

Unveiling value co-creation within the digital servitization business models: Empirical evidence from B2B industrial firms

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Purpose – Since servitization entails increased awareness of the co-creation phenomenon (Kowalkowski & Ulaga, 2017), the paper aims to investigate the value co-creation within business models of industrial organizations that have undertaken servitization strategy. To fulfil this purpose, the research question addresses how value co-creation is encapsulated in the different archetypes of product-service system (PSS) business models.

Design/Methodology/approach – A survey is conducted on a sample of Italian industrial firms, whose offering comprises services. Sample companies are grouped by PSS business models, that are classified by using the widely accepted categorization in three archetypes, such as product-, use-, and result-oriented PSS (Yang & Evans, 2019). In a next step, value co-creation is measured and assessed for each PSS business model by adopting the DART (dialogue, access, risk assessment and transparency) scale (Albinsson *et al.*, 2016).

Findings – The research results support the close link between value co-creation and servitization, that is essentially a co-creation endeavor involving provider and customer spheres (Carlborg *et al.*, 2018). Value co-creation is encapsulated in all different archetypes of PSS business models. Anyway, result-oriented PSS business model shows the higher score of value co-creation. This means that a deep collaboration provider/customer is more stressed when the servitized business model is designed around integrated solutions.

Research limitations – PSS business models are not investigated at a fine granularity level because the work does not shed light on the building blocks of each archetype. In addition, Italy as study setting and the focus on business to consumer could reduce the generalization of results.

Practical implications – By providing a ranking of the PSS business models according to the value co-creation score, the management is facilitated in designing and redesigning business models of industrial firms to better respond to the strategic imperative of servitization, simultaneously exploiting the benefits of value co-creation.

Originality/value – The paper enriches the body of knowledge on the emerging topic of value co-creation within the servitized business models of industrial firms. The main contribution lies in the identification of a new hybrid archetype that arises from the combination of the DART dimensions with the higher score of value co-creation in each PSS business model considered.

Key words – Value co-creation; Servitized business models; Product-service system business model archetypes; DART model

Paper type - Research paper