Chapter 5
The Interactive Approach to Exploring Value Co-Creation

Maya Golan
Afeka – Tel Aviv Academic College of Engineering, Israel

ABSTRACT

Service dominant logic (S-D logic) is a concept that has been criticized for not adopting an interactive approach to some of its fundamental premises (Vargo & Lusch, 2016). Recently, S-D logic has been modified to reflect interactive dimensions and, in particular, the construct of value co-creation (Vargo & Lusch, 2016). These modifications suggest that the service-provider–customer dynamics cannot be fully understood without utilizing interaction terminology and research methodology that afford an opportunity to study the domain from a dyadic point of view. In this chapter, Symbolic Interactionism (SI) and Social Exchange Theory (SET) perspectives are espoused in order to explore the construct of value co-creation as a dynamic qualitative process or a stable quantitative outcome, respectively, the challenges, advantages, and limitations of applying these perspectives are discussed.

INTRODUCTION

There is a general understanding among researchers who focus on S-D logic that the service provision domain is best described as an interaction. This chapter seeks to present, illustrate, and evaluate theoretical frameworks and research tools that are pertinent to such a study. It commences with a brief review of two fundamental social theories that are used to explore human interactions: Symbolic Interactionism (SI) and Social Exchange Theory (SET). It continues with a review of the interactive aspect of helping-behavior research in order to illustrate how the interactive approach is used to explore a specific research domain. It then presents a review of the interactive dimensions of Service-Dominant logic (S-D logic), including the formulation of some modifications of its fundamental premises that reflect the interactive approach to service. The next stage entails linking the interactive approach to the construct of value co-creation and elaborating on its meaning through the lenses of SI and SET. The differences between exploring value co-creation via SI and SET are then presented and compared. The chapter concludes with a review of the latest literature on value co-creation in order to evaluate which approach is more suitable.

Symbolic Interactionism

Human interactions have been studied in diverse disciplines (e.g., psychology, psychiatry, sociology communication, and discourse analysis). Earlier psychologically-oriented research assumed that interpersonal behavior aims to reduce anxiety and that an individual's interpersonal and emotional activities can all be understood as attempts to avoid anxiety or establish and maintain self-esteem (Leary, 1957). These early studies acknowledged the importance of perceptions and subjective views for understanding the essence of interpersonal phenomena, as Leary (Leary, 1957, p. 39) explains: "We must conceive the interpersonal activity of the subject as he sees it, expresses it, and symbolizes it and we must in addition include his perceptions and symbolic views of others, as well as the responses which he pulls or obtains from others."

This line of thought is reflected in Symbolic Interactionism (SI). SI was first introduced by Mead (1934) as a philosophy addressing the manner in which meaning and identity are created and developed (Reichers, 1987). The premise underlying this philosophy posits that people assign meanings to physical, social, and abstract objects (Blumer, 1969) in *a process of verbal and social interactions* and that these meanings guide their actions (Berger & Luckmann, 1967; Blumer, 1969; Mead, 1934) and are adapted and changed according to people's interpretation of social interactions (Blumer, 1969). Consequently, reality is not an objective fact or truth, but rather a social construct that is determined by both individuals and situations (Reichers, 1987). The relations that exist between individuals and situations are described as "relationships between an act, the response to that act by a second persona and the result of that act-react interaction" (Reichers, 1987, p. 279). Scholars use SI not only as a way of conceptualizing the social world but also as a research methodology (Flint, 2006; Prasad, 1993).

The construct of interaction is a core element in SI. Goffman (1959), one of the founding fathers of SI, defines interaction as the "reciprocal influence of individuals upon one another's actions" (p. 15). He claims that an interaction consists of a set of all the performances or activities carried out by given participants in order to influence other participants. He further suggests (1967) that interaction analysis should focus on the relations among the participants' actions rather than on their individual considerations. Accordingly, the aim of such analysis is to identify the components (verbal and nonverbal) that comprise the interaction and to distinguish among the order of behaviors in different types of interactions (e.g., organized, public, or private) (Goffman, 1959).

The dynamics of social interaction are conceptualized by classical SI scholars as changes of identities that consist of perceptions of reality (e.g., Goffman, 1959; Mead, 1934). More recently, Ibarra (1997) argued that a change of identity reflects people's perception of themselves or the way they hope to be perceived by others.

Another important component of SI is the adjustment or compatibility between the actions of different people. According to the theory, each party coordinates his or her actions with those of the other party by changing the situation definition and creating the desired impression (Goffman, 1959). When events occurring in the course of the interaction are incompatible, there are negative consequences – for instance, when one party questions the legitimacy of social units and discredits the other party's self-conception (Goffman, 1959).

Flint (2006) attempts to relate SI to S-D logic. In order to do so, he summarizes several key aspects of SI that are relevant to marketing and service interactions as follows: First, the theory defines individuals as beings who actively interpret social reality and self-definitions rather than as beings who merely

Related Content

Process of Placing Advertisements on Website Homepage
Gitanjali Kalia (2019). *Multi-Criteria Decision-Making Models for Website Evaluation (pp. 138-150).*
www.irma-international.org/chapter/process-of-placing-advertisements-on-website-homepage/227560

The Effects of System Features, Perceived Risk and Benefit, and Customer Characteristics on Online Bill Paying
Fang He (2009). *Emergent Strategies for E-Business Processes, Services and Implications: Advancing Corporate Frameworks (pp. 311-346).*
www.irma-international.org/chapter/effects-system-features-perceived-risk/10064

The Influence of Information Technology Utilization (ITU) on Supply Chain Integration (SCI)
Thawatchai Jitpaiboonand Sushil Sharma (2011). *International Journal of E-Business Research (pp. 19-43).*
www.irma-international.org/article/influence-information-technology-utilization-itu/55810

Against Strong Copyright in E-Business
D. E. Wittkower (2010). *Ethical Issues in E-Business: Models and Frameworks (pp. 152-171).*
www.irma-international.org/chapter/against-strong-copyright-business/43078

An Online Success Story: The Role of an Online Service in a Magazine Publisher's Business Model
Olli Kuivalainen, Hanna-Kaisa Ellonenand Liisa-Maija Sainio (2007). *International Journal of E-Business Research (pp. 40-56).*
www.irma-international.org/article/online-success-story/1887