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The Use of Creativity and Intellectual Capital of Consumers in Modern Enterprises

ABSTRACT

Due to the development of technology clients have almost a limitless possibility of becoming creative individuals who, both independently and in a group, are willing to share their creativity, knowledge and skills. Enterprises are increasingly and more consciously reaching for this potential. The article discusses the phenomenon of co-creation of products and services with consumers, possible forms of using intellectual capital of consumers in companies and the awareness of these trends among Polish managers based on the research carried out by the author.

Keywords: consumer behavior, co-creation, business model, prosumer

JEL Classification Codes: M30, M31, O3

1. Introduction

Clients are increasingly becoming co-creators of value. They are involved not only in discussions about brands, products and enterprises. They are also more and more willing to join the process of co-creating the company's offer. We can now observe a paradigm shift in the area of business management and possibilities of value creation. Noteworthy is the new role of the consumer, whose participation in the company's activities may become a source of value and an opportunity to gain a competitive advantage in the market.

The emergence of the internet and its commercialisation have introduced many modifications in the area of communication between market players especially in the field of communication between enterprises and consumers. Thanks to information technologies, the internet in particular, companies have the opportunity to build and maintain individual relationships with clients. On the other hand, consumers have an unlimited possibility of contacting companies directly on the unprecedented scale. This phenomenon has changed the balance of power between organisations and consumers on the market, giving consumers more power than ever before. These contacts are not carried out exclusively on the consumer – marketing department line. Increasingly, they cover all functional departments of enterprises. Responsibility for customer relations and experiences lies with all the company's departments.

Consumers can cooperate with various market players. The new type of consumer seeks to abolish information asymmetry using the achievements of ICT and social media. Detailed knowledge about the offer of enterprises, the possibility of exchanging experiences, information and opinions between users of products and services, ease of comparing competitive offers are the elements that have significantly changed the role of consumers. They are no longer passive recipients of companies' messages and proposals. Nowodziński [2014] emphasises that the contemporary client can be characterized by an active attitude towards the company and becomes a prosumer. The engaged customer starts to co-create products and services with the company using his/her creativity and knowledge.

The concept of transforming consumers into producers first appeared in the work of McLuhan and Nevitt [1972]. In 1980 the futurologist A. Toffler [2001] defined consumers as "prosumers", stressing their participation in the product manufacturing process, the effect of which should be satisfying consumers' needs. The "prosumers" are competent and active consumers. They are involved in the production process, which blurs the borders between the producer and the buyer.

The issue of the article undertaken by the author is important for several reasons. First of all, consumers now have the tools and opportunities to interact with the company proactively. Enterprises should see and understand how to use this stream of creativity. Secondly, in the era of increasing global competitiveness, cooperation with consumers in the area of product creation can become a source of advantage for the company and a way to improve or

strengthen the position of the company on the market. Contemporary consumers are much better educated, know basic market mechanisms and have unlimited access to information. They are much more than previous generations focused on cooperation and are proactive in solving problems. Moreover, they want to use their skills and knowledge to play an active role in creating value on the market [Wójcik, 2009]. Organizations have to understand modern clients and learn how to use their potential in the area of creating new products. The contemporary client, apart from the role of traditional buyer, can be a valuable resource or co-producer.

The article aims to present the phenomenon of co-creation of products with consumers in a virtual environment and to identify the degree of using co-creation of value among Polish enterprises based on the research carried out by the author. In the article, the author presents the possibilities of using intellectual capital of consumers, characterises possible roles and forms of consumer activity undertaken in cooperation with enterprises. In the end, selected results of the research carried out by the author are presented, as well as conclusions and recommendations for further study.

The study on the Polish market according to the author's knowledge is a pioneering study. The results presented in the article constitute a fragment of a complex research project covering many aspects related to the topic of co-creation. Few studies in the Polish literature on the subject indicate the need for diagnosis and analysis of these issues.

2. Forms of using creativity and intellectual capital of consumers

The need to include consumers in activities supporting the creation of products and services appeared in the literature already in 1977 [Eiglier et. al., 1977]. The idea of collaboration with clients is nothing new. Over the years, we have been able to observe customers in the role of service and sales staff (e.g. self-service in retail chains), a warehouse employee (e.g. IKEA – customers search for, receive and assemble the goods themselves). The emergence of the Internet and its widespread commercialisation has initiated the appearance of a growing number of business models, enabling the inclusion of customers in a series of processes that have been implemented so far by internal resources and company forces. We can, therefore, observe business solutions in which clients are content creators (e.g. activities on social platforms such as Facebook or YouTube), product suppliers (e.g. trading platforms such as Allegro or eBay, where clients fill up virtual shelves).

According to the Agrawal and Rahman's [2015] classification, clients can play the role of:

- Co-producer – customer engagement in the production process, initiated mainly in the area of services and then transferred to other areas.
- Co-distributor – the phenomenon of self-service as a distribution tool is widely used by restaurants, retail chains or banks to reduce costs – the customer becomes part of the process.

- Co-promoter – consumers as promoters of the brand have always existed, but thanks to IT technologies and web 2.0 they gained the reach and strength that has become a valuable asset for the organization.
- Co-manufacturer – consumers as co-producers: together they create software, blogs, vlogs, wikis such as Wikipedia and co-create content on social websites such as Facebook or YouTube.
- Co-consumer – consumers as users of products and services give them additional importance in the consumption process, creating value for themselves as well as for others. They share experiences with other market participants, thus helping other consumers to make the best choice for them from among the available options.
- Experience creator – co-creators of experiences related to the consumption of a product or service. In many areas, such as retail sales, education or healthcare, this experience becomes one of the factors determining the level of customer satisfaction and their loyalty to the company.
- Co-innovator – consumers can participate in the process of developing existing products and services, current and new processes and ideas for innovation.
- Co-ideator – thanks to internet technology and in particular social media, clients can be a valuable source of ideas for innovation in every area, both initiating this process themselves and responding to the company's needs.
- Co-evaluator – consumers can also participate in the process of project verification and selection of the best ideas submitted. This gives the company significant information taking into account the preferences of the majority of participants and may be a premise for assumptions that the chosen solution will meet the market's acceptance after its implementation.
- Co-designer – this area requires experience and specific knowledge from clients. Ties with the company are closer, in this case, access to internal information is important, and project groups are usually less numerous.
- Co-tester – consumers are engaged in testing products that are to be introduced to the market, thanks to which the company can reduce the risk of errors. Also, once the product is launched, at an early stage committed customers can become a valuable source of information and product ambassadors.

The participation of consumers in value creation process can take different forms. Their activity can be purposeful, or unconscious and implemented “by the way”. Actions taken by clients can, therefore, be classified as passive or active. Also, customers can carry out projects of diverse nature as a result of social involvement, independent of the company or as an answer to the open call of the company or organisation. The effects of their work can also be used and distributed differently. They can be of value mainly to the consumer, as in the case of product customization, or the effect of customer work can be a value for the company and other consumers. It is worth noting that despite such a distinction, the beneficiaries are usually both the enterprise and a broad group of clients because even individual decisions of

clients can be a valuable source of information for managers in the company and be application-oriented for a larger group of buyers. To a large extent, it depends on the degree of the enterprise's maturity in the area of co-creation of values with clients and an efficient system of introducing changes.

The classification of customer activity forms in the area of value creation with companies is presented below [Łaszkiwicz, 2018].

I / The role of the client

1. Passive – the customer is not aware that he/she contributes value or has such awareness, but the data is collected without his/her activity (e.g. web analytics referring to consumer behaviour on the Internet and in decision-making/purchasing processes). Gathered behavioural data can help to improve customer experience, website design, the usability of platforms or mobile solutions and support customers during an online purchase, for example through a recommendation system based on individual preferences of customers by Amazon.
2. Active – the client is aware of the activities and undertakes them voluntarily. These activities may take a variety of forms, depending on the company's strategy and needs.

II / The initiating entity

1. There is no organising entity – people organise themselves around matters that are important to them (e.g. charitable activities, collective signing of petitions). Virtual activities of the community always require an environment in which they can exchange views and opinions, such as social platforms, but in this case, they will not be treated as an intermediary due to the lack of direct influence on the selection of the target around which the virtual community gathers.
2. There is an intermediary entity – this is the case in which the intermediary makes it possible to generate value for the participants through the implementation of specific activities. The final beneficiary, usually the enterprise, is responsible for setting the objective. An external entity is engaged by the company to conduct communication, PR activities, stimulating the participants' activity or moderating them. It could be activities also using social media, but implemented on behalf of and at the initiative of the company, as well as activities independent of the enterprise, such as ranking and opinion-forming systems, facilitating the collection of content to participants of virtual communities.
3. Actions are initiated by the company itself for specific needs and business goals. Virtual communities take up activities on the basis of an invitation to act.

III / Recipient of the created value

1. Value for the customer – this is the case in which the main beneficiary of the developed solution is the customer, for example, by designing an individualised product from the components in the company's online shop. However, even this form of activity can be

a carrier of value for the company as a source of information about consumer preferences in the process of mass customization and can provide reasons for modifying and improving the offer.

2. Value for the company – a situation in which the value is dedicated solely to the company's needs is not typical, the idea of co-creating value with clients is to search for solutions contributing to the increase in the well-being of all participants. However, it is possible to identify cases contributing to the reduction in capital investments by raising funds on crowdfunding platforms such as Kickstarter or acquiring ideas for advertising creations, which reduce the costs of marketing activities in the company.
3. Value for a broader group of recipients – this is the most valuable and consistent with the definition of co-creation an alternative in which all participants of the process are beneficiaries.

IV / Decision maker in the area of value utilisation

1. Only the customer decides (product customization).
2. A group of consumers decides (the choice of an idea or solution developed by casting votes by the community).
3. The company decides – the company makes the final decision on which idea to choose and to what extent to use the proposals presented by consumers.

V / Remuneration

1. Consumers do not expect payment.
2. Prizes.
3. Financial remuneration.

Table 1. Co-creation choices in relation to high, medium and low strategic relevance for the firm

Strategic relevance	Purpose	Co-creator type	Locus	Intimacy	Time	Incentives
High	Co-innovation of new and valuable products, services and process capabilities	Strategic clients and supply chain partners	Across all stages of innovation process and all functions involved in innovation	Deep and pervasive engagement	Long-term multiple engagements that build trust with each co-creation initiative	High-powered strategic incentive – both extrinsic and intrinsic
Medium	Continuous or incremental improvement of existing products or services or process capabilities	Lead users and communities of users	Across some stages, e.g. front end, marketing	Limited and selected engagement	Shorter-term multiple engagements or a single longer-term engagement on a single initiative	Limited strategic incentives: an extrinsic incentive of small cash or prize for participation and intrinsic incentives of engagement with the product and brand

Strategic relevance	Purpose	Co-creator type	Locus	Intimacy	Time	Incentives
Low	Product promotion; creation of marketing buzz or operating problem solution via a crowd sourced campaign	Diffuse crowd of non-clients and non-users. Via an open call crowdsourcing initiative	One stage only or innovation process, e.g. front end	Impersonal, arms length	Short term engagements with different crowds of participants each time	Operational incentives mostly extrinsic (win a prize, award) and an intrinsic incentive of working on a challenging task for peer recognition

Source: DeFillippi and Roser, 2014.

The challenge for enterprises' managers is to try to find answers to two fundamental questions: how to recognise the ability of users to create value for the company and how to use this opportunity and at the same time overcome the natural resistance of the company to transfer significant control to people outside the company [Cook, 2008, p. 60].

3. Research method

In the research carried out between August 26 and October 18, 2016, the main goal was to identify the level of knowledge of the issue of co-creating value with consumers in a virtual environment among enterprises and to learn the scope of using this idea in the business practice [Łaszkiwicz, 2018]. The purposive sampling was used. The survey was conducted among Polish and foreign managers representing different companies that conduct business in a virtual environment. The study participants received links to questionnaires in the Polish and English language versions. The design and readability of the survey were previously verified in a pilot study. The questionnaire in the Polish version was completed by 157 participants, while the questionnaire in the English version was completed by 42 managers. In total, 199 questionnaires were registered, including 134 with complete answers, which were subjected to further statistical analysis.

The managers represented international companies (81 companies, which is over 60% of the total surveyed), national (46 managers, 34%) and local and regional (three and four companies, respectively, a total of 5%).

4. Results

Of all the respondents who took part in the survey, only 11.2% declared a lack of knowledge of the issue of co-creating value with clients in a virtual environment. Almost half of the respondents (49.3%) know this idea, but they have not dealt with it in business practice. Undertaking actions that co-create value with clients were declared by almost 40% of the

managers, of which less than 13% use the idea of co-creating value with customers systematically and this approach is part of the company's business model.

Among the enterprises cooperating with consumers, the majority (68%) of the respondents admitted that different employees deal with clients. In only 13 cases, the company employs a dedicated employee responsible for this area or has a special department in the company's structure dealing with cooperation with consumers.

5. Summary

The aim of the article was to present the idea of co-creation of products with consumers in a virtual environment and to identify the degree of using co-creation of value among Polish enterprises based on the research carried out by the author. According to the presented findings, enterprises are familiar with the issue of co-creating value with consumers. Almost half of the surveyed companies take actions related to co-creating value with consumers, and the vast majority are aware of them. It may mean that managers perceive the benefits resulting from the application of the discussed solutions in enterprises. However, a small percentage of the respondents who use this solution as a business model may point to some barriers with a diverse background in this area. One of them may be an insufficient readiness, which would be indicated by the spread of responsibility for relations and cooperation with clients in the surveyed organisations. The author is also aware that the method of sample selection limits the inference to the entire population. However, it gives the opportunity to view the issue in the analysed sample.

Consumers can provide not only creative but also unique and valuable ideas to companies. In the study from 2004, the ideas of consumers were more creative than those provided by the team responsible for product development at the company [Kristensson et al., 2004]. Co-creation should not be perceived as a threat to employees, but rather as a chance to diversify thinking and recognise different points of view involving customers from many backgrounds. Unilever cooperates on their Open Innovation Platform with individual customers but also with designers, academics or start-ups [Unilever, accessed: 4.01.2018]. Current challenges are for example the ingredient or technology for prevention of oil oxidation, intelligent packaging, superior functionality, new and novel freezing and cooling technologies. Another company, DHL, has introduced innovations such as "Parcelcopter" (a drone delivery research project), "Smart glasses" (improving warehouse picking efficiency by 25%) or robotics applications as a result of co-creation with its customers [Crandell, 2016]. Intellectual capital of consumers can be a strategic set of intangible assets influencing companies' competitive advantage on the market [Rossi, Magni, 2017].

The method of implementing the idea of co-creation into the everyday business practice of enterprises and the use of the wisdom and creativity of consumers to build a strong competitive position on the market certainly deserves further research and analysis.

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