Co-Creating Value Through Balancing a Collaboration-Competition Duality

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Using a collaboration-competition lens, we examine the intricacies of the co-creation of value in a community. A netnography and depth interviews with community members provide rich insights into what emerges as a very fluid notion of co-created value characterized by members’ idiosyncratic balancing of the collaboration-competition duality.

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EXTENDED ABSTRACT
The phenomenon of co-creation challenges traditional marketing thought on value creation. Unlike traditional views that adopt a firm-centric approach delineating the acts of producing and consuming, co-creation focuses on the co-occurrence of production and consumption among firms and consumers (Prahalad and Ramaswamy 2004; Ritzer and Jurgenson 2010; Tapscott and Williams 2006; Vargo and Lusch 2004). Co-creation appears in the marketing literature under a variety of often contrasting narratives. In one narrative, co-creation stems from a harmonious relationship in which consumers are willful partners with firms (Prahalad and Ramaswamy 2004; Vargo and Lusch 2004). Other narratives present co-creation as an exploitive relationship (Cova and Dalli 2009), or one in which the consumer holds the majority of control (Fisher and Smith 2011).

Although co-creation often involves consumer communities (e.g., Threadless, Lego Mindstorm, Linux), only a few articles discuss the role of community and its embedded variety of relationships integral in value creation (e.g., Cova and Pace 2006; Schau, Muñiz, and Arnould 2009). While empowering customers is one way through which co-creation can be a successful strategy (Fuchs, Prandelli & Schreier 2010), current literature tends to focus on co-creation as occurring between a firm and an individual consumer and value co-creation is typically examined from the firm’s perspective, giving little attention to consumers’ activities that are conducive to value co-creation (Fisher and Smith 2011; Saarirävä 2012; Storbækka et al. 2010). Ultimately, co-creation appears to be a complex phenomenon that would benefit from richer insights into its intricacies.

To study the intricacies of co-creation in a community, we bring to bear a lens of collaboration-competition duality. Our lens finds its basis in literature on intergroup collaboration and competition as a strategy for innovation enhancement (Baer et al. 2010; Hutter et al. 2011; Peters and Waterman 1988). The literature on collaboration and competition in organizational workplaces also serves to inform the integration of competition into our lens. For example, companies widely use internal competition as a management strategy to spark creativity for product and service innovation (Peters and Waterman 1988). Using competition as a strategy to stimulate creativity stems from the idea that the challenges associated with competition can serve as a positive force within a group (Amabile 1988). The notion of a collaboration-competition duality also emerges in literature regarding community-based innovation contests suggesting that in these contests, elements of competition and collaboration merge to improve innovativeness (Baer et al. 2010; Bullinger et al. 2010; Ebner, Leimeister, and Krcmar 2009; Hutter et al. 2011).

We undertake a phenomenological study of a successful co-creation community, Threadless, with more than 1.8 million global members. Threadless operates by members submitting artwork designs to a competition for print on a variety of goods. The Threadless community consists of members who submit designs, members who vote on submissions, consumers who purchase Threadless products, and Threadless employees. In this research, we focus primarily on those who create designs without whom there would be no commercial offering.

Through our lens, we elucidate the intricacies of value co-creation in this co-creation community by means of a netnography (Kozinets 2002) and depth interviews with members of the community (McCracken 1988). These approaches allow us to focus on the variety of experiences and relationships inherent in co-creation and offer a unique context and opportunity to build on Schau et al.’s (2009) insights on the co-creation of value in communities in that its business model relies entirely on its community.

Three themes characterizing value co-creation emerge from the netnography and interviews: members of this community collaborate to compete and compete to collaborate, value co-creation flourishes through balancing the collaboration-competition duality, and the meaning of value flows in sympathy with the balancing of the collaborative-competitive tensions.

Members of this co-creation community collaborate to compete and compete to collaborate. Within the community there appear to be either intentional or unintentional conditions that propel competition and collaboration, ultimately allowing co-creation to thrive. Collaborative activities enhance members’ ability to compete and competitive activities encourage collaboration. We find that members derive and co-create value through the variety of these collaborative and competitive activities; however, we highlight that the inherent tension emerging from the opposing nature between the collaborative and competitive activities of the duality propels value co-creation. For example, through collaborating and competing, members improve their design skills, which further both the competitiveness and the caliber of the competition within the community. We focus on the tension emerging between collaborative and competitive activities as a mechanism for successful value co-creation, thus extending our understanding of this phenomenon.

Members work with the collaborative-competitive duality to achieve a balance that ultimately maintains favorable levels of tension for successful co-creation. While the collaborative and competitive activities propel value co-creation, the balancing of tensions from these activities establishes an environment in which co-creation can flourish. For example, collaborating in order to learn how to compete is the priority for members as represented by the plethora of collaborative posts discussing how to compete more effectively. In our observations, the shifting and maintaining of the balance appears to be ongoing and is very much reflective of the fluid meanings that members ascribe to value in this co-creation community. This finding extends the notion of harmony in co-creation to highlight that harmony also includes the balancing of the tension in the collaboration-competition duality.

The meanings that members ascribe to value, in our observations, appear to flow in concert with how the community balances these tensions. Our informants’ narratives highlight that value co-creation continuously evolves throughout their entire engagement. For example, upon the first successful print, many members shift their meaning of value from a competitive focus to more collaborative activities, such as counseling others on how to create a successful design. This observation, that meanings of value flow sympathetically with the balancing of collaborative-competitive tensions, provides a rich foundation for future work on the co-creation phenomenon.

REFERENCES

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