Recognizing the impact of other customers on value formation, we acknowledge that value is created based on individual and communal experiences.

2.3. Who creates value?

Value co-creation research highlights the important contributions of the customer to the value creation process (e.g., Grönroos & Voima, 2013). There has been a shift away from dyadic value creation to a focus on networks and systems to the interaction among multiple actors (Vargo & Lusch, 2011, 2016) and, more recently, to ecosystems (Akaka, Vargo, & Schau, 2015). Despite this, practitioner and researcher attention to communal and networked value is low (Epp & Price, 2011). The lack of attention to the communal influence of customers on value is problematic, as different communities that increasingly network and link

customers and customer-to-customer interactions are relevant sources of value.

2.4. When is value created?

Classic service research focuses on service encounters, which implies that value is created solely within the service interaction. In contrast, a relationship marketing perspective emphasizes a longer timeframe that includes both before and after purchase. Regardless of these differences in length, the underlying backdrop is the customer's experience during the service process. More recently, a broader notion of time has been called for that includes consideration of the past, present, and future of the customer, not just the service process (Rindell, 2013). Accepting that value is created not only in the interaction between the customer and the provider (and service system) extends the time frame of value to the cumulated reality as experienced by the customer.

3. Value creation and customer communities

Existing research describes several forms of customer communities that differ in terms of the nexus around which a community revolves. Early research distinguishes between two forms of communities: (1) geographical communities such as those formed in neighborhoods, cities, and so forth, and (2) relational communities based on a professional or spiritual sense of belonging (Hill, 1996). Later research identified consumption communities focused around the brands or products customers purchase (Friedman, Abeele, & de Vos, 1993). Consumption communities can be categorized into three groups (Canniford, 2011):

1. A *subculture of consumption* is a "distinctive subgroup of society that self-selects on the basis of a shared commitment to a particular class, brand, or consumption activity" (Schouten & McAlexander, 1995, p. 43). Shared beliefs and values, unique rituals, and symbolic expressions centered on a particular activity, lifestyle, or brand of product characterize this distinct and homogeneous collective (Schouten & McAlexander, 1995).
2. *Brand communities*, in turn, are specialized, nongeographically bound, and partly imaginary communities based on devotion to a specific brand (Muñiz & O'Guinn, 2001). Compared to

subcultures of consumption, brand communities involve looser and weaker connections between members (Canniford, 2011), reinforced by shared practices such as social networking, impression management, community engagement, and brand use (Schau et al., 2009).

3. *Consumer tribes*, rather than revolve around a focal brand, focus on a broader hybrid of products and services (Canniford, 2011). Tribes have a smaller role in members' lives and they demand less commitment; membership in tribes transcends individual communities and is more dynamic, fluid, and unstable in nature; members can belong to several tribes simultaneously (Cova, 1997).

Although research on value co-creation (Babin & James, 2009) and networked customers (Epp & Price, 2011) is increasing, knowledge of customer value formation in the context of customer communities is still in its infancy. Instead of focusing on value, emerging research on communities focuses on engagement and motivation (Brodie, Ilic, Juric, & Hollebeek, 2013), practices and roles (Schau et al., 2009), satisfaction (de Valck, Langerak, Verhoef, & Verlegh, 2007), and participation (de Valck, van Bruggen, & Wierenga, 2009). Schau et al. (2009) explored how brand community practices create value and identify four types of brand practices: (1) social networking, (2) impression management, (3) community engagement, and (4) brand use. Our research concentrates on how brand meaning is exhibited among engaged customers of a particular brand. This implies a focus on customer experience with firm-provided resources or acquired support; it does not explicitly consider other aspects of value beyond those within the control zone of the firm.

In this way, research on customer communities indicates a need to concentrate on customer networks and relational goals (Epp & Price, 2011) as well as customers' idiosyncratic value experiences (Pongsakornrungrungsilp & Schroeder, 2011). Since value is related to the interplay between the aspects of the individual, the provider, and the community, a better understanding of both the characteristics of each component as well as the relationship between individual and collective value experiences is needed. In particular, how does the individual interact with the community to cause customer value formation?

4. The study

To explore the interplay between the individual and the community, we conducted an exploratory study

of five interest communities: (1) domestic and family-related topics, (2) gardening topics, (3) golfing, (4) weight management, and (5) traveling. These collectively represent a broad range of different lifestyles and interest areas. The data we collected consists of open-ended surveys with community members, nonparticipant observation of the communities, and netnography (Kozinets, 2002) exploration of the communities. This multi-method qualitative approach is especially suitable for exploring communities (Hill, 1996), is consistent with previous studies (e.g., Seraj, 2012), and enables triangulation of our findings.

The open-ended interviews include narratives based on respondents' verbatim responses to three questions about their relationships with the online community. The first question emphasizes how the relationship with the online community began, and we asked respondents to describe the situation surrounding when they decided to use the online community for the first time. The second question concerns the reasons for using the specific online community. Third, we asked respondents to describe their relationships with the service provider (i.e., the host of the online community). Such an indirect approach to asking about respondents' relationships with the community, rather than asking about perceptions of the community, provided insight into different value-creating aspects of the specific community.

Furthermore, we observed the discussion in the online communities, inspired by the netnographic method of observing users' online behavior and discussions (Kozinets, 2002). We observed the five communities to obtain an overview of the structure and content of the discussions. We examined active threads from the online community forums and downloaded, coded, and categorized threads with topics related to why members use the community or how they experience the community. Table 1 provides an overview of the online communities studied and the data gathered from each community.

We kept findings from the different communities separate yet used a thematic variable-oriented approach (Miles & Huberman, 1994) to identify themes that cut across individual cases and communities. Similar to Schau et al. (2009), we thematically analyzed the narratives, focusing on an aggregate level analysis of member experiences of the online communities. We used the respondents' own terminology to develop codes for the categories by conceptualizing and abstracting the meaning of the words (Strauss & Corbin, 1998). Subsequently, we analyzed and reduced the codes by following

Table 1. Overview of the five online interest communities investigated

Online Community of Interest	Topics	Research Material
Domestic and family topics	Pregnancy and birth, sex, infertility and adoption, mothers/fathers, names	131 open-ended surveys, 8 years nonparticipant observation, 117 postings
Gardening topics	Trees, indoor plants, roses, fruit and berries, equipment and resources, garden planning, garden furniture, cultivation	26 open-ended surveys, 3.5 years nonparticipant observation, 164 postings
Golfing	Equipment, traveling, golf competition and practice, golfing rules	69 open-ended surveys, 1 year nonparticipant observation
Weight management	Training, nutrition, health, peer groups, weight control, success stories, men's area, everyday issues	96 open-ended surveys, 6 months nonparticipant observation
Traveling	Self-guided tours, train travel, air travel, car and motorcycle travel, travel company, travel diaries, health and security, equipment and packing	84 open-ended surveys, 6 months nonparticipant observation

an open-coding technique (Miles & Huberman, 1994) appropriate for theory building.

To characterize value formation, we focused on analyzing member experiences along five categories of inquiry: core content (what?), process (how?), time (when?), location (where?), and member (who?). We did so from both the perspective of what is gained as well as the cost or sacrifices involved, in line with how value is defined (Zeithaml, 1988). These questions were used as a collective perspective to identify emergent themes. From this analysis, we identified four value formation types, which are described in detail in Section 5.

5. A conceptual framework of customer value formation

The findings from our study indicate that customer value formation emerges from two dimensions: (1) the *locus* of value formation, that is, whether value develops in the customer or provider domain, and (2) *scope* of value formation, that is, whether it develops at the individual or collective level. Together these can be combined to construct a two-by-two matrix (Figure 1), which we describe.

5.1. Locus of value formation

Our conceptual model depicts the locus of value in terms of value formed in the provider and customer

domains. Typically, researchers view value as formed in the provider's domain through service and factors resulting from either customer perceptions of the service providers' activities or characteristics of the service. This is similar to value creation that occurs at the attribute level (Woodruff, 1997). Thus, value creation arises from activities the provider can influence. In addition, value formed within the customer domain stems from either the customer's own behavior or mental activities related to the service, or the customer's experiences of other customer's behavior. Value creation in the customer domain is more idiosyncratic and intangible and based on customers' various processes either directly or indirectly related to use. The distinction between the two forms is the dominance of either the provider or customer in the value formation process. Following previous research on value formation (Heinonen et al., 2013), we argue that the customer orchestrates value formed within the customer domain. Correspondingly, the provider manages and controls value formation within the service.

5.2. The scope of value formation

Value can be formed either on an individual or collective level. The distinction here is that individual value relates to the specific customer unit whereas collective value involves several customers. Naturally, the boundary between the two forms is more fluid than this clear-cut distinction. While

Figure 1. Different forms of customer value formation

Locus	Formed in customer domain	C. Self-to-self Characteristics: What: Relative to other activities and experiences How: Individual sense-making, covert, not visible When: relative time span Where: Private domain Who: Personal, Idiosyncratic CHOICE as driver	D. Self-to-collective Characteristics: What: Relative to other people How: Socially-influenced reasoning, covert but partially visible When: long time span (Viral effects) Where: Shared private domain, Who: member-collective, close but not too close relationships CONNECTION as driver
	Formed in provider domain	A. Self-to-provider Characteristics: What: Traditional service elements How: Visible and overt, firm-influenced When: time critical, in the moment Where: Provider/service domain Who: dyad, provider-member CAPABILITY as driver	B. Collective-to-provider Characteristics: What: service-based, but related to many sources How: Visible, other customer influence When: long time span Where: Shared domain Who: collective-provider network CARE as driver
		Individual	Collective
		Scope	

areas overlap in some cases, for ease of interpretation we describe each quadrant separately.

The lower-left corner (Quadrant A) of Figure 1 denotes individual value creation in the provider domain. Examples include the use of an app such as Pocket to save web articles for later viewing, sharing of content posted to a company's social media page, or even use of firm-provided tools such as a Snapchat filter. We label this type of value as self-to-provider because it emerges from an individual's experience of the provider and service. Value is integrated into the service, that is, the community. Value emerges from firm-related interactions and the temporal and spatial elements of the service process. These are similar to the traditional elements comprising quality in service research, such as the outcome of the service, the service mindedness of the provider, and the practical functionality of the service. Because value is inherent in service-related elements and members' interaction with the firm or service, it is overt and visible to the provider. For instance, a firm is easily able to gauge traffic to different parts of their company-run online community or private participation in company-supported online events. This type of value is time-critical in the sense that much of the value derives from the present, such as obtaining access or real-time information. It occurs mainly in the firm domain, through service, and the

individual and firm-member dyad are at the core. Member capability is the driver of this type of value since it emerges from members' ability to act based on sufficient information, assistance, process easiness, etc.

Quadrant B in the lower-right of Figure 1 represents collective value creation in the provider domain. An example is the Threadless online community, where community members engage in both creating t-shirt designs as well as voting on them, effectively telling the company which designs to produce. Sephora's Beauty Talk community and Apple's support discussion boards are additional examples of firm-controlled spaces in which collective value is created. We label this type of value as collective-to-provider because it is associated with the service and the collective on an aggregate level. It relates to functional aspects of the service process. This represents inputs from the firm that affect members' community interaction or their opportunities to interact within the community. These are mainly within the control of the firm through, for example, registration requirements and usage restrictions. The collective and the collective-firm network are at the core. In contrast to Quadrant A, the value is not only firm- or service-related but also highly influenced by the collective. This means care for collective interest is a key element of value.

The upper-left corner of [Figure 1](#) (Quadrant C) represents individual value formed in the customer domain and stems from customers' idiosyncratic activities and experiences. Examples involve situations in which consumers derive highly individual and often private value from a consumer-driven online collective. Pinterest, an app where consumers can easily create private pages based on content created by other consumers, is an example. An additional example is a consumer who searches an online recipe community for inspiration or assistance with making dinner. While such a recipe community most definitely creates value through consumers contributing recipes (as well as rating and commenting on them), tremendous value is also generated by lurkers who merely use it as a tool to improve their own cooking. We label this type of value as self-to-self since it revolves around each individual's internal processes. It is thus relative to members' processes in their own contexts and is personal in nature because it involves members' subjective reasoning. For example, the value of inspiration, learning, and sense making emerges in specific situations related to previous experiences and are linked to members' other activities and experiences. Such value emerges from linkages to the past, present, and future, such as different meanings consumers may have for the same recipe. Because it is based partly on mental processes, the value is not always visible to outsiders. Improved member choice drives value.

Finally, Quadrant D—in the upper-right corner of [Figure 1](#)—depicts collective value formed in the customer domain. We label this type of value as self-to-collective since it revolves around the individual within the collective, with the customer-collective network at the core. It emerges through interaction between members and relates to social benefit and sacrifice such as tolerance of member differences, assistance and help, and members' positive and negative behavior. Online communities such as the previously mentioned IkeaHackers.net or deal sites (e.g., SlickDeals.net) serve as examples for this quadrant as well as private online communities that exist for a range of purposes (e.g., cooking, gardening). An interesting aspect of this type of value is that it does not derive from the firm's activities and processes but rather the actions and behavior of other members. Social influence exists in direct interactions between members. It also exists in indirect interactions and influence when individuals experience that which was unintended or directed at other members of the collective. Hence, the individual member experiences the collective and its behavior and vice versa. Value emerges in a shared private domain

outside the provider's control zone because even though individuals share part of their experiences with the collective, some of their experience remains private. This might include private messaging between members of an otherwise public forum. As many individuals in the collective are involved in this type of value—often occurring at different times—the value can be present for longer. The connection between members is a key driver of this value.

6. Managerial implications

Our study investigates how value arises for the customer in the context of online communities. We characterize online community value in terms of whether it occurs individually or collectively and is formed in either the provider or the customer domain. The framework we develop based on these dimensions improves understanding of the multifaceted nature of value creation brought about by online communities. We look at how online communities integrate into customers' daily lives and how customer-to-customer interactions are components of value outcomes. This insight encourages companies to stress themes and interest groups that support customers' lifestyles rather than those that focus solely on company brands. Value in the provider domain can be created by facilitating the use of community sites, creating clear links between sections, and seeding topics. In contrast, value in the customer domain is based on both individual needs and preferences as well as the dynamics of the member constellation.

As a result, it is more difficult for providers to influence value creation in the customer domain. However, companies can still make headway by understanding the complexity of individual and collective value experiences. Additionally, companies benefit from recognizing that customers may or may not, invite companies to be involved in their value formation ([Fournier & Avery, 2011](#)). Managers should be aware of the different kinds of value formation and that customers dominate value formation. By using the conceptual framework in [Figure 2](#), it is possible to identify possible strategies for companies to use in approaching customers.

For instance, the lower-left corner (Quadrant A) of [Figure 2](#) reflects a traditional approach to value, namely creating a compelling offering. Creating awareness of different aspects of an offering amongst a community is the key to this strategy. In this quadrant, usage is rather visible and it is possible to follow members' content and learn what

Figure 2. Strategies for supporting customer value formation

Locus	Formed in customer sphere	C. Embedding strategy Understand the individual Consider the community as a platform for supporting members Engage consumer advocates Develop tools linking to members' daily practices Emphasize interest areas rather than offerings or brands	D. Encouraging strategy Understand the community and the individuals within the community Support members' citizenship Enable both individual and collective experiences
	Formed in provider sphere	A. Awareness strategy Benchmark with other similar communities Connect to consumer trends and topical events Provide members informative and entertaining content Facilitate members' content creation Co-develop the community and its design	B. Mediation strategy Enforce diplomatic and sustainable behavior Create a balance between anonymity and transparency Support member-to-member interactions Engage members through social competitions and events Influence through moderation
		Individual	Collective
		Scope	

members are discussing. One possible strategy is to support and direct such discussions by purposefully structuring different sections of the community and by benchmarking with other similar online communities. How can an online community be designed so that contributed content is easy for others to find? Likewise, how can friction in the use of the community be minimized? By adding new content and creating easy registration processes, companies can inspire more users and stimulate activity. SEO may also prove helpful. Monitoring trends and topical events may also provide helpful insight into which issues to emphasize. Communicating different features of the community to existing members may also spark interest for deeper engagement. Traditional discussion forums and support websites are illustrative of Quadrant A.

Similar to Quadrant A, the lower-right corner (Quadrant B) of Figure 2 represents situations where value is visible for the provider because it arises in the service context. Examples include shared conversations between a community moderator and members, or questions and inquiries posted within a customer service section. However, due to its collective nature, value here derives from more sources than when considering only individual experiences. This means that a provider's activities, as well as other members' behaviors, influence how consumers experience value. A possible strategy for companies is to enable members to assist in organizing and structuring the community, as well

as assigning discussions to different sections. A balance between sections requiring registration and open sections may prove effective for balancing transparency and anonymity. Providers also need to encourage member-to-member interactions and not interfere too much. Competitions and events might be used to motivate members to register and become more engaged in the community, such as recognizing publicly engaged members by awarding them points, badges, or extra benefits. Value is increased as the number of active contributors and interactions in a community rises.

The upper-left corner (Quadrant C) of Figure 2 represents instances where value is idiosyncratic. In other words, value is highly individual, formed in the customers' context, and hence only marginally visible and controllable. Many of the sources of such value occur outside the provider's line of visibility. A strategy for supporting the formation of this type of value is to understand the logic of consumers in order to inspire them and help them create their individual value. By this, we mean not only their actual behavior but also their reasoning and sense making of different activities and experiences. What personal goal is a consumer accomplishing by drawing on the consumer collective? How can firms help this process, either by providing examples, ideas, or structure? How can consumers be reminded to think about generating such a personal form of value? The key is to focus on understanding consumers' broader interests and processes rather

than the sole experience of the firm's offerings or brands. The most effective methods for doing so are netnography and cross analysis of both qualitative and quantitative data spanning different sources. Data sources might include a firm's own databases as well as third-party behavioral data on customers. Firms should view the online community as a tool that customers use to live their lives and not as a platform for selling and marketing. Engaging customer advocates (Urban, 2004), individuals who talk honestly about the brands and offerings around them, may offer better opportunities to influence than using traditional marketing activities. Another strategy is to develop tools that facilitate activities in customers' daily routines, thereby making the community an important facet of their lives.

Finally, collective value formation in the customer domain (Quadrant D of Figure 2) is considered idiosyncratic value that is influenced by and with the collective. Because it has multiple sources in the customer context, it is largely uncontrollable and highly dynamic. The value develops through relatively close member-to-member relationships where people feel secure of adequate anonymity and distance. This is an extreme form of customer-to-customer value creation, where value most often is created . . . but can also be destroyed. Strategies for facilitating this type of value involve a deep understanding of both the community and the individuals in it. Listening becomes paramount. Instead of aggregating into different segments and subcultures (Schouten & McAlexander, 1995), encouraging this form of value creation involves enabling idiosyncratic behavior within the group. Members' citizenship is strong and they likely share an engagement in the interest area. To ensure the success of these communities, companies should seek to facilitate and support interaction between members. Since these communities are consumer-run, such efforts should be at relative arm's length and loose. This might include sponsoring or partnering with the community to support their endeavors, establishing dedicated firm ambassadors to the community, or even openly acknowledging that the company recognizes and cares about its members. Those operating in this quadrant should be aware, however, that users may want a combination of private and public interactions as not all members want their activities to be observable and open.

7. Summary

The main focus of research in regard to value experienced by customers has been on what aspects

of the (service) offering generate (benefit) or decrease (sacrifice) value. Overall, our research reveals several opportunities for firms to enable customer value formation. First, firms tend to emphasize too narrowly their own resources and capabilities and miss the potential value elements that exist beyond their own line of visibility. How customers experience the interactions with offerings and employees is easier to understand than how offerings fulfill customers' different goals and tasks within customers' own domains. The framework of customer value formation developed here uncovers several such aspects of value emerging from the customer's own domain and control zone. When firms zoom in on the customer domain, they are able to identify previously hidden aspects that can be of high importance for the customer, yet only regarded as minor details from the company perspective (Bolton et al., 2014). Second, firms typically engage in customer segmentation, which reduces customer information to an abstract understanding of customer groups. In so doing, the potential idiosyncratic aspects associated with individual needs and preferences are not fully understood. In this way, our work highlights the relevance of recognizing how customers' idiosyncratic lives are intertwined in customer collectives. By focusing on customers' interest areas as the nexus of value formation, our framework provides fruitful opportunities for firms to become embedded in customers' lives and ultimately foster superior customer relationships and improved business performance.

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