How Does Customer Participation Drive Performance Outcomes?
The Salience of Value Cocreation and Culture

By

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ABSTRACT

New emergent perspectives in marketing highlight opportunities for co-opting customer participation (CP) to define and cocreate value. This study delineates and empirically tests the value cocreation process that involves both customers and employees. Using data collected from 349 pairs of customers and service employees in two national groups (Hong Kong and United States) of a global financial institution, this study examines (1) how CP drives performance outcomes (i.e., customer satisfaction, employee job satisfaction, and employee job performance) through the cocreation of economic and relational values and (2) whether the effects of CP on value cocreation depend on participants' cultural backgrounds. Promoting CP could be a double-edged sword for firms: It enhances customers’ economic value attainment and strengthens the relational bond between customers and employees, but it also increases employees’ job stress and hampers their job satisfaction. Moreover, the effects of CP on value cocreation depend on the cultural values of both customers and service employees; this result implies that arranging customers and service employees with “matched” cultural backgrounds could facilitate the cocreation of value through CP.