

Value Co-Creation Analysis in the Perspective of Service-Dominant Logic at PT Qlue Performa Indonesia

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Abstract. This service-dominant logic paradigm emerged as a new perspective on marketing concepts, emphasising customers as active participants in creating value. This study investigates the value co-creation process at PT Qlue Performa Indonesia from a services-dominant logic perspective. This research was conducted using a qualitative approach with content analysis. Data were obtained through structured, in-depth interviews, observations and documentation studies. This study found two categories relating to the realisation of value co-creation implementation: service procedures and DART model implementation. This decisive service procedure becomes the ideal space for implementing value co-creation.

Keywords: Service-Dominant Logic; Value Co-creation; DART Model; Relationship Marketing.

INTRODUCTION

The development of a globally connected business world as an impact on advances in information technology indeed results in fierce competition between business people or companies. Entering the era of Society 5.0 will undoubtedly provide many challenges and opportunities in the business sector [1]. Changes in this era are also inseparable from post-pandemic conditions that result in new behaviours and habits or changes in consumer's behaviour in meeting their needs [2, 3]. This phenomenon is evident, as shown by the increasing number of companies that try to seize new market share in various ways and innovations that manifest in the form of products (goods and services) [4, 5].

Concepts and theories in marketing science are constantly evolving and have undergone many changes in viewpoints or paradigms. Today, the marketing paradigm as a model of economic exchange no longer refers to the exchange of products but instead relates to services. This paradigm that prioritises services in the exchange process is known as service-dominant Logic (SDL). This paradigm shift or perspective develops from microeconomic thinking marketing management to the formation of service phenomena [6].

This SDL paradigm emerged as a new way to examine the marketing concept. Authors [3] say that this new paradigm has shifted the concept of Goods-Dominant Logic (GDL), which only focuses on physical outputs and discrete transactions, towards services-dominant Logic (SDL), which focuses more on intangibility, exchange processes and relationships/collaboration. Authors [6] emphasised that the difference between the SDL and traditional marketing concepts lies in the customer's position. So, in general, the SDL concept views customers as active subjects and integrated parts of the company [1, 5, 7, 8].

Authors [6] state the basic premise of SDL with "service is the fundamental basis of exchange" and "the customer is always a co-creator of value. This concept emphasises the customer as an active participant in creating value. There is a collaborative process between the company and the customer, where the customer is considered a co-creator, no longer a passive recipient of value in creating customer benefits. The form of active consumer involvement in co-production in the service describes the process of co-creating value that is the basis of service logic. Thus, collaboration patterns reflect closer relationships, alliances, partnerships, and trends towards resourcing between customers and companies in several aspects (Table 1).

Table 1 – Traditional Concepts from GDL to SDL

Goods Dominant Logic Concepts	Transitional Concepts	Service-Dominant Logic Concept
Goods	Services	Service
Products	Offerings	Experience
Feature/Attribute	Benefit	Solution
Value-added	Co-Production	Co-creation of Value
Profit Maximisation	Financial Engineering	Financial Feedback / Learning
Price	Value Delivery	Value Proposition
Equilibrium System	Dynamic Systems	Complex Adaptive Systems
Supply Chain	Value-Chain	Value Creation Network / Constellation
Promotion	Integrated Marketing Communication	Dialogue
To Market	Market To	Market With
Product Orientation	Market Orientation	Service orientation

The most fundamental principle in service exchange is specialised knowledge and skills. The process of value co-creation shows the implementation of SDL activities. In this context, the value created is not just a product or service made by the joint efforts of customers and companies. It also involves more remarkable customer experience and satisfaction when interested in a transaction of the company's products or services [9].

Service-dominant logic arises because of the encouragement of the initial goal to do something for and with other parties, better known as customer-centric and customer-responsive. In this logic, services are defined as applying competencies through actions, processes, and performance that benefit other entities and the entity itself. The research results [10] found that organisational culture can moderate the influence of active customer participation in the value co-creation process as an indicator of improving service quality. Furthermore, it is strengthened by the results of research by [8], which conclude that indications of value co-creation can be shown through business relationships that allow companies to develop their competencies in new product development and marketing. This confirms that the high quality of interaction and relationships can guarantee companies reap more significant benefits in value

co-creation and the successful development of new products/services.

The research results [7] revealed that customer engagement and co-creation significantly contribute to competitive advantage and provide customer satisfaction value. Specifically, customer involvement in shared value creation impacts increasing market penetration, customer relationships, profitability, and emerging new competencies due to collaboration between customers and the company.

Authors [1, 11] said value co-creation could be created through DART building key blocks. This confirms that the DART model is an indicator to measure/identify the application of co-creation value in a company. The DART (Dialogue, Access, Risk Assessment and Transparency) model is a model that clearly describes the basic principles that companies must have to implement value co-creation successfully. Consumer access to information and the ability to engage in dialogue through consumer communities have changed the role of consumers in today's business systems.

The description above illustrates that SDL plays a role in increasing the company's strength to satisfy consumer needs and achieve organisational and social goals. In this case, it can be said that the company has competitive power through services. Competition through services is more than value-adding activities on products. Effective competition through services must be carried out with views and approaches by all parties in the organisation that aim to satisfy consumers. However, referring to the previous research above, it is still limited in quantity. Besides that, the object of study is more focused on MSME actors, not on a company scale with a vendor model.

The research conducted by [5] on a shared value creation study on vendor business models is limited to an internal focus with SOAR analysis. No research on using the DART analysis model in vendor business models has been found. Technological developments, the emergence of Presidential Instruction No 3 of 2003, and the Indonesian Creative Economy Development Plan for 2018-2025 encourage companies to be involved and take maximum benefits to support their business continuity. This competition also extends to various industries, including companies in the field of Artificial Intelligence (AI) and Internet of Things (IoT) innovations to support the realisation of the Smart City ecosystem. For this reason, researchers are interested in investigating the value co-creation process at Qlue Performa from a services-dominant logic perspective.

METHODS

The type of research used is qualitative research with a deductive content analysis approach. Inferential content analysis retests existing data in a new context, testing categories, concepts, models, or hypotheses. Furthermore, the method used in this study is divided into the following three parts:

Participants. Participants in this study consisted of 5 employees and one Qlue customer. Researchers used the purposive method to get participants. Participants in this study will be shown under pseudonyms (not real names) to ensure identity confidentiality.

Table 2 – Research Participants

No	Name	Description
1	Wira PS	Business Development
2	Ika RT	Finance
3	Andre HT	Engineering
4	Diken PD	Sales Marketing
5	Iqbal MT	Chief Engineer
6	Yusup SS	Customer

Procedure. At the data collection stage, researchers collect data that refers to the opinions of [12] using interactive methods, which are in-depth studies using data collection techniques directly from people in their natural environment. Primary data were collected using structured interviews, where researchers used interview guidelines that had been systematically arranged and completed for data collection. Secondary data is obtained through company records or documentation, social media and company websites.

Data Analysis. After conducting an in-depth interview, the researcher transcribed the interview results, pouring the recording into text or writing. Data in the form of text (transcription) is further classified and analysed according to data analysis methods that have been categorised, namely data reduction, data presentation, verification and conclusions.

In the data reduction stage, researchers use a content analysis approach. Content analysis is preceded by coding relevant terms or uses of words and sentences, which appear most during the interview process. In the case of coding grants, the context of the term is also worth noting. Then, a classification is carried out on the coding that has been done. Classification is done by looking at the extent to which units of meaning relate to the purpose of the study. This classification is intended to build the category of each classification. Then, units of meaning and categories are analysed and searched for relationships with each other to find the meaning, meaning, and purpose of the content of the communication.

Triangulation. Triangulation is a technique of checking data validity that utilises something else. The study results were triangulated using two main mechanisms: 1) The findings were confronted with the documented data and 2) member checks.

RESULTS AND DISCUSSION

The main results are shown in Table 3.

Table 3 – Frequency Data of Encoding Results

Research Objectives	Category	Theme	Topic	Frequency
Shared Value Creation at Qlue Performa Indonesia	Service Procedure	Marketing Team	Approach to the consumer	5
			Identify Customer Needs	4
			Brand Awareness	3
		Sales Team	Receiving PO	4
			Manufacturing Cooperation Agreement	3
		Legal Team	Validating Cooperation Agreement	1
		Project Team (Operation)	BAST	4
			Trial (product demo)	3
			Develop Solution and Product	2
			Delivery product	1
			NDA	1
		Finance Team	Billing Invoice	2
	DART Model	Dialogue	Direct Product Introduction (online)	6

Research Objectives	Category	Theme	Topic	Frequency
			Introduction of Intermediate Products (offline)	5
			Relationship Marketing	4
			Service excellence (benefit)	2
			Consumer Needs	2
			Price Offer	1
		The Access	Web	5
			App	1
			Social media	1
			Contact Person/Customer Service	1
		Risk	Product Checking and Testing	7
			Cooperation Agreements (Product compatibility, payment deadline, payment model, DP)	5
			Credit Analysis	2
			Handover Documents	2
			NDA	1
		Transparency	Online Information (Web, Social media, application)	8
			Administrative Documents	4
			Member Account	1

Service Procedure. *"Marketing first, we approach consumers. We brand the products we have to create awareness in the market of the existence of Qlue products"* (Diken PD-Employee).

Qlue Performa Indonesia, or Qlue, is a Smart City ecosystem company based on Artificial Intelligence (AI) and Internet of Things (IoT) innovations. Qlue has built a platform to connect the government with the community to collaborate and encourage more efficient, effective, and accountable governance transformation in realising Indonesia as a Smart Nation. Qlue has two product categories marketed, namely 1) Smart Enterprise, which supports business potential with AI-based technology, and 2) Smart City, which supports extensive collaboration to create an ecosystem of a region using AI and IoT-based technology.

The company's understanding of service procedures in the form of standard stages of service provided to customers to meet their needs. This understanding leads to the project team's work in meeting customer needs with innovative and solution products. This understanding describes the team involved in serving customers thoroughly. The teams involved will describe the flow and stages of customer service.

DART Model Implementation

Creating shared value between producers and consumers occurs through interaction, which is explained through the DART Model. The interaction begins with a dialogue between the two. Consumers express their desire for a certain number of products. Manufacturers respond to such requests concerning the production capabilities of such enterprises. This interaction can be through face-to-face access or communication media. Each party will bear risks in this interaction, which will also be communicated. Both producers and consumers are transparent about the communication that occurs.

In the process of shared value creation using the DART model, companies must constantly communicate and interact with customers, listen to their feedback, and evaluate the risks associated with the product or service. This way, companies can create excellent customer value and build long-term, mutually beneficial relationships.

Understanding and application of value co-creation viewed from the point of view of the DART model. In its service procedures, Qlue shows a vast space for customer communication and interaction, indicating high opportunities for value co-creation.

Dialogue. The marketing department serves consumers first, which will validate and explain the products Qlue owns. When there is an initial match between consumer needs and products owned by Qlue, the consumer will be directed to the sales team to conduct further assessment. At this time, the dialogue process between consumers and companies to achieve mutual value creation begins. If there has been a mutual value agreement, the sales administration will follow the next process, which includes discussions on Work Orders (WO) and Cooperation Agreements (CA). This is by what was conveyed by one of the informants, namely, *"starting from the agreement to receive orders, usually through PO (purchase orders) issued by consumers, then continued by making CA (Cooperation Agreement) by the sales team with the help of the legal team"* (WPS).

The arrival of consumers to this company can be based on personal motivation or through marketing activities carried out by the marketing team. *"Marketing first, we approach consumers. We do branding of the products we have to create awareness in the market of the existence of Qlue products"* (DP). For the creation of this offer, consumers can then proceed to the company's customer service. Consumers will deliver the desired product, and the company will consider existing production capabilities. When both parties agree, it will be forwarded to the sales administration.

Sales administration *"starts from receiving orders in the sales department, usually through PO (purchase orders) issued by consumers, then the sales department will create CA documents. CA documents need to be validated through the signatures of both parties. After that, the CA is submitted to the project team, which will be responsible for delivering solutions and products to clients by the agreement stated in the CA. After the product is delivered, there will be a Handover Document (HD) proof that the product has been officially handed over from the manufacturer to consumers. Furthermore, the HM is given to the finance team as a basis for making invoices for billing"* (DP). The PO (Purchase Order) will list information about customer data, quantity and product details, product prices, delivery timeline and payment methods. The information in this PO will also be listed in the CA (Cooperation Agreement) issued by the manufacturer.

Access. *"For QlueThermal products, we directly come to PT Qlue Performa Indonesia to check and test all product features. Then, if appropriate, the*

sales and engineering team of Qlue will visit the office to provide a demo/trial period for product trials at the location directly, usually approximately two weeks. Furthermore, if the trial process goes as expected, the next sales administration process is issuing PO and other sales documents, where the process can be done online" (FP).

Access here broadly includes face-to-face and indirect interaction. Indirect communication can be through telephone calls, messages, or emails. Access refers not only to when sales transactions occur but also to marketing products. The company carries out marketing strategies by communicating directly (pick up the ball) with marketing sales and engineers who handle a project. This variety of communication access will facilitate the process of goods sales transactions.

Access also refers to sales communication procedures. This means the consumer's procedure to access the sales department is also discussed in this case. Consumers can access the sales department either directly or indirectly through intermediaries. Consumers can access various Qlue products and services directly through the www.qlue.ai website. Indirectly means that there will be intermediaries from Qlue, namely through the sales or sales division. This is the company's strategy for product marketing. *"We certainly have a target to boost sales, so we carry out sales strategies through digital marketing and conventional sales through our representatives"* (DT).

Risk. Sales transaction risks are divided into risks for the company and consumers (sharing risk). For companies, the most significant risk is in the payment process, where there is a possibility of default on accounts receivable. *"When it comes to non-payment risks, it is quite high because our payment system is usually paid at the end, or sometimes there are even consumers who pay monthly. Therefore, our finance team usually bill customers past the payment due date"* (DP).

Therefore, it is essential to conduct a credit analysis at the beginning of the sales process as a default prevention measure. One of the steps taken is to apply the existence of DP (Down Payment) at the beginning of the transaction. *"Usually, the DP is between 30-50 % depending on the agreement with the consumer"* (IR). Credit analysis includes understanding the type of consumer and their track record. *"There are many types of our consumers, but the most common ones are two types. The first is those who want all features complete, according to what they want, but at the cheapest*

price. The second is a fairly fair consumer where they appreciate our product and all its features by agreeing on a fairly attractive price" (WPS). Type one consumers want the most complete product at a low price. Some consumers usually carry out projects with minimal capital, not infrequently even without capital. They go into debt when purchasing goods and then pay after the project funds are disbursed/obtained. These consumers are vulnerable to bad debts.

For this reason, it is necessary to do selective credit, namely, selecting consumer data that will choose to use credits when purchasing our goods. Type two consumers want the best product to meet their needs without being too fixated on price. Satisfaction is the most important thing for them. This type of consumer usually has good cash flow and a track record of purchases. The risk of bad debts can be smaller than that of the first type of consumer.

The most significant risk for consumers is that the product does not meet their expectations. This can mean that some aspects are lacking, or it turns out that the quality of the product is not as expected. Of course, these two things will cause complaints to the company. *"If, for example, the products received by consumers are not by what has been agreed or ordered, they will complain. Even the worst can cause them not to want to sign HD, so the company cannot do billing"* (WPS). Risks like this are overcome by deliberation until finally, a fair point is found that is agreed upon by both parties. *"So later improvements will be made to the product by what is agreed by consumers and companies"* (MI).

Transparency. *"Regarding sales, we always try to be transparent with consumers. For example, related to price, we always describe the price we give to any component and the time we need to deliver the product. So that consumers are also clear about what they get and how long it takes. We try not to sell our consumer's promises"* (AH). Transparency with customers is limited, meaning that the company keeps things as secrets, such as the technology used. It is not conveyed to consumers.

"So if in the IT department, there are many components, the consumer should not know the details about our source code. As the saying goes, our kitchen secrets remain in our keep. We always have an agreement with our consumers at the beginning in the form of an NDA (Non-Disclosure Agreement)

where it is agreed that the information we exchange during the development of their products should not be leaked to outside parties without prior permission. We also have a UAT (User Acceptance Test) agenda where consumers are given approximately one week to test their products before they sign on to HD. This aims to prevent product incompatibility with what has been agreed at the beginning" (AH).

Transparency here means that consumers can find out the components of the selling price of the product in detail, including usually the amount of 11 % VAT, additional prices for certain specifications, sales transportation costs, and discounts given. In addition, with this UAT agenda, consumers can assess whether the products produced are what was agreed upon so that they are willing to sign the handover documents.

CONCLUSIONS

Based on the description above, the service procedures provided by Qlue in meeting customer needs emphasise teamwork in a single project, so it is considered a vendor business model. This business model positions the project team (production operations) as central and vital in service. Realising this, Qlue continues to optimise the role of sales in accompanying the interaction process between customers and project teams (production) and continues to update so that service remains the primary material for product and service introduction. Thus, this service procedure is decisive and becomes a space for applying the value co-creation approach.

The results of this research have developed the concept of theory and previous research that is used as a reference in this research. The idea of value co-creation [9, 13] as a procedure used to create a product or service through collaboration with partners can be proven by the applicable service procedures at Qlue Performa Indonesia. This service procedure can involve customers from the beginning, when looking for information, to product trials and even to finalising products according to their needs. This reinforces the findings of [6] regarding the SDL perspective in implementing co-creation. This can be shown by placing customers as an internal part, indicated by consumer engagement from beginning to end.

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