



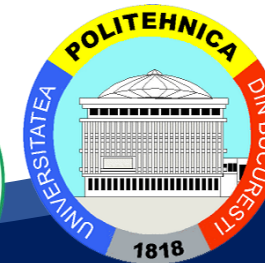
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Course 15: Customer Experience-Driven Design

Module 3: Memorable Customer Experience Design Topic 3: Customer Experience Co-Creation

Pisut Koomsap (AIT), Duangthida Hussadintorn Na Ayutthaya (AIT)

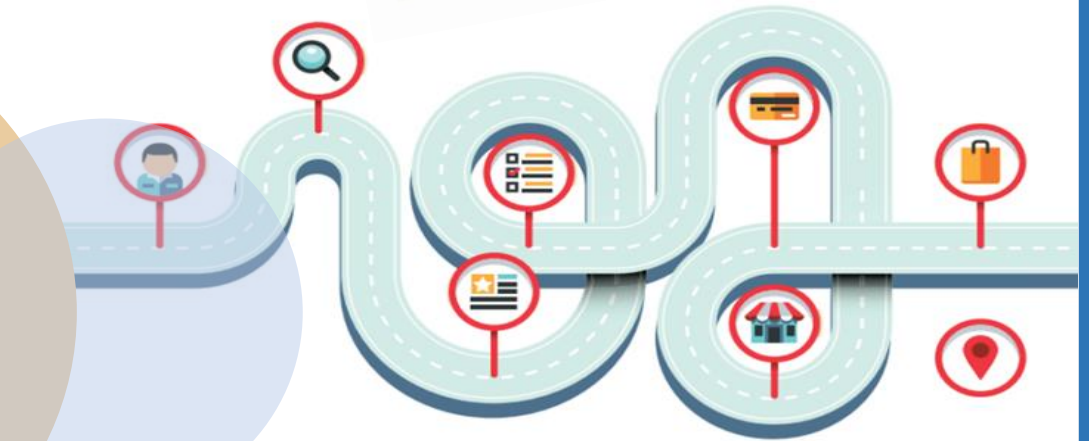


Curriculum Development
of Master's Degree Program in
Industrial Engineering for Thailand Sustainable Smart Industry

Memorable Customer Experience Design



- Customer Experience Journey Design
- Embedding Memorable Experience into Customer Experience Journey
- Customer Experience Co-Creation
- Industry 4.0 Technologies/Applications for the Creation of Customer Experience





How Companies Think

How Consumers Think



Company



Customers





Company

How Companies Think

- CRM
- Call Centers
- ERP
- Choiceboards
- Enterprise Networks
- Product Variety
- Plants
- Pricing
- Logistics
- Product
- Manufacturing
- Engineering
- Technology
- Science
- R&D
- Platforms

The Point of Exchange

How Consumers Think

- Hopes
- Dreams
- Desires
- Aspirations
- Peace of Mind
- Family
- Lifestyle
- Work Style
- Compromises
- Needs
- Chats
- Stage of Life
- Consumer Reports
- Activities
- Communities
- Word of Mouth
- Expectations



Customers



The Traditional Concept of a Market

Firm-Consumer Interaction

- 1) Interaction is the locus of economic value extraction by the firm (and the consumer)
- 2) Interaction is the basis of consumer experience

The Firm:
Creates value

The Market:
Exchange of value
(products and services)

The Consumer:
Demand target
for the firm's
offerings

The market is separate from the value creation process



MSE 4.0



NIKE[®]
AIR

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Companies spent the 20th century
managing efficiencies.

They must spend the 21st century
managing experiences.



The Emerging Concept of the Market

Firm-Consumer Interaction

- 1) Interaction is the locus of **co-creation of value** and economic value extraction by the consumer and the firm
- 2) **Co-creation experiences** are the basis of value

The Firm:

Collaborator in co-creating value and competitor in extracting economic value

The Market:

Co-Creation Experiences of Unique Value in the context of an individual at a Specific moment

The Consumer:

Collaborator in co-creating value and competitor in extracting economic value

The market is **integral** to the value creation process



The Concept of Co-Creation

What Co-Creation is not...		What Co-Creation is...
1.	Consumer focus Customer is king or customer is always right.	Co-creation is about joint creation of value by the company and the customer. It is not the firm trying to please the customer.
2.	Delivering good customer service or pampering the customer with lavish customer service.	Allowing the customer to co-construct the service experience to suit her context.
3.	Mass customization of offerings that suit the industry's supply chain.	Joint problem definition and problem solving.
4.	Transfer of activities from the firm to the customer as in self-service	Creating an experience environment in which consumers can have active dialogue and co-construct personalized experiences; product may be the same (e.g. Lego Mindstorms) but customers can construct different experiences
5.	Product variety	Experience variety
6.	Segment of one	Experience of one

The Concept of Co-Creation

What Co-Creation is not...		What Co-Creation is...
5.	Product variety	Experience variety
6.	Segment of one	Experience of one
7.	Meticulous Market research	Experiencing the business as consumers do in real time. Continuous dialogue.
8.	Staging experiences	Co-constructing personalized experiences
9.	Demand-side innovation for new products and services	Innovating experience environments for new co-creation experiences

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NIKE
BY YOU



Upper

Vamp Mesh / Tongue

Quarter

Solid

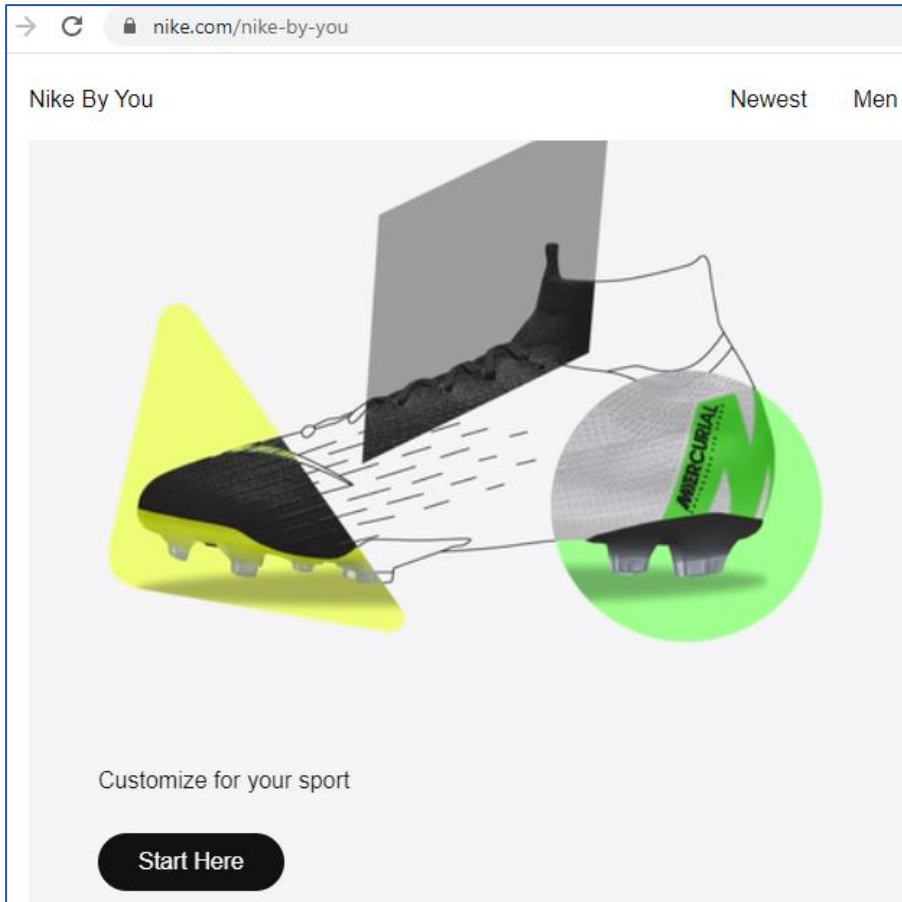
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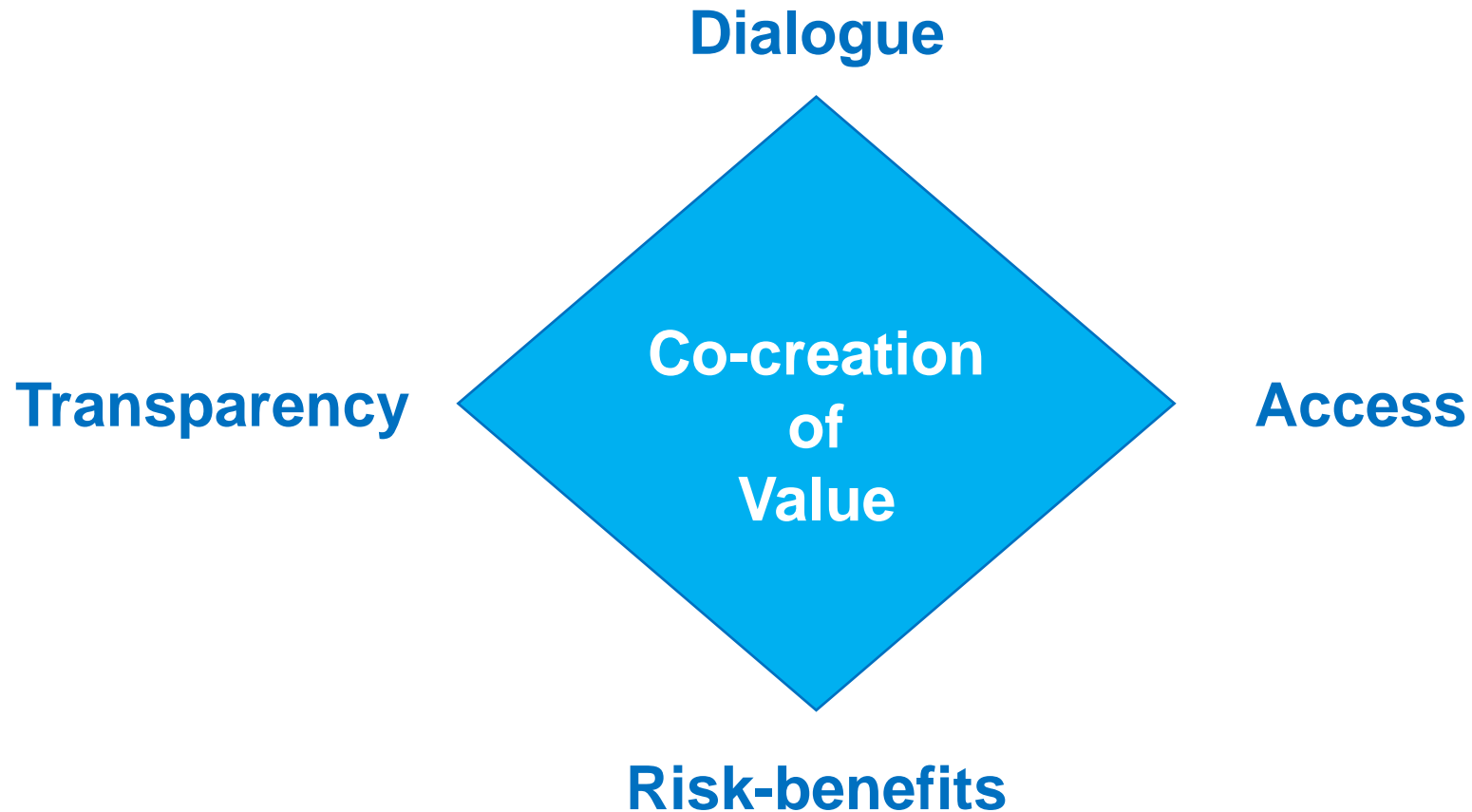
Apply Selection

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Building Blocks of Interactions for Co-creation of Value



Transformation of the Relationship Between Firms and Consumers

	FROM	TO
1.	One-way	Two-way
2.	Firm to consumer	Consumer to firm
3.	Controlled by firm	Consumer to consumer
4.	Consumers are “prey”	Consumer can “hunt”
5.	Choice =buy / not buy	Consumers wants to / can impose her view of choice
6.	Firm segments and targets consumers; Consumers must “fit into” firm’s offerings	Consumer wants to / is being empowered to co-construct a <i>personalized experience</i> around herself, with firm’s experience environment



The Market as a Target for the Firm's Offerings VS a Forum for Co-Creation Experiences

The Market as a Target		The Market as a Forum	
1.	The firm and the consumer are separate, with distinct predetermined roles.	The firm and the consumer converge; the relative "roles of the moment" cannot be predicted.	
2.	Supply and demand are matched; price is the cleaning mechanism. Demand is forecast for products and services that the firm can supply.	Demand and supply are emergent and contextual. Supply is associated with facilitating a unique consumer experience on demand.	
3.	Value is created by the firm in its value chain. Products and services are exchanged with consumers.	Value is co-created at multiple points of interaction. Basis of value is co-creation experience.	
4.	Firm disseminates information to consumers.	Consumers and consumer communications can also initiate a dialogue among themselves.	

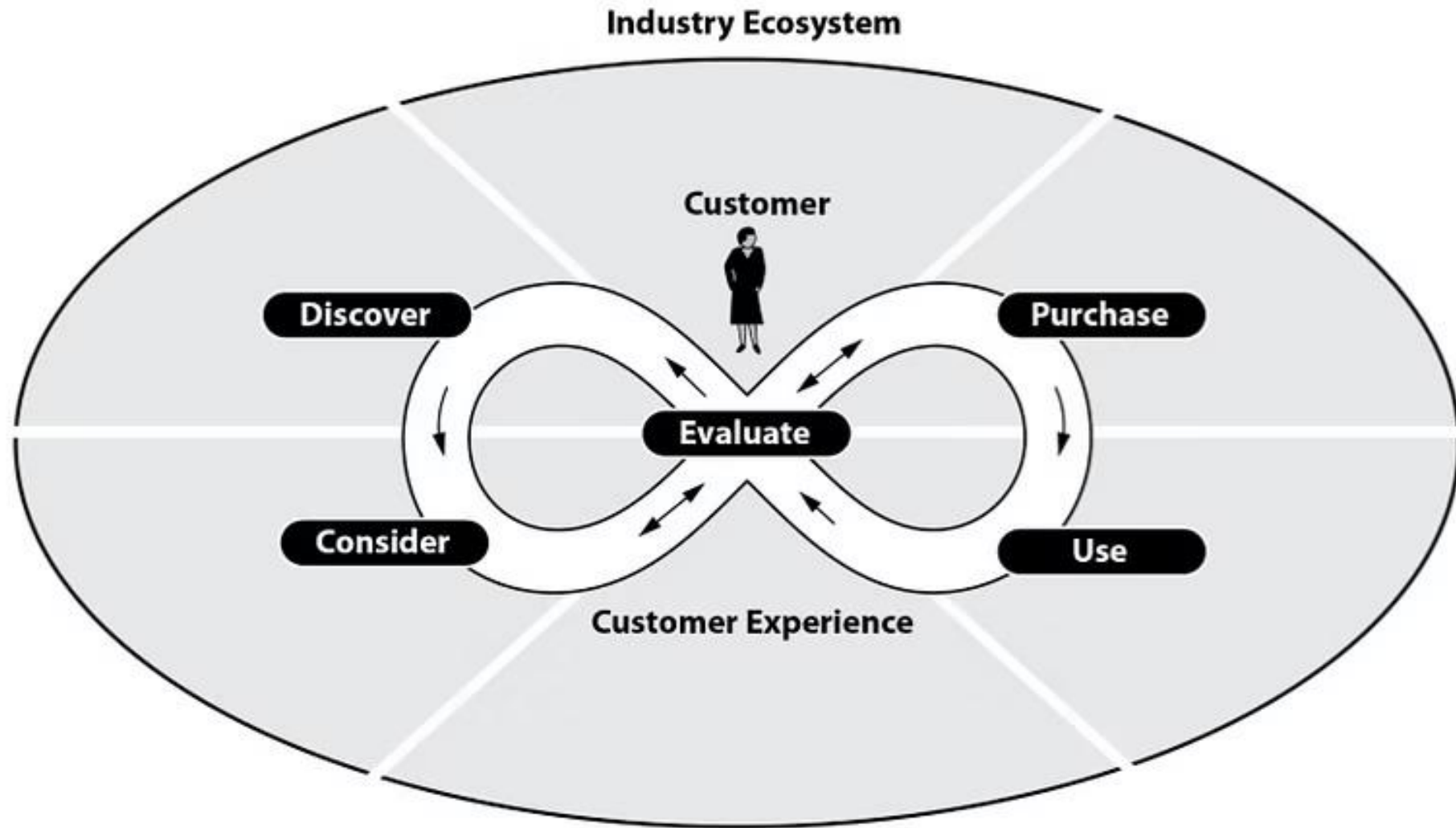




The Market as a Target for the Firm's Offerings VS a Forum for Co-Creation Experiences

The Market as a Target		The Market as a Forum
5.	Firm chooses which consumer segments to serve, and the distribution channels to use for its offerings.	Consumer chooses the nodal firm and the experience environment to interact with and co-create value. The nodal firm, its products and services, employees, multiple channels, and consumer communities come together seamlessly to constitute the experience environment for individuals to co-construct their own experiences.
6.	Firm extract consumer surplus. Consumers are "prey," whether as "groups" or "one-to-one." Firms want a 360-degree view of the consumer, but remain opaque to customers. Firms want to "own" the customer relationship and lifetime value.	Consumers can extract the firm's surplus. Value is co-extracted. Consumers expect a 360-degree view of the experience that is transparent in the consumer's language. Trust and stickiness emerge from compelling experience outcomes. Consumers are competitors in extracting value.
7.	Companies determine, define, and sustain the brand.	The experience is the brand. The brand is co-created and evolves with experiences.



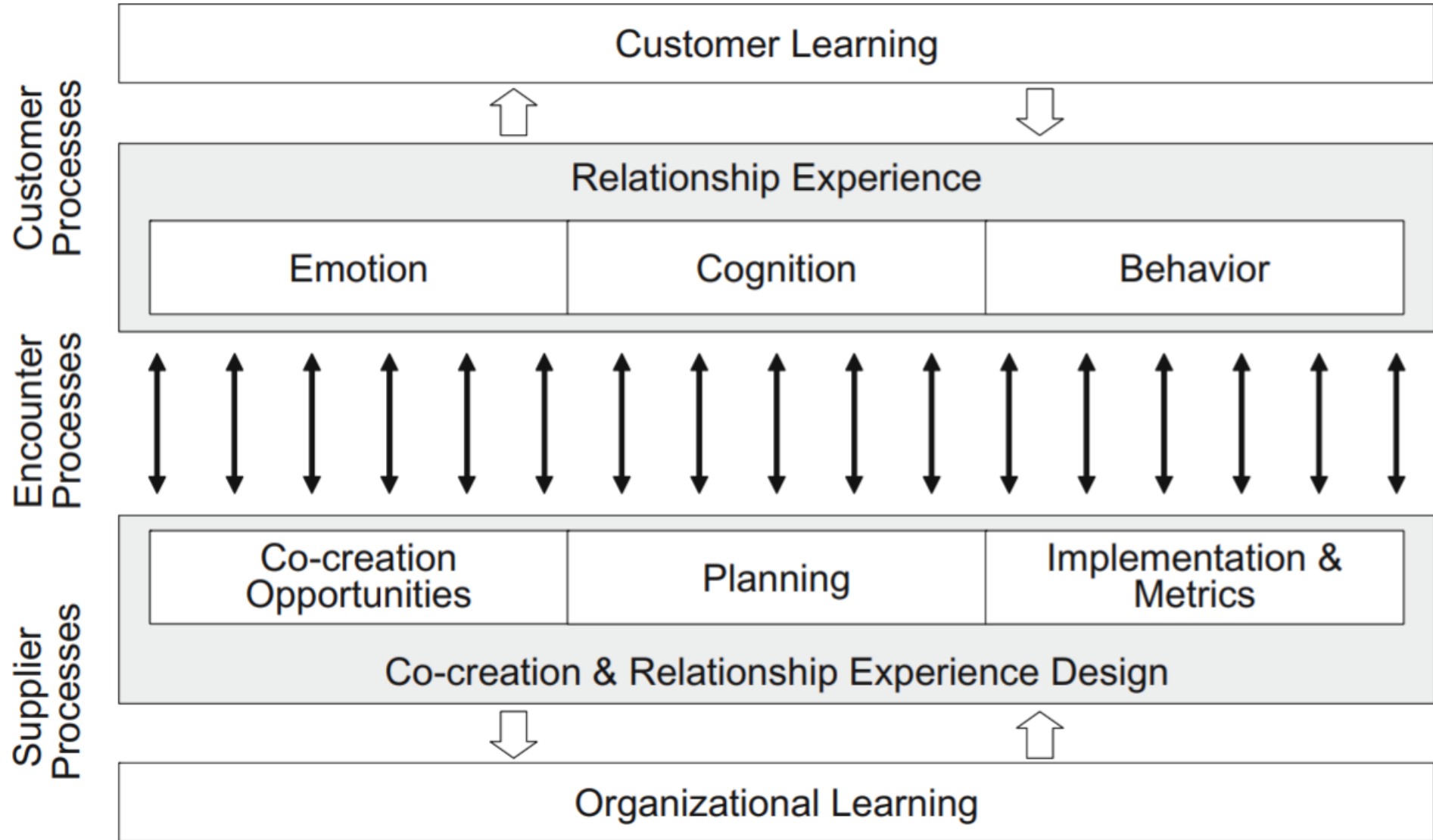


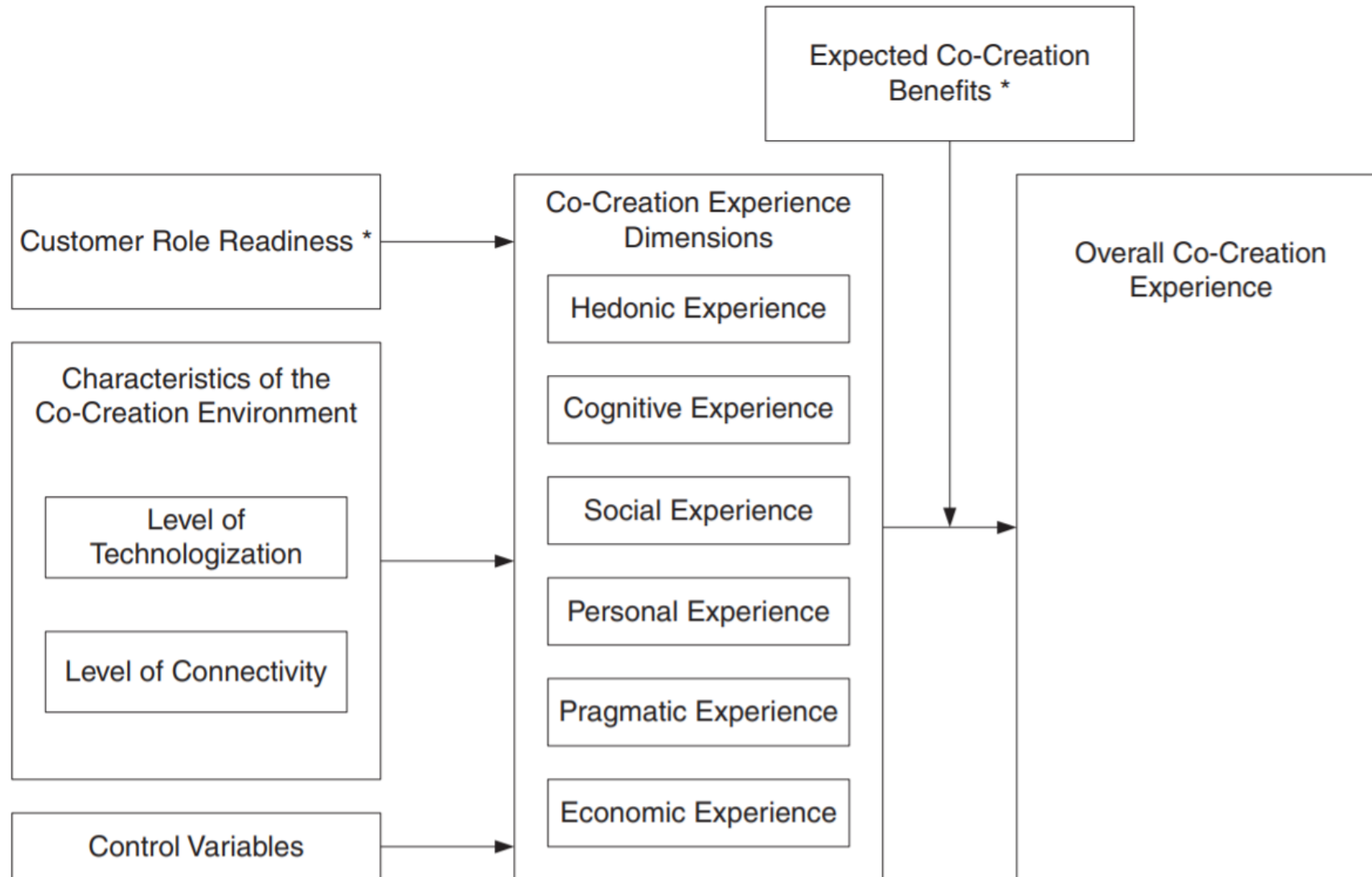
https://yourstory.com/2019/02/co-creation-canvas-customer-engagement?utm_pageloadtype=scroll

Nour, D. (2017). *Co-Create: How your Business will profit from innovative and strategic collaboration*. St. Martin's Press.

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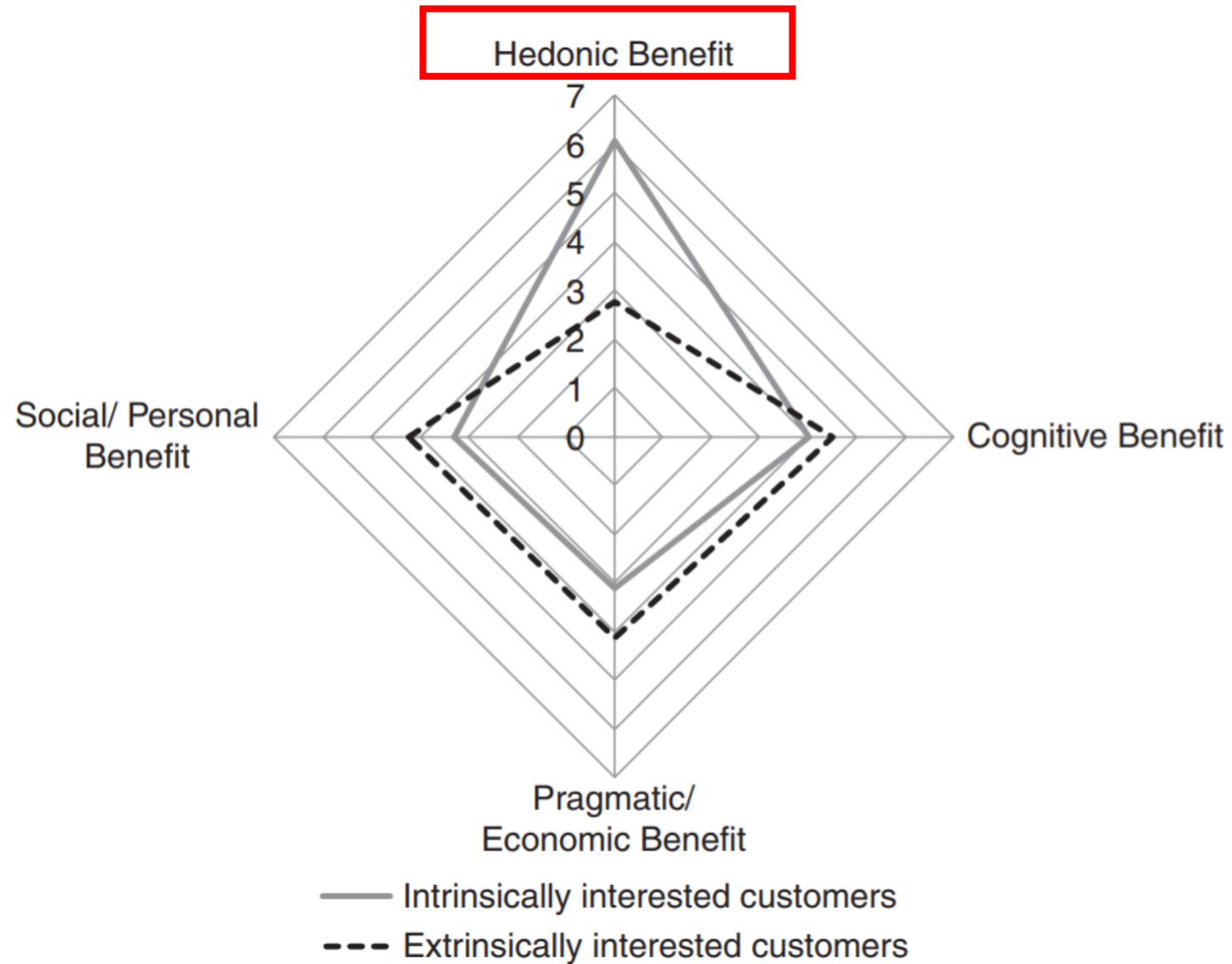


Note: *, characteristics of co-creating customers



Scale	Items	Scales from which items are adapted
Hedonic experience	It was a nice experience	Adapted from self-regulation questionnaire – intrinsic motivation scale (Ryan and Connell, 1989)
	It was fun	
	I enjoyed it	
Cognitive experience	It allowed me to keep up with new ideas and innovations	Adapted from intrinsic innovation interest scale (Füller, 2010)
	It enabled me to come up with new ideas	
	I could test my capabilities	
	I improved my skills	
	I gained a sense of accomplishment	
Social experience	I gained new knowledge/expertise	Adapted from gain knowledge scale (Füller, 2010)
	I met others with whom I share similar interests	Adapted from achievement-challenge self-efficacy scale (Füller, 2006)
	I am able to connect with other people	Adapted from knowledge acquisition scale (Füller, 2006)
	The interaction was pleasant	Adapted from make friends scale (Füller, 2006)
Personal experience	It raised ideas that I can introduce to others	Adapted from customer relational value scale (Chan <i>et al.</i> , 2010)
	I could make others aware of my knowledge and ideas	Adapted from show idea scale (Füller, 2010)
	I made a good impression on other people	Adapted from recognition–visibility scale (Füller, 2006)
Pragmatic experience	I had control over the quality	Adapted from consumer perceived social value scale (Sweeney and Soutar, 2001)
	The quality was in my hands	
	I had an impact on the degree to which my preferences were met	
Economic experience	The risk of failure was limited	Adapted from customer economic value scale (Chan <i>et al.</i> , 2010)
	I got a compensation in line with the effort made	
	I got an appropriate reward in return for my input	
	I got a fair return	

Table I.
Multidimensional
co-creation
experience
scale items



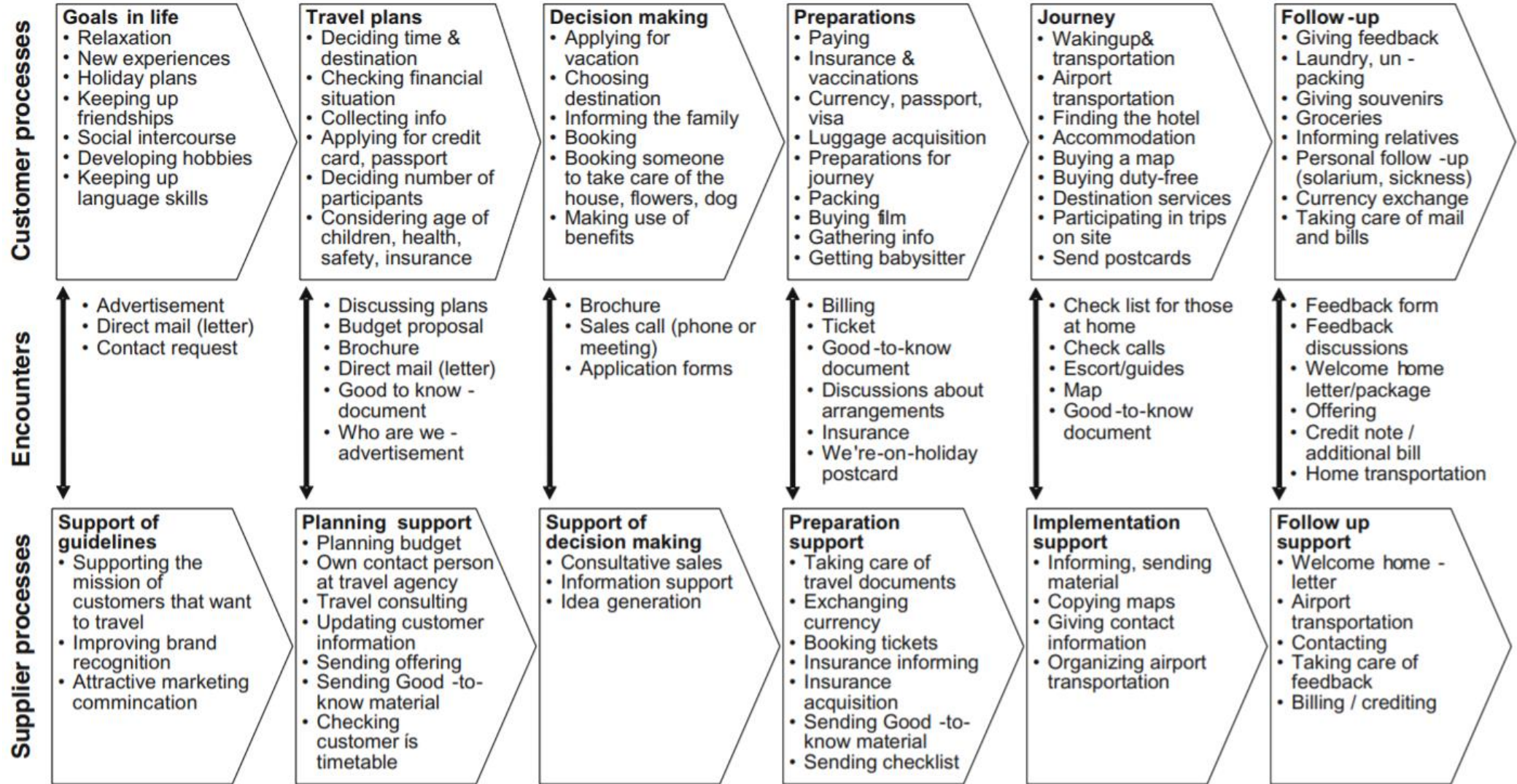


Figure 2 Mapping of customer, supplier and encounter processes.

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Ideas so far

Search Ideas



PRODUCT IDEAS

- 32,820 [Coffee & Espresso Drinks](#)
- 3,355 [Frappuccino® Beverages](#)
- 9,613 [Tea & Other Drinks](#)
- 15,037 [Food](#)
- 7,916 [Merchandise & Music](#)
- 16,137 [Starbucks Card](#)
- 2,791 [New Technology](#)
- 10,615 [Other Product Ideas](#)

EXPERIENCE IDEAS



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My Starbucks Idea

277 ideas brought to life




Celebrating 5 years of inspiring ideas that have made us *Better*

Idea # 19
Free Birthday Treat
100,000 customers celebrated their birthday with a free treat over just 2 days last March 2-3

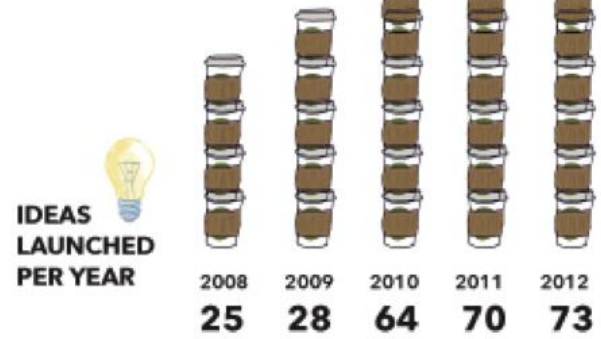


Idea # 1
Splash Sticks
Keeping clothes cleaner for the past 5 years




2,000,000 votes have been cast on My Starbucks Idea—more than the last mayoral election in Chicago

More than 150,000 Ideas submitted over the past five years



Idea # 202
Mobile Payment Through Drive Thrus
Now you can just roll down your window and use your phone to enjoy your favorite cup of coffee



Idea # 128
Cake Pops
More than 5,800,000 cake pop treats enjoyed each year, with Friday being the most popular day



Idea # 3
Free Wi-Fi
7,500 Starbucks in the U.S. and Canada have Wi-Fi that can be accessed with just one click and no cost



Idea # 34
Happy Hour
San Fernando, California is the happiest city with the most Frappuccinos created during **Frappuccino Happy Hour**



New Flavors
Idea # 275 **Hazelnut Machiatto**
Idea # 144 **Mocha Coconut Frappuccino**
Idea # 233 **Pumpkin Spice Latte VIA**

#practicenext

Fournier, A. (2019, October 25). My Starbucks Idea : an Open Innovation Case-Study. Retrieved September 20, 2020, from <https://www.braineet.com/blog/my-starbucks-idea-case-study/>

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NOTE YOUR STYLE

Choose Your Color in Your Style



NOTE YOUR STYLE >

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Exterior Interior

Body Color

Choose PERSONALIZATION PACKAGE Choose!

Roof Spoiler
RED Price per piece 5,000 baht
(Prices Do Not Include VAT And Accessory Installations Fees.)

Door Mirror Cover Set

Door Handle Cover
RED Price per piece 1,500 baht
(Prices Do Not Include VAT And Accessory Installations Fees.)

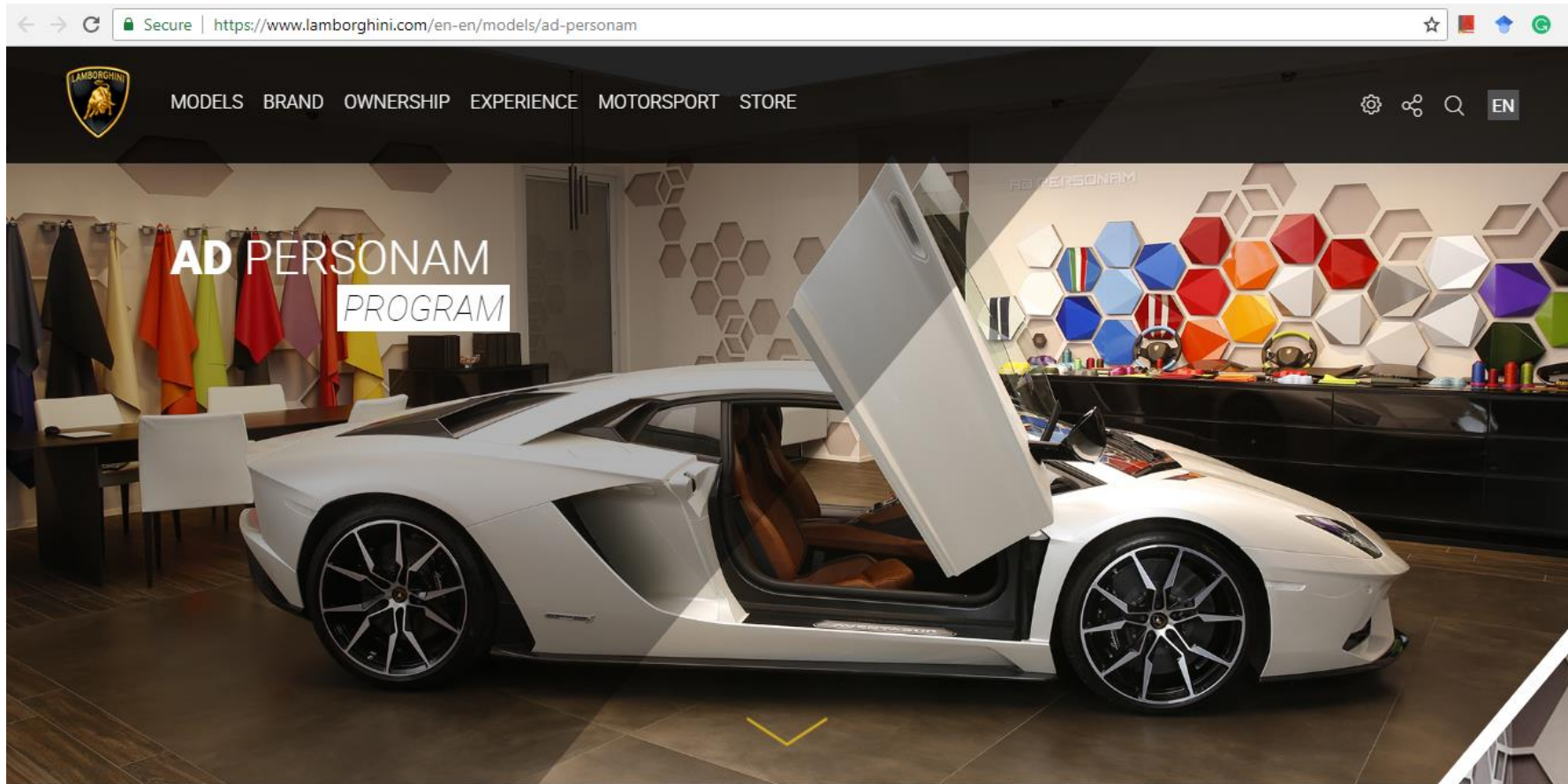
Body Color

Choose PERSONALIZATION PACKAGE

48,850 -.- View Summary

(Accessory Installations Fees.)

Make It Unique Make It Yours



Make It Unique Make It Yours

AVENTADOR S COUPÉ

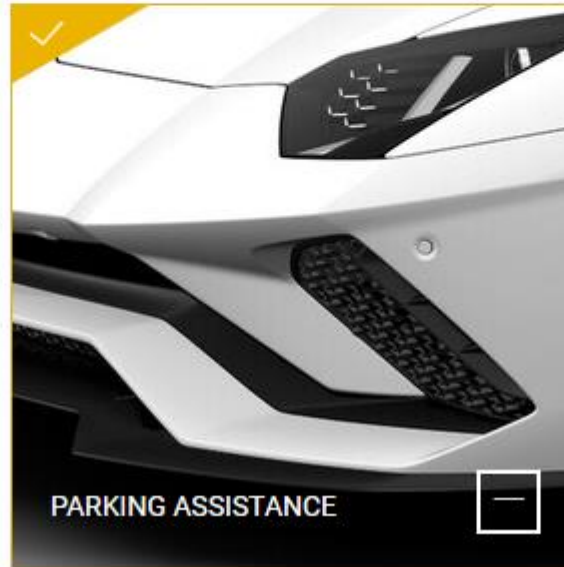
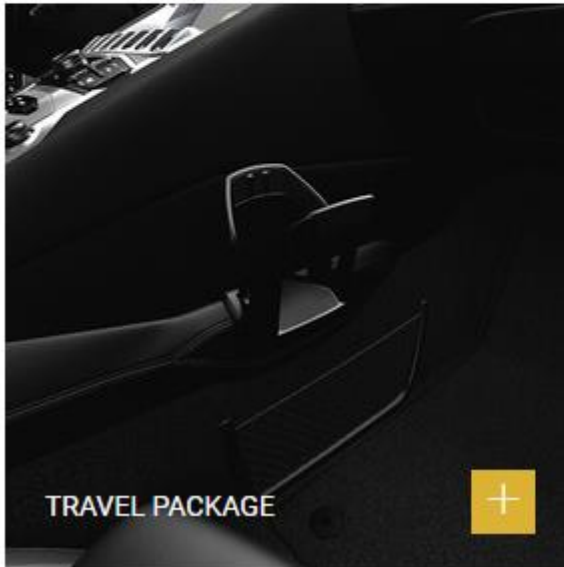
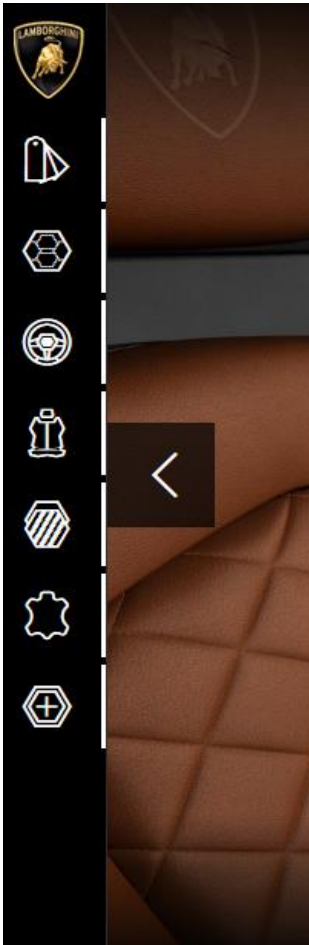
EXTERIOR

INTERIOR

OPTIONS

YOUR CAR

ENHANCE YOUR LAMBORGHINI





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Thank You

Together We Will Make Our Education Stronger



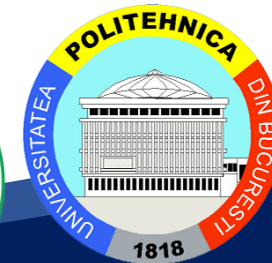
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