

# Expanding Value Co-Creation: Value-in-Context in Confucian Cultures

*Holmqvist Jonas, Royer Jade*

**Purpose:** The service literature increasingly recognizes the importance of value-in-context (Chandler & Vargo 2011) and further extends this concept to value-in-cultural-context (Akaka, Schau & Vargo 2013), emphasising the need to understand the cultural context in which value co-creation takes place. Building on this literature, we approach value co-creation through the lens of Confucian culture in its South-East Asian cultural context.

**Design/Methodology/approach:** We employ a mixed method to capture the interplay between different antecedents of value-in-cultural-context. Our first study consists of in-depth interviews with 21 South-East Asian consumers. We rely on an open-ended interview approach guided by respondents' experiences and stories about how their cultural contexts shape their value-in-use. Our second study extends the findings to verify the impact of the cultural context on value-in-use. We employed a scenario-based 2x2 survey in which 160 respondents were assigned to four different scenarios measuring their intent to engage in value co-creation based both on the level of the service experience (attentive versus arrogant) and the need to save face (collective versus individual service).

**Findings:** Our results present two main findings. First, we identify four cultural norms playing a particularly important role for understanding value-in-context for South-East Asian consumers in their service experience: the role of the family; the importance of honour and respect in public; collectivism; and grace. Second, we show how value co-creation is shaped by Confucian culture to such an extent that perceived value-in-use looks counterintuitive to the current literature, confirming the need for understanding value-in-cultural-context.

**Managerial implications:** South-East Asia represents a rapidly growing market yet many companies establishing themselves in South-East Asia have failed due to not understanding the cultural context (Johanson & Vahlne 2009). Our findings help managers by identifying key cultural antecedents of value perceptions in South-Asia and further showing how they impact consumers.

**Originality:** We respond to calls for research into value-in-cultural context (Akaka et al. 2013) to identify how value co-creation is shaped by key Confucian cultural norms in South-East Asia. We further add to the literature first by identifying the cultural norms having a marked impact on value-in-cultural-context, next by detailing how these cultural norms result in value perceptions looking markedly different in South-East Asian cultures, and finally by testing the strength and impact of these cultural norms on consumers' willingness to engage in value co-creation.

**Key words** - co-creation; culture; value; South-East Asia

**Paper type** –Research paper