

## Chapter 3

# The Digital Transformation of Companies: An Opportunity to Co–Create Value With the Consumer

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### ABSTRACT

*The emergence of social media has given birth to a new culture in the digital era of Web 2.0 and has new forms of communication through social interactions between actors in the economic scene. In this era of digitalization, great attention is paid to the online reputation of companies. Now, company success is often measured by their ability to use social media and their level of social interaction with customers. Thanks to the development of online collaborative platforms, the world of business has seen new forms of online consumer engagement with companies and active participation in their value chains. This dynamic framework demonstrates the importance of understanding relationship that are forged online between consumer and organization. The authors try to explain the opportunity to co-create value by focusing on the relationship that may exist between the online reputation of companies and the co-creation of value with the consumer.*

### INTRODUCTION

The business world has undergone a real change with the birth of a new online meeting space for supply and demand. Indeed, the web has become a space of virtual socialization, based on the proximity grouping between all the actors of the economic scene. This transition to the digital world has changed the form of commercial exchanges between companies and consumers. The constant connectivity of society has fostered the emergence of a new marketing approach that is both collaborative and interactive.

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The latest statistics, relating to trends in the use of social media around the world, testify to their dominance and underline the strategic challenge they represent for companies. Therefore, companies have accepted the digital transformation to optimize their responses to consumers (Boughzela et al, 2020). This digital revolution represents an opportunity for companies, to strengthen their social presence and get closer to the customer. At the same time, it presents a threat to their online reputation, given the huge number of Internet users connected to the giants of the Web, which are: Google, Amazon, Facebook, Apple, and Microsoft, referred to by the acronym (GAFAM).

With this digitalization of the organizational environment, the power of the consumer has continued to grow, consolidated by the abundance of information circulating on the web. The increased use of social media, and the extent to which digital technology has become a part of people's lives, has stimulated the consumer's desire to socialize by making relationships online. A rapid shift from marketing to digital marketing 2.0, focused on the savvy customer, to marketing 3.0 focused on humanism, with an awareness of social and environmental values and more recently to marketing 4.0 focused on connectivity and real-time data exchange, with the presence of a cooperative consumer (Kotler, 2016). The landscape of commerce has been disturbed by the advent of virtual communities. This intensification of social media use by firms plays an important role in the development of their online reputation (Castellano and Dutot, 2013). From now on, companies are practicing a customer-centric approach with a collaborative marketing approach that relies on the customer's involvement in the development and implementation of their communication strategies as well as in their brand building processes (Pollak et al, 2021).

The researchers' greatest attention was given to the behaviors adopted by consumers and companies on the web. This new form of sociability, marked by interactive exchanges between the actors of the economic scene, has occupied a large place in the studies of researchers in marketing and management of organizations. The major interest is about this new identity projection space and the image communicated online. Some Internet users are seduced by the proximity and co-presence online with companies which allow them to live unique social experiences (Labrecque, 2013). Since then, companies care about their online reputations, and "internet" users care about their digital identities.

Indeed, connecting Internet users and their interconnections armed with their knowledge and skills, has made them an information relays that both create and destroy value. Since then, all attention has been focused on the online reputation of companies and the new power of the consumer, who has become more and more autonomous. Called nowadays "consumer'actor", its autonomy and speed of action has pushed companies to integrate him in their marketing strategy as a creator of value. The world is witnessing a new economy of sharing with this new form of socialization encouraging open collaboration through value co-creation and crowdsourcing between companies and their stakeholders by bringing value mutually (Zhang et al, 2015); Palacios-Marqués, 2021). Now company and consumer together mobilize their resources, knowledge and skills for mutual gain generating collective intelligence.

Aware of this empowerment, some companies found themselves forced to switch to digital transformation to get closer to this "empowered" consumer. Since her empowerment, their worry was essentially about their online reputation and the issue of consumer power in influencing the online reputation of companies. Moreover, this dependence of companies' reputation on their use of social media forces them to develop an online presence strategy looking for notoriety through their connectivity and presence on the web (Alloing, 2013); Cadel, 2010); Sriram and Kathiravan, 2014).

Companies have been asking questions to this day, anxious about this danger to their corporate reputation. Do we really have to involve the customer to create value? Collaborate with the client? Yes, but which one? How far is social media (and corporate social media) able to engage consumers in this

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