Chapter 15
Stimulating Creativity and Innovation in and Around Organisations: Co-Creation Experiments from Ongoing Research in a Bank

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ABSTRACT

Companies are moving from an industrial strategic paradigm into a new paradigm where value co-creation has become a key issue. There are different levels of value co-creation but until now co-creation has often been operating on the outer edges of a company’s value chain. We are, however, moving towards a veritable revolution where value creation will be the core activity of the organisation and customers will act as co-producers, co-creating values (Normann, 2001). This chapter outlines different approaches and developments related to co-creation, but emphasizes the capacity of a design approach. The chapter also defines the challenges of co-creation and reports experiences from ongoing research in a bank. In this example the designer is the facilitator of this organisational process – arranging conversations and debates about the values of the community (Buchanan, 2006). Co-creation is also seen as a kind of rhetorical design communication about values, and rhetorical analysis of values (Perelman, 1969), and motives (Burke, 1969) are applied. The chapter outlines experiences, possibilities and challenges from an ongoing co-creation process in a bank: design of artifacts for co-creation, the creative session with people (inside and outside the company), and analysis and transformation of the responses into a creative and useful tool for the bank. Finally future challenges and possibilities are discussed.

INTRODUCTION

Although co-creation is not a brand-new phenomenon it still represents a radically new definition of what constitutes value to consumers. From a business and innovation angle, co-creation is interesting not because everything has to be or will be co-created in the future, but because co-creation is tapping into the collective experiences, skills and ingenuity of consumers around the world. As such
co-creation seems to be a complete departure from the inward looking, company-versus-consumer innovation model so common in companies all over the world.

From a customer perspective co-creation started out several years ago with enthusiastic amateurs who wanted a bike that could be ridden off-road. The amateurs created the mountain bike themselves, and later on it was put into production. Enthusiastic users also developed equipment for kite surfing. As the existing kites did not meet the needs of the super users, they themselves developed new and better kites. On the Internet these super qualified users exchanged drawings and models and software for rapid prototyping and developed new super kites (Von Hippel, 2005). If kite manufacturers would think democratically they would ask these super users to help innovate their products, and the result would be better kites for the company, the super users and other users. This is an example of how co-creation started in real life (Von Hippel, 2005), and in this example the Internet had an enormous influence. The Internet enables knowledge sharing and provides access to sophisticated computer programs, which is pushing forward the democratisation of innovation, co-creation activities, and open source innovation; an obvious example is Wikipedia (www.wikipedia.com).

From a business perspective co-creation may look like an easy and accessible way towards innovation, unlocking the creativity of the customers and letting their creativity be part of the development of the future business. The possibilities inherent in co-creation are immense, but co-creation also brings enormous challenges into the organisations.

The intention of this chapter is to give a short overview of different approaches to and understandings of co-creation and the development of the concept. Focus will be on a rhetorical-design approach, and on experiences from an ongoing co-creation process in a bank.

**BACKGROUND**

In recent years companies have moved from an industrial paradigm with focus on the production of goods for the market, with customers as passive receivers, to an intermediate stage where focus has shifted to service and customer relations. Customers are now seen as a source of information about ideas and needs. However, a further development can now be observed, a veritable revolution, where customers are seen as co-producers, involved in value creation, and the core activity of a company will be the organisation of value creation (Normann, 2001).

Different definitions and forms of co-creation have evolved. An intermediate stage is the ‘service-dominant logic of marketing’, which focuses on service and customer relations. In 2004 the marketing researchers Vargo & Lusch presented this new marketing perspective also called the S-D logic (2004), which redefines the relationship between the company and the customer. Goods and services are no longer viewed in the same conventional sense (G-D logic), rather the customer is promoted to being a co-producer of value and is constantly communicating with the firm to improve the quality of the offering (Vargo & Lusch, 2004). Businesses are regarded as learning organisations that do not create value by themselves, but rather are only able to propose ‘offerings’ to the customer. This is referred to as a ‘sense-and-respond’ strategy as opposed to a ‘make-and-sell’ strategy (Haeckel, 1999). Here the firm’s objective has moved far away from ‘making the sale’ to maintaining a healthy and ongoing relationship with the customer.

According to the S-D logic co-creation is focused on the involvement of customers, asking them to deliver their experience. Co-creation in the delivery of customer experience is used most frequently in marketing these days and is referred to as viral marketing, community marketing or buzz marketing. Another form of co-creation is the development of products or services either in
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