Co-Creating Value: Customer Engagement through Virtual and Physical Channels

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Abstract

Customers can perceive co-creating value through different channels when they are highly engaged. The positive side of engagement includes certain channels that work as a bridge unifying various stakeholders, enabling these parties to create value. However, few studies focus on customer engagement (CE) and the co-creating value through different channels. By designing tourism campaign of a particular business district in Taipei, the objectives of this study are twofold: to explore the contexts of co-creating value among different stakeholders (the types of CE), and to verify the difference of co-creating value through virtual and physical channels (the channels of CE). There are three phases to this study. The first phase involved filtering stores in a tourism business district. In the second phase, we attempted to recruit participating stores who were willing or able to engage in city image promotion campaigns in the tourism business district. Moreover, we collected survey data to examine the difference of co-creating value through the types of CE and the channels of CE. Finally, 155 valid questionnaires were collected. The main findings of this study are that co-creating value can be divided into two main factors: intrinsic satisfaction and social network, both the types of CE and the channels of CE have significant effects on co-creating value, and compared to the virtual channel, customers of the proactive store can gain more co-creating value of social network through the physical channel. This finding can complement the existing studies of co-creating value that only focus on a single channel.

KEYWORDS: customer engagement; virtual vs. physical channels; co-creating value; tourism experience

Introduction

The individual’s desire to engage in certain situation may arise from a tangible product or an intangible service, such as an inviting environment or a creative product (Pappalepore, Maitland, & Smith, 2014). As customers, tourists seek out opportunities to come into contact
with what they perceive as creative, and also to create their own narratives (Richards & Wilson, 2006).

CE can produce value such as a work goal/purpose (Hart & Sharma, 2004) or knowledge sharing (Fletcher, Guthrie, Steane, Roos, & Pike, 2003). In the past, engagement manifested as a unidirectional relation between channels, but Rowley (1997) finds that bidirectional associations are preferable for a value-creating channel. In general, channels are able to blend with both virtual and physical channels (Krishna, Lazarus, & Dhaka, 2013); yet, most past studies (Bonsón, Royo, & Ratkai, 2014; Irudayaraj & Baranidharan, 2014; Li, Berens, & de Maertelaere, 2013; Neti, 2011) have focused on the value of the physical channel, and seldom include empirical research on virtual and physical channels. Pappalepore et al. (2014) find that most studies of urban tourism business districts have ignored the channels by which customers engage. Therefore, it is unsurprising that research on how to utilize such channels has so far been rare to nonexistent. Thus, this study aims to explore the contexts of co-creating value among different stakeholders, and to verify the difference of co-creating value through virtual and physical channels.

Literature Review

This part begins with an overview of customer engagement and its model. Then, three research variables, the types of customer engagement (CE), the channels of CE and co-creating value, will be discussed. Consequently, we adapted a co-creating value questionnaire to analyze the relationship between the types of CE, the channels of CE, and the key components of co-creating value.

Customer Engagement (CE)

The broad definition of engagement is to take part or share with others in some activity, enterprise, etc. (Wenger, 1998). More specifically, in the field of service research, engagement is based on the existence of focal interactive customer experiences with specific engagement objects (Brodie, Hollebeek, Jurić, & Ilić, 2011). Engagement can also be defined as an aggregation of engagement experience (Nambisan & Baron, 2009). Such active interactions of a customer with other customers, whether they are transactional or nontransactional in nature, can be defined as “customer engagement (CE)” (Kumar, Aksoy, Donkers, Venkatesan, Wiesel, & Tillmanns, 2010). Thus, CE refers to an inner desire rather than consumption, and this desire may include assisting other customers – for instance, by posting a review (Verhoef, Reinartz, & Krafft, 2010; Vivek, Beatty, & Morgan, 2012).

The Types of CE

Vivek et al. (2012) highlighted that the intensity of an individual’s participation and connection with the organization’s offerings and activities can be initiated by either the customer or the organization. A highly engaged individual will derive both intrinsic and extrinsic value from their focus of engagement (Vivek et al., 2012). Thus, the highly engaged individual will be treated as the proactive type of CE; otherwise, the rather engaged individual will be treated as the reactive type of CE. Furthermore, in this study, the store that proactively initiates city image promotion campaigns in the tourism business district will be treated as the proactive store; the store which reactively co-initiates the city image promotion campaigns will be defined as the reactive store.
Brodi et al. (2011) have advanced a set of five fundamental propositions defining the conceptual domain of CE. Firstly, it reflects a psychological state, which arises via interactive customer experiences with a focal agent/object within specific service relationships. Secondly, CE states occur within a dynamic, iterative process of service relationships that co-creates value. Thirdly, CE plays a central role within a nomological network of service relationships. Fourthly, CE is a multidimensional concept subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional, and behavioral dimensions. Lastly, CE occurs within a specific set of situational conditions generating differing CE levels.

Within the specific geographic and commercial contexts of the present study, CE can therefore be defined as a process whereby the customer actively participates in an activity held by or related to service providers, and then shares his or her knowledge or expectations regarding this activity with other customers. Engaged customers provide frequent feedback about products and services (EUI, 2007). Thus, the outcome of CE, for purposes of this study, is referred to as co-creating value.

The Channels of CE

The positive side of engagement includes certain channels, each of which works as a bridge unifying various organizational functions with one another and with the end customer, enabling these parties to create value at various levels of the value chain; as such, those channels can maximize co-creating value (Krishna et al., 2013). Moreover, any value-creating activity, such as a festival, offers an opportunity for a variety of customer social units to come together to bond and socialize in one place (Gibson & Connell, 2012). At the acquisition channel level, service providers not only directly acquire customers but also indirectly through referrals from the prospects’ social networks (Bijmolt, Leeflang, Block, Eisenbeiss, Hardie, Lemmens, & Saffert, 2010). However, the relevant studies to date have mostly been conceptual models, involving little or no empirical research on the actual conditions of CE.

Today, participants can engage in an activity through various channels, such as Internet or face-to-face meetings (Manetti, 2011) and they are able to co-create through multiple channels, while those channels might simultaneously comprise various stand-alone platforms, working in tandem. Sawhney, Verona and Prandelli (2005) highlight that virtual and physical channels have six key differences between customer engagement: innovation perspective, role of the customer, direction of interaction, intensity of interaction, richness of interaction and size and scope of audiences. That is, in physical channel, it is more firm centric and the role of the customer is passive in which customer tend to have an intensity of interaction on contingent basis; on the other hand, in virtual channel, it is a customer centric innovation perspective and customers usually play an active role. Within virtual channel, customers are projected to have a continuous, back and forth dialogue. Likewise, virtual channel can connect lifestyles associated with products or services provides by stores (McWilliam, 2000; Andersen, 2005) from which customers can perceive the image as well as deliver the image they recognize; thus, it is possible to co-create the city image through a virtual channel. Customers are coming together in virtual channel where they are publishing and sharing (e.g. blogging, podcasting) their experiences with products and services, and therefore evaluating the effectiveness of their producers, vendors and service providers. Customers are comparing each other’s experiences, giving feedback to each other. As a result, customer communities in virtual channel are becoming an important influence in purchase decisions, brand loyalty and even image building (Romero & Molina, 2011). However, merely does much research papers focus on the difference through virtual and physical channel from a campaign perspective.
The key difference between virtual and physical channels is the committed step of value-creating; e.g., to discuss with each other (Krishna et al., 2013). Whilst having adopted Wenger’s (1998) definition of engagement as taking part or sharing with others in some activity or enterprise, this study defines the difference between virtual channels and physical channels (the channels of CE) as customers’ committed knowledge-sharing based on the outcome of the campaign.

The Key Components of Co-Creating Value

Co-creating value is the value that generated during the co-creation process in which participants will be stimulated by the co-creation behavior of each other. For purposes of the present research, the value that a participant gains from an activity is referred to as co-creating value. Stakeholders including customers and service providers are co-creating value in the activity. For customers, they perceive value which formed from both intrinsic and extrinsic product attributes, including quality, price, and service is the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given (Holbrook, 1994, 1999; Sinha & DeSarbo, 1998; Sánchez-Fernández & Iniesta-Bonillo, 2007). Moreover, customers can create value for a firm through the sharing of positive (or negative) news and opinions with others and this social transmission has the potential to affect both the transmitters’ and receivers’ behaviours (Kumar et al., 2010). For other stakeholders, any interaction is a secondary form of service experience on which more judgements of value are made. If knowledge is renewed between the service provider and its stakeholders, then marketing communication will necessarily be fluid and interactive (Ballantyne & Varey, 2006). Customer’s input which can take the form of customer-self input (e.g., by spending a considerable amount of time developing the service) and customer-provided information (e.g., telling the travel agency their wants and needs) is provided significantly effects on company outcome variables (Grissemann & Stokburger-Sauer, 2012).

Since most values which exist when customers are engaged usually co-create with firms, these values could be collectively called co-creating value. Therefore, one of the objectives in this study is to explore the contexts of co-creating value among customers and stores.

This aspect of the study is rooted in the uses and gratifications theory (U&G) (Katz, Blumler, & Gurevitch, 1974), which has been utilized in interactions between customers in certain channels (Palmgreen, 1984). There are four divisions of U&G which could be used to explain co-creating value: 1) cognitive or learning benefits; 2) social-integrative benefits; 3) personal-integrative benefits; and 4) hedonic benefits (Katz et al., 1974). First, cognitive or learning benefits refer to product-related learning (Nambisan & Baron, 2009). Whether in a virtual community or a community in the real world, all participants could gain some knowledge and be willing to engage in an activity. Secondly, social-integrative benefits are subjectively produced by participants and entrepreneurs, and this value reflects what is gained by engaging in community activity. Thirdly, personal-integrative benefits are related to increasing social status or accomplishing career goals (Katz et al., 1974). In other words, consumers could enhance their experience-related position, evaluation between other customers, or even providers by contributing to the product like a volunteer (Harhoff, Henkel, & von Hippel, 2003; Wasko & Faraj, 2000). Finally, hedonic benefits are the sense of satisfaction customers derive from each other through dialogue about the product and its features and usage. This study adopts these four components, learning, hedonic, social integrative, and personal integrative, as modified by Nambisan and Baron (2009), to estimate co-creating value, as shown in Table 1.
Table 1. Possible components of co-creating value

<table>
<thead>
<tr>
<th>Components</th>
<th>Measure Items</th>
<th>Contents</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning</td>
<td>Overall learning</td>
<td>Enhance my knowledge about the city image promotion campaigns.</td>
<td>Franke &amp; Shah (2003); Hertel, Niedner, &amp; Herrmann (2003); Wasko &amp; Faraj (2000)</td>
</tr>
<tr>
<td></td>
<td>Specific learning</td>
<td>Enhance my knowledge about advances in product/service, related products/services, and image of stores.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collaborative desire</td>
<td>Enhance my knowledge by discussing with other customers.</td>
<td></td>
</tr>
<tr>
<td>Hedonic</td>
<td>Pleasure</td>
<td>Entertain my mind.</td>
<td>Franke &amp; Shah (2003); Hertel et al. (2003)</td>
</tr>
<tr>
<td></td>
<td>New inspiration</td>
<td>Stimulate my mind.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time Spent</td>
<td>Spend some enjoyable and relaxing time.</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>Interaction</td>
<td>Enhance the strength of my affiliation with the customer community.</td>
<td>Wasko &amp; Faraj (2000)</td>
</tr>
<tr>
<td>Integrative</td>
<td>Expand social network</td>
<td>Expand my personal social network.</td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>Knowledge perceiving</td>
<td>Derive satisfaction from influencing product/service, related products/services, or image of stores by other customers.</td>
<td>Franke &amp; Shah (2003); Hertel et al. (2003)</td>
</tr>
<tr>
<td>Integrative</td>
<td>Knowledge sharing</td>
<td>Derive satisfaction from influencing product/service, related products/services, or image of stores to other customers.</td>
<td>Adapted from Nambisan &amp; Baron (2009)</td>
</tr>
</tbody>
</table>

To sum up, this study will verify the relationship between the types of CE, the channels of CE, and the key components of co-creating value (Figure 1).

![Figure 1. A research conceptual framework](image)

**Methodology**

**Research Method**

This research was divided into three phases. The first phase included filtering the Zhongshan-Shuanglian tourism business district’s 42 stores in downtown Taipei, as defined in the Taiwan Creativity Promotion Committee by Department of Cultural Affairs, Taipei City Government (2011). Twelve of these stores could be seen as representative of all the creative stores of this district (Ho, Yang, & Sung, 2014). Three of the 12 representative were willing to participate in this study, and are referred to here as one proactive store and two reactive stores; a structured questionnaire was used to collect valid data from 213 participants. The reason why the three stores are recruited in this study is that they used to co-create value with customers. To elaborate, the proactive store is not only willing to launch
city image promotion campaigns spontaneously, but to communicate with customers and make them decide to engage in the activities. Likewise, the two reactive stores have cooperated with the proactive store several times, and those stores are competent enough to co-create value with customers in the city image promotion campaigns. For example, those stores often trigger customers' interest by launching campaigns in which customers can share their experience and elaborate meanings. The second phase comprised an investigation of co-creating value. This study invited the proactive and reactive stores and customers to engage in the city image promotion campaigns in which a virtual channel and a physical channel were included. A purposive sampling approach was utilized. To determine co-creating value, data was gathered via a structured questionnaire issued to different participants completed by another 155 participants (78 from the virtual channel and 77 from the physical channel) who had visited the Zhongshan-Shuanglian tourism business district. Of these 155 participants, 55.5% were females; most were tourists (87.1%); and most of them were visiting this district for shopping (62.6%) and dining (30.3%). Phase three involves the analysis of the data collected in the prior phases as shown in Figure 2.

**Figure 2. The research process in this study**

*Illustrations of the City Image Promotion Campaign*

Value co-creation can be defined as corporations’ processes involving customers and organisations interactions in all creative activities for co-creating goods, services and experiences in close cooperation (Romero & Molina, 2011). Fogg (2009) has indicated that there are three conditions of engagement: motion, behavior, and target behavior. Hence, this study made an effort to fulfill these conditions. During the city image promotion campaigns held in connection with this study, the service providers are allowed to promote these campaigns via their own channels. After participants obtained information about the campaigns and visited service providers as stated, they were able to display their impressions and the outcome of their experiences through the virtual or physical channel of this study; as such, they would become a participant with the desired target behavior that would attract other participants to engage in the same campaign via the virtual or physical channel. Participants were asked to take photos from favorite corners or atmosphere, but they were allowed to pick only one as the outcome of co-creation. The analysis of the time wall is not the focus of this study.

**Figure 3. The steps of CE through the physical channel in the city image promotion campaign**

In the case of the physical channel, the city image promotion campaign consisted of the following three steps: 1) Visit at least two stores (one proactive store and one reactive store);
2) Take photos from favourite corner or atmosphere; 3) Pick one photo and post this photo to the “time wall” of the physical channel (Figure 3).

Otherwise, three main steps are included in the virtual channel: 1) Visit at least two stores (one proactive store and one reactive store); 2) Take photos from favourite corner or atmosphere; 3) Pick one photo and upload to time wall on the virtual channel (Figure 4).

![Figure 4. The steps of CE through the virtual channel in the city image promotion campaign](image)

On completing the above three steps, each participant was required to complete a written questionnaire, and was allowed to browse the outcomes (photos) of other participants and exchange views with them.

### Results

#### Co-Creating Value Factor Analysis

To clarify the implication co-creating value, this study investigates 155 participants on co-creating value. Firstly, a factor analysis was conducted and this study analyzes the data by principal component analysis and varimax of factor rotation.

#### Table 2. Factor analysis of co-creating value and descriptive statistics of each item

<table>
<thead>
<tr>
<th>Variable (Factors/ Items)</th>
<th>Descriptive statistics</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>% Explained Variance</th>
<th>% Cumulative Variance</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>S.D.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pleasure</td>
<td>5.92</td>
<td>1.09</td>
<td>.851</td>
<td>.296</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall learning</td>
<td>6.00</td>
<td>1.01</td>
<td>.822</td>
<td>.294</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific learning</td>
<td>5.84</td>
<td>1.11</td>
<td>.818</td>
<td>.285</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New inspiration</td>
<td>5.78</td>
<td>1.11</td>
<td>.784</td>
<td>.354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborative desire</td>
<td>5.39</td>
<td>1.21</td>
<td>.694</td>
<td>.436</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time Spent</td>
<td>5.56</td>
<td>1.14</td>
<td>.685</td>
<td>.235</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social network</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction</td>
<td>4.87</td>
<td>1.49</td>
<td>.250</td>
<td>.895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand social network</td>
<td>4.81</td>
<td>1.36</td>
<td>.255</td>
<td>.865</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge perceiving</td>
<td>5.13</td>
<td>1.31</td>
<td>.447</td>
<td>.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>5.33</td>
<td>1.30</td>
<td>.457</td>
<td>.728</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>4.170</td>
<td>3.301</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: N=155; KMO=.900; Bartlett’s Test of Sphericity=.000 (** p<.001)

Table 2 is the factor analysis of co-creating value. It shows that two common factors are included: 1) intrinsic satisfaction; and 2) social network. The cumulative variance explained is 74.715%; the Cronbach’s α of each factor is 0.915 and 0.912, higher than the standard 0.6 suggested by Nunnally (1978), revealing that these dimensions of co-creating value are valid.
Moreover, studies usually divided co-creating value into utilitarian value and hedonic value (Chen, Tsai, Hsu, & Lee, 2013; Hollebeek, 2013; Sinha & DeSarbo, 1998). Meanwhile, this study finds that co-creating value can be further divided into intrinsic satisfaction and social network. This study focuses on the campaigns in a tourism business district; therefore, participants engage in these campaigns through different channels, and they have chances to share opinions to each other. As a result, participants can be satisfied in intrinsic satisfaction and social network under co-creating value. Besides, Table 2 shows the descriptive statistics of each item; the overall presents a negative skew distribution and leptokurtic distribution; these phenomena reveal that participants have a positive evaluation on co-creating value.

**Effects of the Types of CE and the Channels CE on Co-creating Value**

Firstly, a T-test is used to analyze the differences between the virtual and physical channels in terms of the co-creating value ($p=.000<.005$, $T=1.834$), and find a significant difference on one factor of the co-creating value: intrinsic satisfaction ($p=.022<.050$, $F=2.308$; see Table 3).

**Table 3: Effects of the Channels of CE on Co-Creating Value**

<table>
<thead>
<tr>
<th>Co-Creating value/Channels</th>
<th>Intrinsic satisfaction</th>
<th>Social Network</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual (n=77)</td>
<td>M=5.580</td>
<td>4.910</td>
<td>-</td>
</tr>
<tr>
<td>S.D. 0.890</td>
<td>1.130</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Physical (n=77)</td>
<td>M=5.920</td>
<td>5.150</td>
<td>-</td>
</tr>
<tr>
<td>S.D. 0.950</td>
<td>1.300</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>M=5.730</td>
<td>5.030</td>
<td>5.390</td>
</tr>
<tr>
<td>S.D. 0.930</td>
<td>1.180</td>
<td>1.060</td>
<td></td>
</tr>
<tr>
<td>F value</td>
<td>2.308</td>
<td>1.192</td>
<td>1.834</td>
</tr>
<tr>
<td>P value</td>
<td>0.022*</td>
<td>0.235</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

Note: N=155; *$p<0.05$; **$p<0.001$.

Secondly, a T-test is used to analyze the difference between participants in the proactive and reactive stores in terms of the co-creating value (see Table 4), and reveals a significant difference across the proactive and reactive stores on one factor of the co-creating value: intrinsic satisfaction ($p=.006<.050$, $F=7.640$), in which the proactive store (M=5.81) > the reactive stores (M=5.72).

**Table 4: Effects of the Types of CE on Co-Creating**

<table>
<thead>
<tr>
<th>Co-Creating value/Stakeholders</th>
<th>Intrinsic satisfaction</th>
<th>Social Network</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overall</td>
<td>Virtual</td>
</tr>
<tr>
<td>Participants in the proactive store (n=51)</td>
<td>M=5.810</td>
<td>5.290</td>
</tr>
<tr>
<td>S.D.</td>
<td>1.033</td>
<td>0.926</td>
</tr>
<tr>
<td>Participants in the reactive store (n=104)</td>
<td>M=5.720</td>
<td>5.670</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.874</td>
<td>0.821</td>
</tr>
<tr>
<td>Overall</td>
<td>M=5.750</td>
<td>5.540</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.932</td>
<td>0.856</td>
</tr>
<tr>
<td>F value</td>
<td>7.640</td>
<td>4.050</td>
</tr>
<tr>
<td>P value</td>
<td>0.006*</td>
<td>0.046</td>
</tr>
</tbody>
</table>

Note: N=155; *$p<0.05$.

Then, a two-way ANOVA is used to analyze the interaction effect between different channels and the proactive and reactive stores on the co-creating value. This finds an interaction effect between the channels of CE and the types of CE on one factor of co-creating value: social network ($p=.046<.050$, $F=4.050$; see Table 4).

For the interaction effect, the proactive store is decent via the physical channel. As far as the physical channel is concerned, the co-creating value of the proactive store (M=6.04, S.D. =1.003) is higher than the reactive store (M=5.83, S.D. =0.867); as for the virtual channel, the co-creating value of the reactive store (M=5.67, S.D. =0.821) is higher than the proactive store (M=5.29, S.D. =0.926; see Table 4). Compared to the virtual channel, the participants of the proactive store can gain more co-creating value of social network through the physical
channel (Figure 5). In consequence, regarding to channels of CE, participants can gain intrinsic satisfaction of co-creating value through the physical channel. Furthermore, regarding to types of CE, participants can gain intrinsic satisfaction of co-creating value from the proactive store though both channels, while they can gain social network of co-creating value from proactive stores through physical channel. Thus, to deliver more social network of co-creating value, the proactive store should focus on the physical channel. For example, the proactive store in this study provides a decent area for customer knowledge sharing. Moreover, the product stories and spirits of the proactive store are decent to be introduced by front-line employees; also, through the atmosphere in the proactive store, participants could better understand the stores they visit.

Figure 5. Interaction effect between the proactive/ reactive stores and channels on social network under co-creating value

Conclusions and Suggestions
To sum up, this study finds that: 1) the co-creating value can be divided into two factors: intrinsic satisfaction and social network; 2) both types of CE and channels of CE have significant effects on co-creating value; and 3) compared to the virtual channel, customers of the proactive store can gain more co-creating value of social network through the physical channel, and this can complement the existing studies of co-creation value which only focus on a single channel.

These outcomes carry important implications for channels-management methods of creative stores in tourism business districts with homogeneous stores. It is possible to learn how to apply a certain channel to enhance customer co-creation value, e.g. virtual channel or physical channel. Also, customers who interact with a service provider through multiple channels (the virtual or physical channel) will compare their experiences across these different channels; thus, this comparative process forms the customer’s judgment of quality (Liao, Rebecca Yen, & Li, 2011). CE can enhance the product or service offerings of the stakeholders as well as provide fast feedback on any potential shortcomings of the offerings (DeFillippi & Roser, 2014). Most of the virtual customer community members possess the same interests and experiences (Romero & Molina, 2011); hence, compared to customers who directly engage in the virtual channel, those who learn about and engage in the virtual channel via physical channel will be reactive. In order to enhance co-creating value, we suggested stores in the tourism business district should try to improve customer knowledge on service offerings in terms of products, services and consistent store image, and knowledge sharing through their own social network, and entertain their mind. To gain intrinsic satisfaction, stores should have a clear marketing message such as providing new inspiration; for example, reactive stores in this study always propose promotions or seasonal schemes making locals focus on issues related to living quality and this is exactly what this
tourism business district aims to. However, to gain social network, stores should trigger customers spend more time on the physical channel; for example, to create a physical channel with a specific space and a series of themes in which related to the city image as well as services or products of the store itself. Moreover, the proactive store in this study was one culture and arts foundation, which regularly cooperated with other organizations to promote the tourism business district, while reactive stores were found as designer brands. In brief, with the existing customer experiences, it is necessary for the proactive service provider to manipulate the physical channel for higher co-creating value to customers in the tourism business district.

Recommendations
This study’s recommendations for future research are as follows. First, this study finds that many stakeholders were engaging in the campaigns which this study holds in the tourism business district. Given that extensive recent scholarship has divided stakeholders into multiple classifications (Hart & Sharma, 2004; Fletcher et al., 2003; Spohrer & Kwan, 2009), it would be possible for future studies of this topic to include classifications of stakeholders. Additionally, it is important to share opinions and have discussion in enhancing co-creating value; that is to say, knowledge is created as individuals in the community collaborate and share experiences and insights with one another (Ardichvili, Page, & Wentling, 2003; Wenger & Snyder, 2000). As customers become acquainted to exchanging their opinions or experiences, the future study could focus on knowledge management, especially knowledge sharing in the community.

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