

The Effects of Consumer Operant Resources (COP) on Co-Creation Processes in Communities

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ARTICLE INFO

Keywords:

Community performance,
co-creation,
consumer operant resources,
creative industry,
Jabodetabek

Kata Kunci:

performansi komunitas,
co-creation,
consumer operant resources,
industri kreatif,
Jabodetabek

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ABSTRACT

In today's modern era, consumers tend to be proactive and play a role in value creation, product making, and even consumption processes. Consumers utilize their operant resources at hand and help materialize co-creation processes in consumer communities without involving producers, which will affect community performance. This study aims to prove the positive correlations between consumer operant resources and co-creation, and between co-creation and community performance.

SARI PATI

Pada era modern ini, konsumen cenderung menjadi konsumen yang aktif dan ikut berkontribusi terhadap proses menciptakan value, membuat produk, sampai proses konsumsi. Konsumen akan memanfaatkan consumer operant resources yang mereka miliki, yang akan membantu proses co-creation yang terjadi dalam komunitas konsumen tanpa campur tangan produsen, yang akan berdampak pada community performance. Penelitian ini membuktikan bahwa ada hubungan positif antara consumer operant resources dengan co-creation, dan co-creation dengan community performance.

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INTRODUCTION

The creative economy movement relatively thriving in Indonesia at the moment is fueled by communities that support film series, animations or games often known as fandoms. According to the Merriam-Webster's dictionary, the term fandom is a subculture composed of fans characterized by a feeling of empathy and camaraderie with others sharing a common interest. Members of a fandom express their favoritism towards certain anime series, manga or game through a variety of fanworks such as fan fiction and fan comic. The process can be categorized as a form of co-creation in which different groups unite to achieve goals benefiting the parties involved (Prahalad, 2004). In a local context, the fandom movement relatively well known is the Japanese animations or anime fandom, which has gained popularity since early 2000 (Setiowati, 2013).

The interactions among members of anime communities result in value co-creation in a form of services or products (Schau et al., 2005). This can happen because consumers can learn from other members to create unique experiences during consumption process. Interactions will build customers' skills and knowledge through commitment, participation and enhancement (Pongsakurnrungsilp, 2010; Soehadi & Ardianto, 2015). The skills and knowledge of community members help enhance their capacity to create and provide value. In the concept of S-D logic, community members can be considered as consumer operant resources (co-creators) involved in the whole chain of value creation and positive experiences (Vargo & Lusch, 2006).

Co-creation takes place in communities without involving producers resulting in freedom and independence for members to create. They are not just capable of creating products but also come up with their own distribution channels (Chen Sui Liang, 2013). Those in the

fan merchandise business joining communities take part in the entrepreneurial activities such as raising capital, producing fan merchandise items and also establishing a distribution system.

Despite the research on co-creation, communities and S-D logic, the topic has not yet been proven empirically in many Asian countries, especially Indonesia. Therefore, this study aims to identify and test how far consumer commitment, participation and enhancement can empower those joining fan merchandise communities to co-create in value creation, which will eventually impact community performance.

LITERATURE REVIEW

Consumer Operant Resources

Consumer Operant Resources (COP) are defined as knowledge, skills, capability, capacity and time (Vargo & Lusch, 2008). Chathoth & Levent (2013) believes that COP possessed by consumers can help generate new ideas and knowledge in the co-creation process. After COP are activated, consumers will utilize their operand resources, i.e. money or *economic value* to achieve *set of life projects*. Soehadi & Ardianto (2015) argues that COP fueling communities are commitment, participation and enhancement.

Commitment is how far a consumer is willing to be involved in community activities. Silpakit & Fisk (1995) defines consumer participation as a degree of effort of the consumer and involvement, both mentally and physically, and other aspects that can be utilized from the production process to product delivery. This is considerably important because community is a place for fans to share their emotions (King, 2000; Football Task Force, 1999).

Participation is started when a consumer finds information on the kind of product

or service that is needed or that can satisfy consumer curiosity. There are some ways from which a consumer can obtain information in a community, such as by asking other people directly and observing the behavior of other consumers having more experience in obtaining the particular information (Kelley et al., 1990; Morrison, 1993). In addition to searching for information, a consumer also has to be able to provide the information needed for the co-creation process (Lengnick-Hall, 1996) so that the community can fulfill its responsibility in the co-creation process (Ennew & Binks, 1999).

In consumer communities, the members actively hold discussions in details and test ideas and solutions (Fuller et al., 2007). They also interact with peers, friends and family to figure out the knowledge and skills necessary for turning their ideas into products (Von Hippel, 2005). Soehadi & Ardianto (2015) conveys that active members in a community tend to enhance their skills and knowledge to increase the value of their products.

Co-creation in communities

A community can be defined as the relationship between an individual and other people having the same characteristics and interest (Friedmand et al. 1993). No only can a community influence the interactions among community members but also between brand owners and producers, which result in the

will to come up with new ways of consuming products or services. The creation process among members is called co-creation in the community. Schaul et al. (2001) states that the co-creation process in communities takes place because there is a learning process among members in order to create unique experiences when consuming a product, which is in line with Arnould & Thompson (2017) that a community serves as a co-creation platform for its members.

Community performance

Ardianto & Soehadi (2008) proposes that community performance can be measured based on the degree of contribution of its members to sustain their community through the continuous will to support purchases and make recommendations on products made by their community, the degree of insensitivity towards price offered by the community and the degree of positive attitude towards the products and promotions to non-community members. Furthermore, Grisseman (2012) argues that co-creation allows consumers to encourage product adjustment in line with the individual needs that leads to the willingness to voluntarily pay more in exchange for the authentic experiences that a product has to offer. In addition, customized fan merchandise products can offer better suitability compared to mass produced products (Franked & Schreier, 2010).

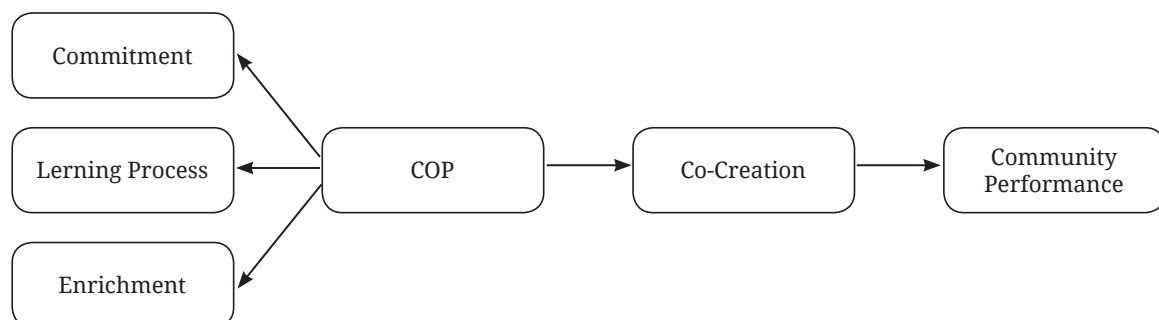


Diagram 1. Conceptual Framework

When an individual recommends a business, whether the organization or employees, to other people, he becomes an advocate for the business (Groth et al., 2004). This will affect the word of mouth marketing, expand the network of the his community and increase revenue (Chin & Hsi, 2005).

METHODS

Qualitative data collection was done by handing out a questionnaire to fandom members who have purchased or created a fan merchandise. The online version of the questionnaire put on the Google Docs was handed out with the help of community artisans and Comic Frontier committee, while the offline version was handed out during the Cocoon Festival of 2015. 212 validly answered questionnaires were collected.

The instrument used in this study is a review on a number of marketing literature (Muniz & O’Guin, 2001; Rameswary & Prahalad, 2004;

Lusch & Vargo, 2006; Ardianto & Soehadi, 2008; Pongsakornrunsilp, 2010; Soehadi & Ardianto, 2015). To stay true to the quality of instrument, the researcher team conducted validity and reliability tests while paying attention to the factor loadings and the values of Cronbatch’s Alpha. The tests were conducted using IBM SPSS v22.

RESULTS

To test the hypothesis, the researchers used the Structural Equation Modelling (SEM) with AMOS v 22. The SEM analysis results show the goodness of fit of the model, which is relatively adequate, where the Comparative Index (CFI) is 0.940, NFI is 0.853, RFI is 0.825, IFI is 0.941 and TLI is 0.928. The Root Mean Square Error of Approximation (RMSEA) is 0.052, which is in the range of 0.05 to 0.08, and therefore is acceptable. This study is adequate to be carried out based on those indicators.

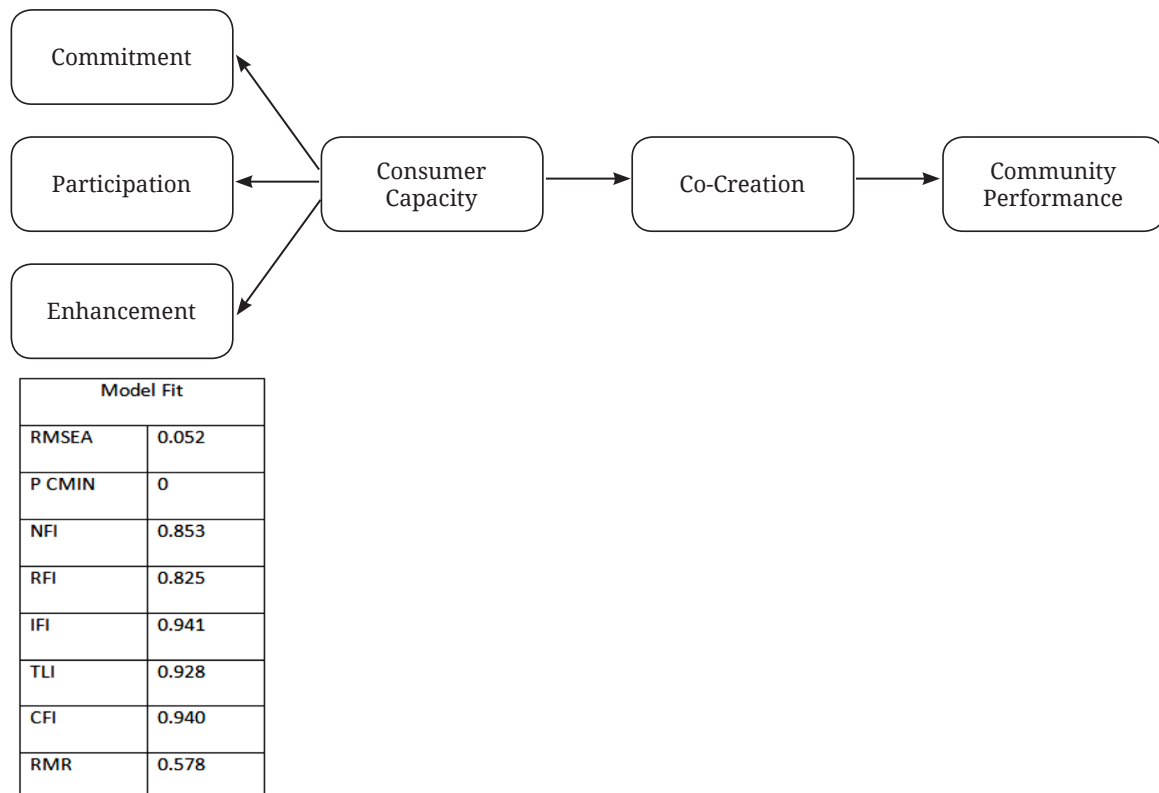


Diagram 2. SEM Analysis Model Diagram

The correlation between co-creation and COP has an estimate value of 0.954 with critical ratio of 3.924, which means that COP has a positive effect on co-creation. From the three variables composing COP, participation has the most significant effect with an estimate value of 1.781 and critical ratio of 4.507, followed by commitment with an estimate value of 1.000 and enhancement with an estimate value of 0.918 and critical ratio of 3.380. All COP variables have a positive effect on and contribute significantly to COP. Co-creation also positively affects community performance, with an estimate value of 0.928 and critical

ratio of 4.843. Therefore, all tested variables are correlated to one another with relatively significant contribution.

DISCUSSION AND CONCLUSION

Based on the descriptive analysis, it is known that the majority of respondents responded between agree and strongly agree. This spontaneously proves that the respondents agree that there is a correlation between fandom and co-creation, in a form of fan merchandise. Schau et al. (2009) argues that consumers can engage in the co-creation process in consumer communities, learn

Table 1. Validity Test

	KMO	Percentage of Factor Loading Variance
Commitment (COPK)	0.558	61.541%
Will to join fandom		0.851
Active participation in fandom		0.892
Reverse question		0.572
Participation (COPL)	0.742	72.719%
Share knowledge		0.870
Share skills		0.875
Share experience		0.860
Utilize Knowledge		0.804
Enhancement (COPE)	0.696	71.979%
Produce quality work		0.883
Come up with new products or ideas		0.831
Reverse question		0.831
Co-Creation (CC)	0.721	59.703%
Create new products		0.652
Fan merchandise collaboration		0.767
New ways of using products		0.783
Marketing communication		0.873
New markets		0.772
Community Performance (CP)	0.713	58.063%
Pay higher prices		0.677
Price increase		0.391
Positive review		0.940
Recommendation based on satisfaction		0.824
Encourage other people to purchase		0.854

from other members and create their own experience.

Consumer Operant Resources (COP) have a positive effect on co-creation. COP has three variables: commitment, participation and enhancement. Based on the SEM test, we can see that participation has the most significant contribution with an estimate value of 1.781 on the COP variable, followed by commitment with an estimate value of 1.000 and enhancement with an estimate value of 0.918. The three variables have a positive correlation with the COP variable, and COP has a positive correlation with co-creation with a value of 0.954.

We can see that participation contributes more significantly compared to the other two variables. It is concluded that artisans are unable to create fan merchandise by relying on their talent or will alone, but there has to be interactions in their community that promote learning for themselves. Gou Fong Liaw also supported this idea by stating that interactions within communities will lead to genuine innovations and ideas. In this case, artisans do not just interact, but learn deeper. The artisans who tend to distance themselves from certain communities will more likely be at a disadvantage compared to the ones active in fandom. A blend of community interactions and skills of the artisans results in unique and authentic fan merchandise. Kelley, Donnelly & Skinner (1990) argues that definitive tasks, knowledge and actions help consumers collaborate with other organization members and understand their role in the co-creation process. Artisans can gain information used in the co-creation process through experience, observation and imitating other artisans or community members (Chun et al., 2005).

Saarijavi et al. (2003) believes that a group of committed people exchanging ideas can

create better products than an individual alone. For instance, artisans often collaborate and form groups, whether permanent or temporary, to initiate and carry out certain projects. Collaboration is born from community interactions that allow artisans to create new products and better values.

The SEM analysis proves that the co-creation process has a positive effect on community performance with an estimate value of 0.928. The descriptive analysis also proves that the majority of response from the respondents is 'agree' with all co-creation aspects. In addition to new products, co-creation can materialize in some forms of new ways of using products, new ways of conducting marketing communication and new ways to expand the market.

The new ways of using products are when fan merchandise are not used as the intended functionality, but used as things that are more valuable. For instance, some customers choose to avoid using their favorite character key chains on bags and keys, but rather were put on a display as part of a private collection. The majority of those customers fear that the key chain will be dirty, or worse, brake and be lost. Some fans also express their love for a certain character or series by collecting the merchandise, both the official and fanmade versions, relevant to the character and even set up an altar or some sort for storage purposes. This is particularly trending in female adolescents. Often times, they even post photos of shrines dedicated for favorite characters on social media.

The new ways of conducting marketing communication are when a fandom takes a role in helping artisans market their products. Although the majority is in a form of word-of-mouth marketing and social media sharing, this has an immense impact on sales, considering that the majority of artisans may not have a

huge budget allocation for promotional activities. Parent, Plangger & Bal (2011) illustrates that when content creators, or in this case artisans, post their products, they grant the control of the content to communities and beyond, i.e. other people outside their network who are interested in their products. Not only will this trigger a two-way communication and word-of-mouth marketing for the artisans but also feedback that can make their works better. In addition, the artisans can also gain an overview of the potential market beyond existing consumers (Jang, Olfman, Ko, Joon, & Kim, 2008; Mangold & Faulds, 2009), which will be useful when conceptualizing upcoming products.

The authors also have found price-increase insensitivity and advocate. In general, intelligent consumers would not consider the high pricing of fan merchandise an issue. In fact, they are willing to spend more excessively if they favor the fan merchandise due to the bias towards their favorite anime or series. Furthermore, if they are satisfied, they will tend to recommend the fan merchandise to fellow fandom members.

Grisseman (2012) believes that consumers are willing to pay for products that they deem unique. This is the reality of the fan merchandise market because consumers regard fan merchandise by an artisan unique to another. It is rather common to find a pin that is usually for free is sold in a price range of IDR5,000-25,000, depending on size and material, or doujinshi (comic derived from a certain series) through indie publishing that can amount to hundreds of thousands Rupiahs compared to the IDR20,000 comic books found at local bookstores. Consumers do not mind the price as it is an appreciation towards local artisans and also a proof of their favoritism towards the fandom in question.

Consumers that actively participate in com-

munities can enhance their ability to communicate, social contact and pleasure (Etgar, 2008), which is why when they favor a product from an artisan, they will share it to fellow community members, whether through word-of-mouth marketing or a review on social media.

Artisans choose a community as a platform for self-development and expressing preference towards certain series, which can lead to co-creation within the community. It is obvious that besides interactions, customer operant resources also contribute to the co-creation process. The fact is that co-creation in a fandom can materialize into something more valuable beyond just a mere appreciation towards a certain series such as its economic value and appreciation towards artisans. Not only are communities used for building interactions and communication among fellow enthusiasts, but also for building something of high value. Artisans deal with current trends in the fandom, collect feedback on their works and even the technical details. The blend of interactions within a fandom and artisans' creativity will result in fan merchandise. Not only can co-creation sometimes materialize into a product but also new ways to grab new markets, new ways of conducting marketing communication and news ways to consume.

The co-creation process impacts communities. Who would have thought that a 4-cm key chain could be sold for IDR25,000 and was sold out in just a day? It is as if the hype within the communities blinds people to be rational in spending money. As customers gain satisfaction, they will share to other fellow community members and that in turn builds up the artisans' reputation.

Therefore, it can be concluded that COP is highly influential on the co-creation process in communities, which eventually leads to a boost in community performance. ▴

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