

The Process of Value Creation, Delivery and Perception: The Theory of Value Perspective in Art Glass

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Abstract—Cultural creativity is part of our lives. Over the recent years, the cultural-creative industry has drawn a great deal of attention from the public and has been widely researched by scholars. However, the process in which the value of cultural products is created, delivered, and perceived remains largely not well understood. Using art glass as an example, this paper aims to construct a value co-creation model for cultural products through interpretive methods of qualitative research. The major findings of this study are: 1) The value co-creation model of cultural products can be understood from the perspectives of the creator, the product, the place/channel, and the consumer; 2) The model of value co-creation is a process of dynamic organizing; and 3) The value co-created by cultural products involves both economic and social values, and can be realized through dialogue/communication, purposely-designed context, and awareness building. With these findings, this paper not only provides new insights to the theory of value, but also practical implications for the cultural-creative industry.

I. INTRODUCTION

The cultural-creative industry has emerged to be a major global trend, with both “culture” and “creativity” becoming a core part of the knowledge-based economy [1]. Effective integration of relevant aspects of this industry, i.e. culture, creativity, economy, technology and management therefore, is critical for the creation of employment opportunities and for improving happiness and quality of life.

However, the question of how cultural products create value and how that value is assessed remains unanswered [2-6]. Despite the significant increase of research papers on the topic of the cultural-creative industry, the majority of which falls within the realm of culture and policy studies. The management scholars on the other hand, focus their discussions on either entrepreneurship/marketing efforts of the industry players or the observations of real-world phenomena. Studies adopting a theoretical framework of strategy are extremely rare, let alone qualitative research on individual case examples. To address this gap between theory and practice, this paper examines **the value creation, delivery, and perception process of cultural products** using the example of art glass.

This paper analyzes qualitative data from the value creation process of art glass as a cultural product from the perspective of the theory of value. Specifically, we aim to achieve three things in this paper: (1) Understand the process of value creation, delivery and perception of cultural products; (2) Analyze the participants of the process and the interactive and co-creative relations between them; and (3) Clarify the

nature of the value that is created, delivered and perceived.

II. THEORY REVIEW

A. Origin of the theory of value

How firms differentiate themselves from others in value creation is a “big question” in the studies and practice of strategy [7, 8]. Unlike in organization (OS) and strategic management (SM) studies, e.g. firm positioning [9], TCE [10], RBV [11], where scholars are concerned with how members in a zero-sum game with consumers paying a fixed price can acquire a higher percentage of that value against others [7], value-based strategy scholars [12-18] take a step back to re-examine the definition and meaning of the notion of value from the consumer’s and/or supplier’s perspective to provide firms with a broader scope for strategic thinking.

However, the term “value” has been used rather loosely in existing literature [15]. Hence, before diving into the discussion of value creation, we try to clarify what value really means. As early as the 1950s, strategic planning scholars such as Ansoff [19] and Andrews [20] already argued that the first step to strategic planning is to define the mission of the organization, which in turn provides value for its existence [19, 20]. Later on, Porter [9, 21], Barney [11] and Peteraf [22] proposed other value related concepts i.e. value activity and value resources [9, 11, 21, 22]. However, the value discussions of the above IO and RBV scholars mainly focus on supplier’s profitability advantage [15, 16].

Bowman and Ambrosini [12] draw on utility theory and divide value into consumers’ recognized use value and exchange value. The former refers to the revenue generated by the provider when target users (consumers) perceive the product or service quality as meeting their needs to perform a specific task, i.e. their willingness to pay [18, 23]. The latter refers to the amount of currency changed hands when the task, product or service is exchanged, i.e. the price [24, 25].

With the notion of value separated from that of price, the value-based strategy scholars then draw on the value, price, and production/opportunity cost concepts of the VPC framework to further define value creation and value capture along the vertical value chain from the supplier and the manufacturer to the consumer, and call this the value-based strategy [7, 15, 18, 23, 26, 27].

Brandenburger and Stuart [18] define value creation as “**the willingness to pay/value (V) minus (material) opportunity cost (OC)**”. In other words, all of the players along the entire value chain, i.e. consumer, manufacturer, and

material supplier can co-create and acquire value or price [15, 28]. Priem [15] integrates the work of value-based strategy scholars [12, 14, 16, 17, 24, 28, 29] and proposes a new definition: value creation is the innovation that establishes or improves consumers' perception of the benefit they receive from consumption (use value), basing on new benefits, better feelings, or lower costs that consumers are willing to pay for.

Value capture on the other hand, refers to the acquisition and allocation of the use value by and among the three players of the value chain [12, 15]. The part of the value from willingness/value minus price (V-P) is the value creation from consumers applying the product to a specific task, or the consumer surplus enjoyed only by consumers. The part allocated to the manufacturer is derived from price minus production cost (P-C), while the material supplier gets the part from production cost minus (material) opportunity cost (C-OC).

B. Value creation of cultural product

The cultural-creative industry features a knowledge-intensive [1, 30], one to infinity (1→∞) value creation process [15, 25, 31, 32]. It highlights user value [33-36], which is manifested through the symbolic value for consumers [5, 37, 38]. Therefore, by adopting the theoretical perspective of value creation to examine the cultural-creative industry, we should be able to generate significant contribution to the research of the this particular industry [4, 25, 39, 40].

C. Value co-creation

1) The value co-creation system

To answer the question of how to move from value creation to value co-creation, we need to first explain a few terms and concepts. The first of these is “value”, which refers to the value perceived by the target user and is different from “price”, i.e. the currency converted during product/service exchange [12, 15, 25]. Secondly, value co-creation refers to two or more parties within a value system are willing and capable to contribute to value creation and have successfully co-created value in that system [15]. Finally, the stakeholders

here are referred to as those who are directly related to the value creation activities, and the system that they form is called the value net or value system. Once these “actors” start to influence each other and create value, their relationship then transforms into “value co-creation” [3, 5, 6], with the actors now becoming co-creators, and the value net or value system turns into a value co-creation system.

2) Premises and requisites of value co-creation system

If we probe one step further to try to understand what makes it possible for co-creators of a value system to co-create value, we identify three premises, i.e. **awareness, motivation, and capability**, and three requisites, i.e. **co-specialization, complementarity, and synergy generation** of this value co-creation process.

The co-creators need to possess certain qualities for value co-creation to happen. These include an “awareness” of the co-creation opportunity, a “motivation” to take part in the value activities of the value co-creation system, and the capability to contribute value to the value system [41].

In terms of their interactive relations, co-creators' assets, resources and capabilities must be tied together and complement each other to generate synergies to make value co-creation possible [7, 42]. In other words, the co-specialized asset, complementary asset and synergy are the three requisites for value co-creation.

D. Value co-creation mechanism

Value co-creation is an interactive process between actors, i.e. supplier, producer, channel operator, and consumer, and it features non-linear value aggregation and path dependency. Therefore, by clarifying who the actors are, what they do, how they interact, and what value they contribute, we will gain a deeper understanding of the value co-creation process and its models, types, and strategies. Armed with this knowledge, we can then move on to discuss how we can create an environment, the right atmosphere, and a governance mechanism to facilitate value co-creation, and in the process bridge the theoretical gap in existing literature.

TABLE 1: FROM VALUE ECOSYSTEM TO VALUE CREATION AND VALUE CO-CREATION

Value concept	Role	Core concept	System and relationship	Main theory
Value theory	Stakeholder	Object owner driven value	Value ecosystem Ecosystem members	Economic and sociological theories
Value creation	Actor	Knowledge resources, co-learning, co-evolution, learning, leveraging resources, buy-in	Value net or value system Linear relations	KBV Core competence
Value capture	Focal firm	Bargaining power, profit from innovation	Value net or value system Allocation relations	Industrial organization Transaction cost Resource-based theory
Value co-creation	Co-creator	Co-creation premises: awareness, motivation, capability Co-creation requisites: co-specialization, complementarity, synergies	Value co-creation system Inter-dependency, inter-reliance	Agency theory Resource dependency Social dilemma

Source: This study

III. RESEARCH METHOD

The value creation process of cultural products involves social, cultural and perceptual factors; all of which intangible and hard to quantify. To better understand the dynamic process of value co-creation of cultural products therefore, this paper adopts the interpretative case study approach ([43-45], which emphasizes how the rich plots of a story with an adequate theoretical lens help provide an insight into the behind-the-scenes workings of a phenomenon, and the opportunity to see the unseen and re-visit the deeper meanings behind the surface. Throughout this paper therefore, we present not only the fascinating stories of art glass, but also apply the theory of value and our own interpretations to the data where appropriate to generate new insights into the value co-creation process of art glass as a cultural product [45-48].

A. Case selection and Background

In ancient China, art glass (“*liuli*”) refers to a natural azure gemstone originated in the Western regions, but it was also frequently used as a name for artificial glass stones. The azure gemstone has always been one of the seven treasures of Buddhism, and therefore are often assigned strong cultural meanings with sometimes mystical associations. Artificial glass stones on the other hand, were commonly used as architectural decorations, sacrificial vessels, and burial goods.

Art glass leverages the most common mineral on earth, i.e. silicon, as its basic material and transforms its limited functional value into a cultural product that consumers can relate to and with much higher value than the cost of the raw material. In other words, it is a cultural product that creates high added value by drawing on its rich cultural implications. In the meantime, the product requires another medium to deliver and co-create its value so that the creator’s idea can be transformed into a concrete object of which the value consumers recognize. It is because of these characteristics that we find art glass one of the best research subjects for understanding the value creation process of cultural products.

The *Liuligongfang* art glass company was founded in Tamshui, Taiwan in 1987. It is not only the first of its kind, but also the world’s biggest art glass brand, founded by Hui-shan Yang and Yi Chang. Today, it operates 70 art galleries around the world with more than 20 of its works featured in the permanent collection of the most well-known museums of the world. And this is why we choose

Liuligongfang as a worthy subject for the purpose of this research.

B. Data collection

This paper mainly collects data from secondary sources and through in-depth interviews. We gather *secondary* data from public sources such as the internet/media, and also internal documents from the subject of our case study. We also perform a triangular validation of the data using our in-depth interview findings and on-site observations to improve the accuracy, reasonableness, and credibility of this paper [44].

On secondary data, we first acquired external data from newspapers/magazines (e.g. *Business Weekly*), the internet, and company websites, looking specifically for the evolution of cultural products and art glass techniques over time and company history etc.. Next, we gathered information from the subject company, including art glass product “word cards”, main techniques employed, management philosophy, and the creative processes. We then used the data to develop interview questions to help us acquire background knowledge on cultural-creative industry, cultural products and art glass more effectively and in depth, and for cross-validation purposes.

To identify the various roles and techniques involved in the value creation, delivery, and perception process from idea conceptualization to consumer consumption, we conducted interviews from March 2012 to May 2013, using “snowballing” approach to grow the interview base. In the open, in-depth interviews, each lasting 2-3 hours, we posed pre-developed questions to interviewees, while deep diving into interesting topics as we went along. The interviewees include vice presidents, assistant vice presidents, and a former sales manager of the subject company. All told, our interviews cover 8 individuals and last 14 hours [48, 49].

We have also visited the display sites in department stores to get a sense of the space design and to understand the context of the sales place through interactions with the sales people, particularly with regards to how they create an environment in which the consumer can identify with the commercial value of the art glass products. We then compared this with our interview notes to check the credibility of the interview data and how much what the management said was actually being implemented.

TABLE 2: INTERVIEWEE LIST

Interviewee	Form	Duration (hrs)	# of people
Assistant Vice President A	Face-to-face	1	1
Assistant Vice President A	Face-to-face	2	1
Assistant Vice President A	Face-to-face	4	1
Vice President, AVP A, AVP B, AVP C	Face-to-face	3.5	4
Former Sales Manager	Face-to-face	3.5	1
Total		14	8

SOURCE: This study.

C. Data analysis and presentation

This paper describes the process of value creation, delivery and perception of cultural products from creator to consumer through qualitative analysis of both document and interview data. The data analysis can be roughly divided into two phases: In the first-order analysis, we try to let the data speak for itself, without making too many subjective interpretations into the theories. In the second-order analysis, we then begin to interpret the data using value co-creation theory and its relevant concepts to draw deeper meanings and implications behind the value creation of the cultural product art glass.

During the first-order analysis, we leveraged the monthly research results sharing meetings of the Value Project community members under the NSC (National Science Council) Integrated Research Program to continue to interact with the theory and refine the analytic framework. Next, the three authors of this study completed four rounds of framework revisions to translate the data into stories, using semi-open interview questions, verbatim transcriptions of the interviews, meaning development units, interviewee discourse and researcher discourse etc..

During the second-order analysis, the three authors met every four weeks to integrate the cultural-creative stories into the theory of value and developed the preliminary creator-product-place-consumer framework to help explain the value creation, delivery and perception process and draw further practical implications from the theory of value and the value co-creation model. We used a 4-stage framework to present our findings from the case study and summarized our data analysis in Table 3 to illustrate our theoretical reasoning process.

IV. RESEARCH FINDINGS

This paper divides the value delivery process from creator to consumer of a cultural product into four phases, i.e. creator, product, place, and consumer, each with their respective value-added activities.

A. The creator

The creator's creative process of a cultural product can be divided into cultural element, technique innovation, and creator's personal qualities.

Cultural element: Art glass creators are driven by a sense of mission to carry on the culture and introduce it to the world. Taking "delivering meaning/moral and communication" into consideration, the creator seeks inspirations in cultural semantics from totem elements (completeness, Nine Offsprings of Dragon), religious culture (Goddess of Mercy *Guanyin*), and local animals (Taiwan Blue Bird, Magpie) and bring the cultural meaning of "truth,

goodness, and beauty" into their work through shapes, graphic design, and symbols as a way to connect with the viewer of their work.

One interviewee said, "Good creativity needs a good design. And the design can not rely purely on your creative instinct. It has to mean something and the shift from heart to mind has to make sense, so that it can connect with the public and win their recognition."

The president of the subject company mentioned, "In addition to injecting his thoughts and emotions into his works, the creator must fully grasp the quality, the shape, the proportions and balance of his work. This is why making sure our creators maintain a happy state of mind is core to our corporate culture that ensures our creative production process."

Technique innovation: The creator must reduce waste by employing the right methods and techniques and truly grasp the attributes of the material to develop a delightful work. Art glass applies "lost-wax casting" technique¹, of which the failure rates rely heavily on the complexity of the work. This makes the yield rate difficult to control, but it also enhances the product value because low yield means rarity. The creators can also apply new materials to overcome the constraints of existing techniques.

Personal qualities: The reputation, age, work tenure and remaining years of the creative life of the creator are also unique factors that can be shaped into an attribute of artistic rarity to create value.

Bubbles are inevitable in art-glass works; sometimes due to flaws in the method or technique, and other times, the deliberate result of intension on the part of the creator. We can think of the bubbles as the breaths of the work, and the water lines, the blood. And they are what give individual works their vitality and unique identity.

B. The product

Each product is comprised of explicit elements, i.e. its product elements, word cards, pricing and quantity, and at the same time with implicit meaning attached to it.

Explicit elements: Unlike the Western crystal, the art glass material has rich connotations of Eastern cultures. The "shape, graphical composition, and symbolism", combined with the "lucid colors, bubbles, water lines, texture" create new visual

¹ Lost-wax casting method is one of the production methods for art glass. The fire-resisting plaster mold needed for the production is first formed by heating the wax mold until it melts away and then the art glass material is applied into the mold to cast the work. This is why it is called "lost-wax" casting.

and tactile experiences.

Implicit meaning: Let “the work speaks for itself” is aspirational. To really allow the viewer to accurately interpret the cultural meaning the creator intended for the work and to truly connect to it, *Liuligongfang* often had Yi Chang to tell a story after Hui-shan Yang had conceptualized a work to help deliver its implicit meaning. This is why *Liuligongfang's* branded art glass products often have their own “word cards”, which can be a text or a story that explains the idea and the spirit behind the creation, and the meaning implied by the work.

On the Liuligongfang website, the word card page states, “Let us not place the importance on individual creation but on the philosophical value and emotion of a collective society. To us, each Liuligongfang creation is more than a craft, more than an art; it is the record medium for emotion and gained knowledge. Each Liuligongfang “A word card for work exposition” embodies the thoughts and emotions for each work. This mode of communication has become the model for hundreds of companies across China and Taiwan.”

C. The place

The place refers to the use of channel selection, space layout, public/media relations, and human interpretations to co-create value for the cultural products on display.

Channel selection: Early art glass works were sold through galleries. Due to smaller target segments and difficulty in interpreting the works, the subject company then gradually moved to department stores to broaden their reach and to play a bigger part in shaping the lifestyle of the public.

Space layout: Space layout can also increase value of a cultural product. For example, *Liuligongfang* uses the background design, space layout, and lighting to bring out a variety of visual effects regardless of the cost, to take the delightful sensations of their works to a higher level. In *Liuligongfang*, the leadership of the company often gets involved personally in the exhibition space design, which often features red and black colors and lighting effects to demonstrate the beauty of the lucid quality of the material.

Public/media relations: Media/PR press releases play both the role of the word card in its broader sense and that of public education, as well as carrying the responsibility of shaping the brand value. Reporters’ stories on the creative process – media footages on how Hui-shan Yang working

non-stop for nearly two months to create a nearly 5-meter-high thousand-armed and thousand-eyed Avalokitesvara Bodhisattva painted sculpture for the Fo Guang Shan Buddha Memorial Center in Kaohsiung, Taiwan for example, not only helps educate the audience about the meaning of the work, but also arouses feelings and emotions in them.

Human interpretations: Cultural products are both a daily goods and a work of art that come into direct contact with our heart and soul. In addition to the static text description in the form of a word card, these products rely on the sales representative’s story telling capability developed through long-term regular training to provide a dynamic narrative to bring out the story and meaning behind each piece of art glass product. During on-site observation, we have witnessed how the staff put on white gloves, wiping the art glass products with great care and attention, explaining friendly, yet professionally to customers about the creative idea, the shape and look, and the stories behind the product and the occasions for which the product can be used. Upon check-out, the product was always delicately wrapped, making sure the whole process is a delightful life experience for the consumer.

D. The consumer

Art glass product creates different values when interacting with three distinct groups of users, i.e. personal user, gift giver, and collector.

Personal user: Among consumers who bought a product under 30,000 NTD for personal purposes or as a gift, 70% perceive an “everyday value” within the context of their day-to-day lives. They feel a sense of delight, joy, warmth, and happiness through the process from viewing the work and reading the word card to gradually understanding the meaning of art glass and the stories it tells.

Gift giver: These consumers select the product with the best “value for money” according to the specific occasion, e.g. job promotion, business opening, birthday, as well as their “mental budget”. They perceive a “gift-giving value” by confirming their choice to be properly showing their intent and making them look good through interacting with the place and the staff.

Collector: Motivated by its uniqueness, status as a symbol of wealth, and value appreciation potential, 30% of collectors who purchased a product between 80,000-150,000 NTD often perceive an additional “wealth value” or “art value” through their love for aesthetics or the product’s “show off” element.

TABLE 3: DATA ANALYSIS TABLE

Value creation phase	Phase I Creator	Phase II Product	Phase III Place	Phase IV Consumer
Definition	The creator's product conceptualization process	The product's interaction with its immediate surroundings	The product's interactions with the place	The product's interactions with the consumer
Value co-creator	Creator (human) and product (object)	Product (object) and descriptive text (object)	Product (object) and context	Product (object) and consumer (human)
Value co-creation method	<p>Intangible cultural meaning</p> <ol style="list-style-type: none"> 1. Carries on Chinese culture 2. Globalizes local culture 3. Uplifts feelings and connects <p>Tangible methods & techniques</p> <ol style="list-style-type: none"> 1. Material texture, glass qualities 2. Shape, graphics, symbolism 2. Air bubbles, water lines 3. Creative elements <p>Creator attributes</p> <ol style="list-style-type: none"> 1. Age and work tenure 	<p>Tangible design:</p> <ol style="list-style-type: none"> 1. Size 2. Delicacy of shape 3. Graphic composition 4. Skill level of bubble formation 5. Patterns of water lines <p>Intangible meaning:</p> <ol style="list-style-type: none"> 1. Meaningful story 2. Word card description 3. Visual, tactile perceptions 	<p>Channel selection:</p> <ol style="list-style-type: none"> 1. Atmosphere 2. Lighting <p>Place design and creation:</p> <ol style="list-style-type: none"> 1. Brand value 2. Creative process <p>Media exposure:</p> <ol style="list-style-type: none"> 1. Brand value 2. Creative process <p>Human interaction:</p> <ol style="list-style-type: none"> 1. Story interpretation 2. Product meaning explanation 	<p>Personal user</p> <ol style="list-style-type: none"> 1. Everyday life 2. Personal usage 3. Aesthetics and energy <p>Gift giver</p> <ol style="list-style-type: none"> 1. Serving PR/gift purposes 2. Showing intent (job promotion, birthday, business opening) 3. Having 'face' (expensive) <p>Collector</p> <ol style="list-style-type: none"> 1. Uniqueness 2. Symbol of wealth, value appreciation potential
Value creation, transmission and perception process	<p>Value creation through cultural elements</p> <ol style="list-style-type: none"> 1. Appearance, graphics, symbols 2. Creative elements 3. Air bubbles, water lines 4. Material texture 	<p>Value creation and value adding through cultural symbolism</p> <ol style="list-style-type: none"> 1. Appearance, graphics, symbols, texture, air bubbles, water lines, lucidity in color 2. Word card description 3. Quantity and pricing 	<p>Cultural value adding</p> <ol style="list-style-type: none"> 1. Space design 2. Human interaction and interpretation 3. Publicity materials 	<p>Perception of cultural value</p> <ol style="list-style-type: none"> 1. Joy and happiness in life 2. 'Face' and intention embodied through product as gift 3. Aesthetic appreciation, show-off 4. The element of art
Awareness, motivation and capability	Creator is aware of and motivated by a need to carry on the Chinese cultural heritage through a meaningful product created by injecting thoughts and feelings into the work and with methods and techniques available	Cultural product transmits meaning and speaks to the heart through its well-designed style and a meaningful story	Cultural product needs a certain level of name recognition to attract shoppers. Department store display, display space design, media exposure, and staff interaction come together to create a context to connect with the consumers and thereby adding and transmitting value for the product	Once the consumers become aware of the cultural product and willing to pay for it, they will be able to perceive its value according to the context and usage of the product
CCS (comple-mentarity, co-specialization, synergy)	The creator integrates cultural connotations into the product by combing right methods/techniques with the attributes of the material to co-create value through their own creativity in the design of product appearance, graphics, symbols, air bubbles, and water lines	Together with product appearance, graphic design, symbols, and air bubbles, the word card that explains the creative idea, product spirit, and meaning of the work facilitates communication and thereby co-creating product value	Value is added when the product is placed within the complete context of the display channel, display space, media promotion, and human interaction, which also helps communicate the product value directly to consumers	Consumers purchase cultural products for the different meanings they carry, i.e. part of everyday life, gift-giving, aesthetics/show-off to fit their specific purposes and perceive value by using the product
Evidence	Hui-shan Yang's Buddha work that inspires its viewers by giving them a sense of peace and happiness. The Nine Offsprings of Dragon, Taiwan Blue Bird series etc. delivers a cultural value	Product-specific word cards help communicate meaning to the staff and consumers and therefore creates/transmits value	The black-and-white space design, lighting, object arrangements, together with on-site staff's wearing of white gloves when cleaning the products and clear explanations help transmit/create value	Personal users find joy in using the product; gift givers select right products for the right occasion; collectors perceive wealth and art value in the product

V. DISCUSSION

To understand the value co-creation process, this paper presents data along the four phases of creator, product, place and consumer, and clarifies their respective roles in the value co-creation process to demonstrate how cultural products create and deliver value. Based on our analysis of the data we collected from interviews and relevant documents, we developed three major findings and discussed their implications as well as limitations for the research and practices of technology management in the following sections.

A. Research findings and discussion

1) Value co-creation model: Value creation is the process from value adding and delivery to persuasion and perception

The “value of the product itself” and the “value of its perceived meaning” are two completely different notions [5, 32, 50]. This study finds that, unlike industrial products, of which the value is primarily determined unilaterally by the producer; in the value co-creation model of cultural products [2, 3, 6, 7, 42], the value is generated collectively by four roles, i.e. the creator, the product, the place, and the consumer, with each going through a “intangible to tangible, then back

to intangible” value creation process.

2) Value co-creation is a dynamic, organizing process

Our second finding is that value co-creation is a dynamic, organizing process [51-53]. In other words, the value co-creation process formed by the creator, the product, the place, and the consumer, features complementarity, co-specialization, and synergy.

First of all, to successfully transmit the cultural meaning intended by the creator to the consumer, the concept has to be externalized through graphic patterns. Additionally, a descriptive text has to be developed, together with sales representatives’ live interpretations and the media education/promotional materials. All these elements complement each other to complete the process. Secondly, the rich cultural elements possessed by the creators themselves need to be brought out in a “specialized” organizational culture through regular training and strong bonds between masters and apprentices to motivate and support sales representatives in communicating the product meaning to consumers. Moreover, the creator’s unique masterful skills, even their work tenure and remaining creative life can come together to generate “synergies” by giving the products a status of rarity, making them a high-priced collector item.

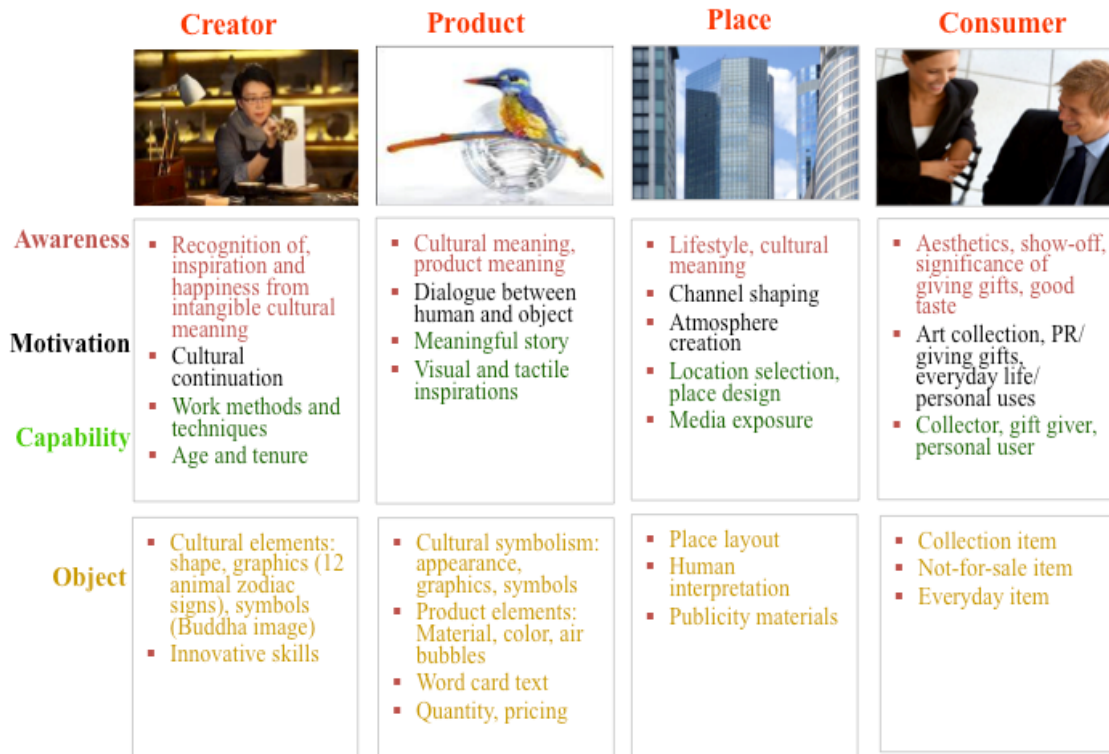


Fig. 1: Framework for value transmission, co-creation, and perception

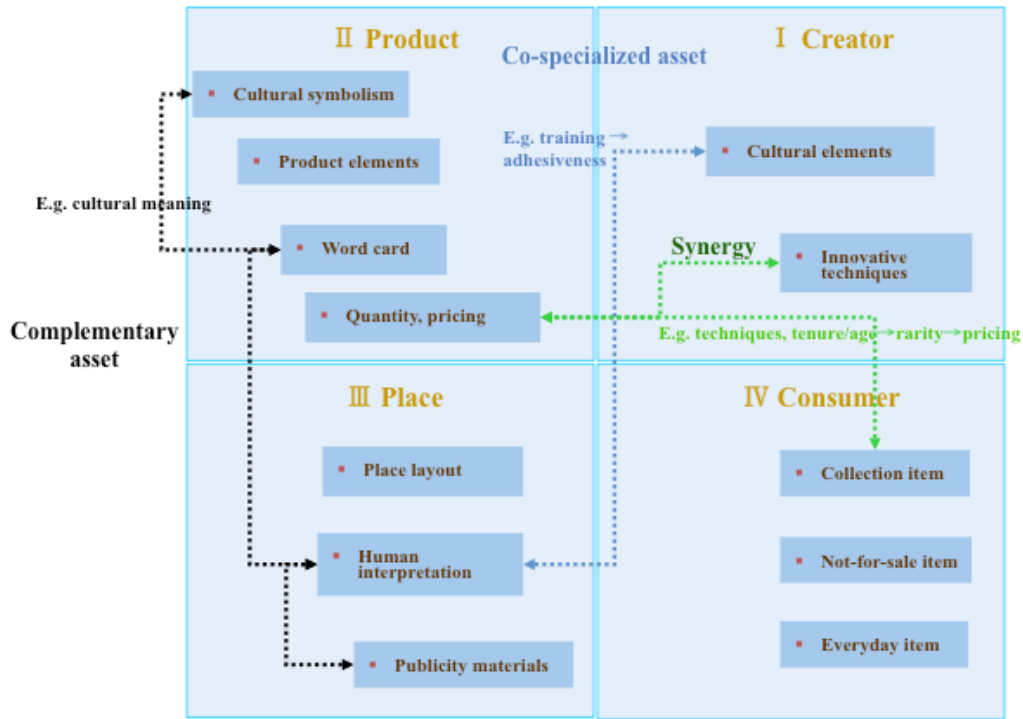


Fig. 2: The dynamic, organization process

3) Value co-creation model involves economic and social values

The third finding is that not only does value co-creation model involve economic and social values, but the economic and social values involved also possess value co-creation characteristics [54].

As the creators inject the beauty and meaning of cultural elements into their work under a sense of mission to carry on the cultural heritage, they actually help ensure cultural

continuation. And when consumers derive a sense of beauty, joy, and happiness through viewing the work, a social value is transmitted from the company where the creator works to the broader society and the mass consumers. And when the consumers acknowledge the cultural meaning of the product and thereby perceiving the value and making the purchase, an economic value is created, which contributes to the economic vitality of the society through revenue generated by the company.

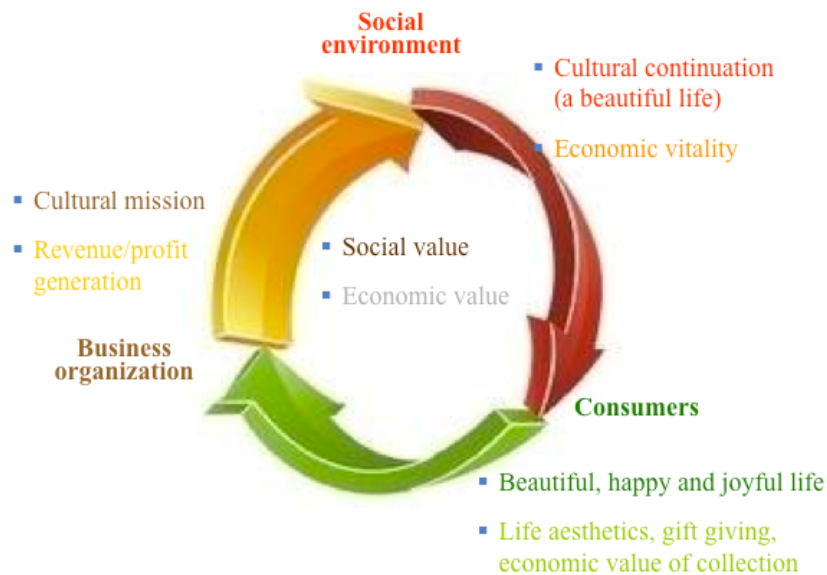


Fig. 3: Social and economic value creation of a cultural product

B. Implications and contribution

This paper clarifies three things about value co-creation: First, definition of relevant terminologies, which is helpful for subsequent theory development. Stakeholders become actors by participating in the value creation system; value ecosystem becomes value system or value net by creating value; co-creators' value creation develops into a value co-creation system due to the co-specialization, complementarity, synergies of resources and capabilities in the process. Secondly, Value co-creation relies on actors' awareness, motivation, and capability to come together and generate synergies through co-specializing and complementing each other's assets, resources, and capabilities.

Thirdly, value co-creation includes both tangible and intangible processes of value perception, creation, and delivery from creator and product to place and consumer, which is not only a dynamic organizing and nonlinear aggregate process, but also mutually triggering, and inter- and path- dependent.

VI. CONCLUSION

This study explores the process in which the value of cultural products is created, delivered, and perceived. Through qualitative data analysis, we have come to three findings: First, the complex, dynamic process of value creation, delivery, and perception of cultural products can be understood in four phases, i.e. creator, product, place, consumer, by using an actual cultural product as an example. Second, we have shown in this paper that the value co-creation model is a dynamic organizing process. Third, the value co-creation process of cultural products also involves economic and social value co-creation. This study kicks off a powerful dialogue between the theory of value and cultural products by analyzing the value of cultural products from the theoretical perspective, especially the economic and social value co-creation of cultural products, which can be further explored in the future to draw more insights for the management on how the value co-creation model works in practice.

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