

CO-CREATION IN ROMANIAN CONSUMER GOODS INDUSTRY

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Abstract—Increasingly often we hear around us terms like: creativity, creation, co-creation, creative industries, prosumer. The literature indicates many definitions and explanations for them, but sometimes they are hard to understand and follow as well. These terms have been around us for years, but lately their use has increased as a result of the value creation that they bring to both consumers and manufacturers. The aim of this paper is to explore and identify those Romanian businesses / industries that use co-creation as a method to empower their customers. The foreseen result is to highlight the importance of co-creation, by using online platforms, for stakeholders' engagement in the value creation, and to which extend Romanian companies use it.

Keywords— co-creation, creation, creativity, creative industries, prosumer.

I. INTRODUCTION

THE verb “to create” derives from the Latin language, creating meaning “to produce”, “to make”. In the thirteenth century, it was used to describe a finished product, something that “was created”. In this context the word reflects the biblical myth of “divine creation out of nothing”. This sense of the term was used till the fifteenth century, when the present form of the word appeared, but still meaning a finished work.

The “divine creation out of nothing” model provides an aesthetic and a policy of fixed form (not fluid) and of absolute value (not relative) [1].

The fact that we all want to be creative is no news. Creativity is a characteristic that we are all born with. What differs is the level of creativity that each of us starts with in life, and the level where one reaches one day, according to his /her interests. So we have it in our genes, but it's up to us how we develop / educate it.

According to studies conducted by Sternberg, creativity is a very complex human performance and hazard, one of the highest level performance and achievement to which humanity can aspire. For many of the creative industries, such as arts sectors, including poets and creative writers, the highest degree of creative process represents almost a combined response of the whole being, calling for all aspects of such a person's response repertoires [2]. For this reason, many of creativity sub-components are combined simultaneously and / or sequentially to approach this almost total

response of the human being.

But what happens when creativity is combined with the goods? According to United Nations Conference on Trade and Development (UNCTAD), this combination gives rise to a new class of products known as creative goods and services, and cultural goods and services is a subset of them, being composed of products with artistic and cultural content, as an addition to the creative ones [3]. This new class of creative goods and services belongs to one the thirteen creative industries' sectors: advertising, architecture, arts and antique markets, crafts, design, designer fashion, interactive leisure software (electronic game), music, performing arts, publishing, software and computer services, television and radio, film and video [4]. Even though the most used definition of the creative industries, especially at European Union level, is the one that Department of Media, Culture and Sport (DCMS) from United Kingdom has offered, there are many others that describe these industries very well, like the one given by UNCTAD. DCMS also emphasizes the role that creativity plays in defining these types of industries: those industries that were born out of individual creativity, ability and talent and which have a potential for assets and job creation through the generation and exploitation of intellectual property [5].

One might think that the term prosumer is a new one. This impression is quite wrong as the term has been around for years, especially in the marketing world. Alvin Toffler was the first to use this term in his book *The Third Wave*, in 1980. He defined the prosumer as “someone who blurs the distinction between a consumer and a producer” [6]. Shortly, the term refers to those that from ordinary consumers became prosumers, having far more influence than ever, especially in the social web.



A company can reach a prosumer through: *traditional consumer channels* (advertising and mail), *nontraditional channels* (e-mail, online sites, such as Google), or *business-to-business channels* (industry site advertising, trade publications).

II. CO-CREATION: DEFINITION AND TYPES OF CO-CREATION

A. Definitions of Co-creation

Most definitions on co-creation offered by the literature lead us to automatically think about a collaboration, namely creative collaboration. This type of collaboration invites both parties involved in co-creative initiatives to be prepared to take risks, to open their heart and mind in order to create something new, or to re-create something already existing. In this way, the value is increasingly co-created by both barricades: customer and manufacturer.

Co-creation is considered an art, a management initiative, or form of economic strategy, that brings different parties together: a company and a group / community of customers, in order to jointly produce a mutually valued outcome [7].

In *The Future of Competition: co-creating unique value with customers*, C.K. Prahalad and Venkat Ramaswamy describe co-creation as “viewing markets as forums for organizations and active customers to share, combine and renew each others resources and capabilities in order to create value through new forms of interaction and learning” [8]. The authors also agree that it differs considerably from the traditional active firm / passive consumer construct of the past.

According to John Banks, in *Co-creating videogames*, co-creation activities involve consumers that significantly contribute to the following: a component of the design, development, production, marketing and distribution of an existing or new product [9].

B. Early use of co-creation

In the early 2000s, consultants and companies embraced co-creation as a tool for engaging customers in product design, with the purpose to take part in the value creation processes of the companies. Back then, Nike gave customers online tools to design their own sneakers.

Later on, during the mid-2000s, co-creation became a driving concept in both, social media and marketing techniques. Companies such as Converse convinced large numbers of its most keen customers to create their own video advertisements for the product.

Since then, like Nike and Converse, more companies have embraced the concept of co-creation and registered success, namely: Barilla Group (Barilla, Mulino Bianco), BMW, Dell, Electrolux, Hallmark, Lego, Mozilla, P&G, etc. Such examples can also be found in the arts and other sectors that belong to creative industries.

If at the beginning of its use there was little relevant evidence that co-creation provides value, as large-scale quantitative research was lacking, in the last few years, due to different researches / case studies in the field, and as many companies began to take profit from co-creation, the performance effects of co-creation were immediate, especially if they were executed correctly and the results were used internally in the right way. These are actually

the main rules for co-creation to create value for both customers and companies.

Even though co-creation initiatives did not emerge with the Web 2.0 phenomenon, they definitely bloomed as these platforms encompassed many forms of co-creation marketing. The Web 2.0 platforms have been seen since then as social and consumer communities, that became “ambassadors”, “buzz agents”, “smart mobs”, and “participants” transforming the product experience [10].

C. Co-creation methods

Generally, co-creation activities are based on company-to-customer interaction which is made possible by the first one. The producer is either empowering its customers to propose / design a solution by themselves or is implementing methodologies to efficiently transfer an innovative solution that the customer offered into the company domain. The most used methods of co-creation include [11]:

- 1) *ideation contests*;
- 2) *lead user workshop*;
- 3) *consumer opinion platforms*;
- 4) *toolkits for user innovation*;
- 5) *lead user workshop*; or
- 6) *communities for social product development*.

From all the above methods, the most common ones are the ideation contests, consumer opinion platforms, and communities for social development. Usually these methods can be separately implemented, but can also be linked together, forming one method in the end. When it comes to consumer opinion platforms, most companies intend to create, in the end, communities for social product development.

These types of communities are really important in co-creation initiatives as they offer the perfect background for the realization of more exciting and captivating, entertaining and creative information for a company [12].

Regardless of the method used, so far, most co-creation initiatives have registered very good results. Even though, critical perspectives from different scholars were also immediate. For example, Tiziana Terranova, in her work, claims that customers’ involvement in co-creation represents a form of free labor that companies unfairly exploit. Graene Turner does not consider that this type of collaboration between consumer and manufacturer represents the democratization of media participation [13]. In turn, Yochai Benkler claims that consumers, people in general, are motivated to participate in co-creative initiatives by non-commercial and non-market reasons [13]. Thus, it may be considered that people’s altruism and reciprocity could form the basis of the co-creation activities. There is strong evidence that people like to collaborate, to be and get involved in different activities, regardless of how well a particular kind of activity is known to them. The company is responsible for making it known by their

direct involvement in co-creation activities.

III. CO-CREATION INITIATIVES IN ROMANIA

Companies that decide to embrace co-creation need to be prepared to open their doors and invite consumers in, listen, experiment and be guided by a community whilst accepting a significant change in company culture.

During the research that was undertaken within the E-PICUS project, it was quite hard to find Romanian companies that have fully embraced co-creation. Unfortunately, there are companies that are not familiar with this type of initiatives. Some of those who do know about the rules, tools or methods to co-create, especially those that uses social media, are not ready to exploit within the company the knowledge generated by their customers and users. This actually represents the largest challenge in Romania, but not only.

Experts believe that there is a strong need for change management to face this challenge. But this change will not come as long as this field is still unknown, needing more research, especially in Romania. As long as companies are not able to hire all bright minds, they must embrace co-creation as an alternative. This is not easy and comfortable, as a manufacturer must take a great risk inviting customers to get involved in, especially if the firm is not ready yet to do that, and is not being opened about the firm's problems.

A good solution would be having a co-creation team or department, in order to gather more information and better guidance on how to initiate a co-creation project, if the company is ready for that, which method is suitable according to the topic of the co-creation project. So far, this job is done by companies' communication or marketing department.

During the research, some Romanian companies that embraced the co-creation term were found. These companies organized different co-creation initiatives, but were not able or did not have the courage to take the risk to let the customers get involved in new product creation or re-creating an existing one.

The dialog between customers and companies is quite shy, distant, Romanian manufacturers not wanting to be open about their problems on the market. Despite this, they make efforts to change this mindset, becoming increasingly aware that co-creation activities represent the future of value creation. They must understand that even nowadays there are so many products and services on the market, consumers are still unsatisfied with what they find. So the best solution for competitive advantage is their direct involvement in product creation.

In the Table I few Romanian companies that have embraced the co-creation term are presented, some of them fully, and others just to a level. For example, ELECTRA is currently in the process of fully implementing a co-creation initiative within the E-PICUS research project: "E-solutions for innovation through customer pro-active involvement in value creation to increase organizational competitiveness",

with the aim of developing an experimental model for e-solutions innovation by pro-active involving consumer using online environments, the work product innovation in order to increase organizational competitiveness on the global market.

TABLE I
 ROMANIAN COMPANIES THAT HAVE EMBRACED CO-CREATION

Company	Domain of activity	Link
<i>WE ARE HERE</i>	A crowdfunding platform for creative industries that helps to fund creative and educational events and projects that are planned and who only need funding.	www.we-are-here.ro
<i>DEDEMAN</i>	A successful business of two Romanian entrepreneurs who, since 1992, developed retail chain of building materials and furnishings, Do-It-Yourself, for those who want to build and to equip home.	www.dedeman.ro
<i>ISPAL</i>	Established in 2002, the company has as main activity wholesale and retail of materials for the furniture industry.	www.ispal.ro
<i>SOPHIA</i>	Sells and helps people in choosing curtains, and accessories suitable for one's space.	www.sophia-romania.ro
<i>PANTOFICA</i>	100% genuine customized leather shoes to order: ballet, shoes, boots, sandals.	www.pantofica.ro
<i>VIESPAR</i>	Crowdsourcing - can solve, at the moment, almost all kinds of tasks achievable in any professional crowdsourcing platform, from content categorization, moderation images, digitizing documents to surveys or market research.	www.viespar.ro
<i>GUBAN</i>	The company's mission was born out of love for shoes, and has never been stronger. It is the goal towards which all the efforts are directed: continue development of top products with an emphasis on quality and detail, the first choice of company's clients.	www.guban.ro
<i>ELECTRA</i>	A 100% Romanian company, founded in 1991 having as main activity the design, development and production of intercom systems, access control and electronic equipment.	www.electra.ro
<i>NAPOLACT</i>	A platform where people can discover and share those simple things that help us all to find ourselves and to live daily authentic experiences: various meals, different activities or chosen places and immortal ideas.	www.intihna.ro

The project results will help increase the competitiveness of companies, especially SMEs, promoting innovation processes and developing a corporate culture based on innovation and entrepreneurship. The tangible result of the project will be major experimental model E-PICUS with multiple software applications for online environments that can be used by companies for product innovation through the pro-active involvement of the consumer.

Another co-creation initiative that was fully embraced belongs to GUBAN, that, in 2013, organized the first competition to create shoes. Firstly, the creative contest was the first major event organized by Guban after a very long time, an opportunity to be remembered, and re-appreciated. Secondly, it meant opening the company to its consumers, offering an outstretched hand toward developing a lasting relationship in which both parties benefit equally from the consequences of their collaboration. This crowdsourcing campaign was a real success, bringing value to quality leather footwear industry in Romania, and especially to Guban brand. The result of the contest was the creation of two elegant models of flawless fineness. Actually crowdsourcing / crowdfunding is the most popular Romanian method of customers' involvement. Unfortunately, it does not represent a direct involvement in the innovation of a new product. For example, Sophia, Ispal and Dedeman companies are open to a dialog with customers, but partially through both customization and co-creation. For example, DEDEMAN's designers will help customers to arrange the kitchen and bathroom as they wish, with the help of Bath and Kitchen Design special program created by Dedeman that helps one to see the plans realized. In a 3D simulation software, a Dedeman specialist will design for the customer a bathroom / that can be decorated with ceramic tiles that he / she wants.

3DMAG Online Furniture Factory platform by ISPAL proposes a new way to come to the support of professionals in the furniture industry and interior fittings: "Room Planning". The application allows full configuration of a defined space, from the finishes for walls and floors, doors and windows to decorative objects. During this assembly, furniture items already presented in the catalog of objects can be configured and placed in the room. The end result can be saved in the form of photographic presentation and the price of furnishings placed in the room is instantly displayed.

WE ARE HERE is a Romanian crowdfunding platform dedicated exclusively to creative industries. Because the initiators want to bring more creativity in front of more people, they prepared a web space where creators and innovators, who make the world move, find supporters and funding through crowdfunding. On the platform, one will be able to present the project to the directly concerned community who has the same passion as he / she and launch it into the world, with an army of supporters. The project must fit in one of the areas of Film, Theater and Dance, Music, Publishing, Design and Exhibition, Urban Education, Science and Technology.

IV. CONCLUSION

When one thinks about co-creation initiatives, the main action that must take place is a direct creative collaboration between the two main parties: consumer and manufacturer. The aim of this type of collaboration is to obtain a value for both, consumer and company.

Irrespective of the type of co-creation method used, so far, most co-creation initiatives have registered very good results. The performance effects of co-creation activities are immediate, especially if they are executed correctly and the results are used internally in the right way.

In Romania there are companies that heard or never heard about co-creation initiatives. For those who did hear, the biggest challenge is the fact that they might know the rules, tools or methods to co-create, but are not ready to exploit within the company the knowledge generated with their customers and users. It is hard to invite customers to get involved while the manufacturer is not open about the firm's problems.

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