The Application of ICT in the Area of Value Co-Creation Mechanisms Support as a Determinant of Innovation Activities

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ABSTRACT

The application of creativity and innovativeness of clients in the processes of value co-creation thanks to the contemporary ICT technologies is possible on an ever-increasing scale. The first part of the article contains theoretical considerations about the value co-creation mechanisms and the innovation activity which can be initiated and fostered by using these mechanisms in organizations. Also, the authors also indicated main areas where the application of ICT can significantly influence initialization and gaining co-creation mechanisms. The second part – empirical part presents the exemplary co-creation tools used in selected type of knowledge organizations – tax consulting firms.

KEYWORDS

Application of ICT, Client, Co-Creation, Innovation, Value Co-Creation

INTRODUCTION

The need for continuous improvement is the essence of innovation activities. Tapscott and Williams (2006) further popularized prosumption and value co-creation as nothing less than the core activity of a new economy – one in which peer-to-peer networking and collaboration are facilitating the construction of an economic system that is innovative, creative and universally beneficial. They wrote: “Customers get more of what they want, and companies get free R&D” and as the confirmation they presented case studies of: Second Life, Lego Mindstorms, Music Mashups, Creative Commons, YouTube and Slashdot. Companies should see customers as co-creators of products and hence value. The concepts involving customers’ innovation process are especially promising. This direction is noticeable in the concept of creating value with the customers co-operation, in the concept of experience innovation which source are the clients’ experiences (experiments), in the concept of user-driven innovation – leadership of the customer, that fully transfers the initiative and supervision of creating innovation on customers, and finally in the concept of crowdsourcing. Opportunities for co-creating value by customers are broad. With regard to the process of exchange from the customer’s perspective, the values provided by them are termed outlays, while those received from the enterprise are termed benefits. The outlays incurred by customers include resources, interaction and communication and activities (the highest involvement). The aim of this paper is to interpret value co-creation mechanisms and the innovation activity which can be initiated and fostered by using these mechanisms in organizations.

The following paragraphs present the theoretical considerations about the value co-creation mechanism, indicate main areas where the application of ICT can significantly influence initialization
and gaining co-creation mechanisms and empirical part presents the exemplary co-creation tools used in selected type of knowledge organizations – tax consulting and customer communication.

THE ESSENCE OF VALUE CO-CREATION

Literature review and analysis may lead to the statement that every business model defined in publications concentrates on value co-creation as a key success factor (Admit & Zott, 2010; Jelonek, 2013). However just a value proposition, even meeting client’s expectations in 100%, does not guarantee a business success for an entrepreneur. Nevertheless, a search and continuous modification of the value, which is offered by an organization to its customers, can be one of the main determinants of a business development process. Moreover, constant modification and evolution of the value correlated with needs and preferences of clients are important factors of maintaining competitive advantage and organizational learning (Skowron, 2013). Referring to experts of marketing and considerations on the importance of relations with customers, it can be defined that any market transaction contributes to reciprocal flow of value between entities. It means that not only organizations provide customers with value which is intended to meet their needs, but also clients, by reporting their needs bring value to the company/organization (Jelonek, 2013). Graphical presentation of the client-organization mutual relation is presented in Figure 1.

Adopting such a perspective on client-organization relation in the value proposition creation process indicates that both parties derive significant benefits from this relation. According to D. Jelonek customer value is always defined by customers’ subjective perceptions and evaluations of the total customer experience and competitive advantage is defined by the company’s use of resources and capabilities to create customer value (Jelonek, 2013). The customer’s value is not only the satisfaction of his consumption needs, but also achieving satisfaction and a sense of belonging to a specific group of customers as well as the opportunity to acquire knowledge and market experience resulting from the cooperation with the organization. The organization’s value are all the benefits

Figure 1. Relation of the value proposition creation. Source: own elaboration based on (Prahalad & Ramaswamy, 2004)
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