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Value Co-creation Experience and Service Performance in a Tourism Oriented Social Enterprise

The present study examined the Newhomeland Foundation (NF) which was focused on community reconstruction following the Jiji Earthquake. In recent years, the NF transitioned into a social enterprise by adopting the concepts of community education to transform a small village into an eco-destination focusing on butterflies, frogs, and fireflies. This research integrates the old marketing dominant logic and social enterprise for verification. Therefore, we analyzed the NF to test and validate the hypothetical “servicescape (SS)–co-creation experience (CE)–experiential value (EV)–service performance (SP)” model. A total of 181 NF volunteers were recruited as survey respondents. Partial-least-square structural equation modeling (PLS-SEM) was adopted. The findings of our study revealed that by participating in the activities arranged by the NF, the volunteers resonated with the ideologies of the foundation and acknowledged its persistence in preserving the land. Through the interaction with the NF, the volunteers also identified the value created by the social enterprise and the concepts it has endeavored to deliver.

Key words: Experiential Value, Servicescape, Newhomeland Foundation, Service Quality

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Introduction

The Newhomeland Foundation (NF1) was founded by Mr. Chia-Chan Liao in Puli Township, Nantou County, Taiwan in February 1999, primarily serving as a development fund. An earthquake measuring 7.3 on the Richter scale occurred in Taiwan on September 21 of the same year, resulting in 2,444 deaths and missing persons, over 10,000 injured, and damage to 100,000 buildings. Puli was one of the most severely affected locations, with over 12,000 buildings damaged. In the aftermath, the NF was converted to a relief fund for post-disaster reconstruction and community development. Later, the NF served to facilitate community and industrial development, ecological conservation, and the expansion of humanities education. In recent years, the NF has transformed into a social enterprise, resulting in the construction of the Newland Community Education Center (NCEC). The purpose of the NCEC is to use the operating models of social enterprises to create a sustainable future through a learning approach. This can be achieved by interconnecting local industries and groups that exhibit green and socioeconomic ideologies to create an education network of regional desirability, including food, housing, transportation, travel, shopping, entertainment, and education.

The present study examined the associations between the NF and its volunteers in various activities to examine the influence of value co-creation on the development of the NF social enterprise. Past research on service quality has found that service performance (SP) entails consumers’ subjective perspectives on the tangible and intangible aspects of an environment. This assertion has been extensively elaborated in previous management and marketing studies. The present study also measured the service quality of the various education-based activities arranged by the NF, as well as that of the service personnel, activity content, venue, and facilities associated with the volunteers involved in these activities.

1 Please refer to the following link for more information: https://en.wikipedia.org/wiki/Paper_Dome
education-based activities to elucidate how the research value and depth of SP manifest in social enterprises similar to the NF. Previous studies have largely observed the SP of company operations and governance, whereas few studies have examined the SP provided in the events of social enterprises. Thus, we used servicescape (SS) and SP to evaluate the performance of social enterprises, using the NF as an example, to determine whether a gap exists between the performance of the NF and the expectations of NF volunteers. The NF is also a provider of experiences. It invites volunteers to participate in various events and co-create experiential value (EV) with the NF. Through participation, volunteers begin to resonate with the values of the NF and create value that conforms to them. The volunteers thus transform from participants to co-creators of value. Using the NF as an example, we developed and tested a CE model that combined service quality with contemporary marketing concepts.

**Literature Review**

The term “social enterprises” refers to organizations that aim to resolve or improve social problems (Chell, Nicolopoulou, & Karataş-Özkan, 2010). They are different from profit-seeking organizations in that they only convert a portion of their earnings to dividends, the other portion is reserved to tackle social problems. In contrast to charity, at least half of earnings must derive from commercial transactions rather than government subsidization or donations (McKay, Moro, Teasdale, & Clifford, 2015). The NF transitioned into a social enterprise in 2005. It launched an education network and integrated local groups and resources to promote the local economy and public welfare. Therefore, the development of the NF was slightly different from that of previous social enterprises in that it focused on integrating local social resources and groups and collaborating with event volunteers to create enterprise value. The concepts, partnerships, and courses provided by the NF over the years have facilitated the development of the NF as a social enterprise and continued to create new
value. In this study, we analyzed the service quality and SP of the NF and examined the influences that service quality and satisfaction had on the overall organization of the NF. The following sections individually address the concepts of SS, SP, CE, and EV.

**Servicescape (SS)**

Initially, SS referred to all tangible and intangible environments perceived by customers. Bitner (1992) characterized the dimension of service environments into ambient conditions, spatial function and signs, and symbols and artifacts. Durna, Dedeoglu, and Balikçioglu (2015) examined the SSs of hotels in Antalya, Turkey, and found that hotel visitors’ positive perception of SS directly reinforced their perception of the travel destination.

Baker, Grewal, and Parasuraman (1994) examined the ambient and social elements in the store environment and found that the surrounding and socialized environments significantly influenced customer perception. Ward and Robertson (1973) asserted that SS in stores comprised lighting; product arrangement; fixed facilities, floors; color schemes; smells; the dress code and behavior of service representatives; and the volume, attributes, and behaviors of on-site customers. They explained that store ambiance also affected consumer emotions and their willingness to visit and browse. However, the dimensions of SS may vary depending on the industry. For example, Wakefield and Blodgett (1994) examined Major League Baseball stadiums and characterized SS into (a) spatial layout and functionality and (b) aesthetics. Wakefield and Blodgett (1994) characterized recreation SS into building design and decoration, equipment, and environment. Edwards and Gustafsson (2008) characterized catering SS into interior variables (background music and noise, odor), layout and design variables (table layout and seating), and human variables (density and crowding, social facilitation) to explain the influence of SS on restaurant ambiance.
Zeithaml and Bitner (2000) proposed the concept of physical evidence, similar to that of SS. This concept refers to environments in which services are rendered or rather places in which businesses and customers interact. In addition, it pertains to other tangible elements and that facilitate the provision of services or communication, such as physical facilities and equipment that promote the execution or delivery of services. Barbara, Wakefield, and Blodgett (1999) asserted that the interaction between the SS and service quality of organizations, enterprises, or groups affects the association between these entities.

In summary, the SS is consumers’ first impression of a service provision location. Consumers exhibit direct psychological and physiological responses towards SSs. These responses consequently affect their purchase intentions and repurchase motivations. We attempted to incorporate the elements of SS into our case study on the NF to examine the evaluations of the volunteers regarding the provision of ecological knowledge, course designs, volunteer services, or experiences during the promotion of various activities by the social enterprise.

_Service Performance (SP)_

Churchill and Surprenant (1982) maintained that service quality is subjective. That is, service quality is evaluated on the basis of consumers’ subjective impressions rather than objective criteria. Therefore, service quality represents consumers’ level of satisfaction with a particular service, which is determined according to the difference between their perceived and expected levels of SP. Grace and O’Cass (2004) asserted that people who are involved in the creation and provision of services (i.e., employees and clients) are the core component of service brands. The performance of service providers affects consumers’ perception of the service, which consequently affects the service brand.

Parasuram, Zeithaml, and Berry (1985) proposed a conceptual model for service quality (the PZB model) comprising 10 service quality attributes. Parasuram, Zeithaml, and Berry (1988) later simplified the 10 attributes into reliability, responsiveness, assurance,
empathy, and tangibles. This model was named the SERVQUAL model (Fitzsimmons and Fitzsimmons, 2006). Cronin and Taylor (1992) challenged the PZB model, arguing that evaluating actual SP produces more accurate service quality results. Specifically, the researchers claimed that a comparison between actual and expected SP levels was unnecessary and that the SP actually perceived by consumers (SERVPERF) provided an optimal presentation of service quality. They asserted that SERVPERF reinforces the evaluation of service quality and enhances the reliability of evaluation outcomes. Carman (1990) questioned the methodology of the PZB model, arguing that because consumers’ expectations and perceptions are typically collected through post hoc surveys, customers may adjust their original expectations when responding. Carman further criticized the lack of ad hoc and post hoc control in the collection of PZB data.

In the present study, the SERVPERF model was adopted as a basis for developing the service quality scale. In addition, the SP of the NF was analyzed in two dimensions referencing the dimensions proposed by Grace and O’Cass (2004), specifically “job and service representative SP” and “overall SP.” The SP of NF personnel was examined in the “job and service representative SP” dimension, and the quality of services provided by the NF was examined in the “overall SP” dimension.

Co-Creation Experience (CE)

The ability to creating customer value has become the source of enterprises’ competitive advantage (Woodruff, 1997). Prahalad and Venkat (2004) asserted that consumers can now participate and change enterprises’ original product design and production procedures rather than simply being the receivers of products and services. They are able to participate in commercial production processes using new methods to co-create and share products and value. Füller, Hutter, and Faullant (2011) confirmed that when participating in product and service design processes, consumers have sufficient autonomy to
make personal choices. Enterprises can view their customers as employees responsible for co-creating services (Bowers et al., 1990). In this context, the traditional concepts of manufacturers and consumers can be expanded to encompass other aspects. For example, consumers can assume the role of value creators and their overall perceptions of involvement in production activities becomes their consumption experience (Xie et al., 2008).

Although co-creation activities require that consumers sacrifice their skills, time, and money, as well as demand mental effort (Hoyer et al., 2010), Füller et al. (2011) asserted that in return for their participation, consumers receive pleasant experiences. Therefore, Etgar (2008) argued that consumers weigh the potential benefits and costs of co-creation activities. Franke et al. (2010) found that compared with standardized products, consumers are more inclined to purchase autonomously-designed products because of their higher customizability. Füller et al. (2011) asserted that consumers acknowledge the cohesion of community awareness when favorable and effective interactions are established between an enterprise and its consumers. Füller et al. (2011) characterized CE into four types, namely community awareness, self-discipline, ability, and hedonic tasks. The researchers also maintained that co-creation processes stimulate emotional responses, which the consumer attaches to the value of the product. Chathoth, Ungson, Harrington, and Chan (2016) performed a literature review on existing co-creation studies and found that the ex-ante, in-situ, and ex-post processes involved in the co-creation and sharing of value should be examined with extreme caution.

These findings are consistent with Etgar (2008), who characterized the customer-supplier interaction process into five stages, namely the development of antecedent condition, the development of motivations, the calculation of co-creation cost benefits, activation, and the generation of outputs and evaluation. In the present study, we expanded on the preceding logic to investigate the SS (ex-ante), EV and CE (in-situ), and ex-post (SP) co-creation processes of the NF.
Enterprises can enhance customer satisfaction and loyalty by supporting co-creation and the participation of their customers in the creation process (Ursula & Nicola, 2012). Enterprises are encouraged to invite their customers and interested parties to help them define and create more value rather than considering them the passive receivers of products and services. Co-creation introduces novel concepts and actions that transcend traditional process concepts of quality management, enterprise restructuring, and lean production. Füller et al. (2011) explained that CE not only provides participants with a sense of self-development but also helps enterprises achieve sustainable development, productivity, and profitability. The NF eventually transitioned into a social enterprise with professional differentiation departments. It organized activities on the basis of the education system, inviting volunteers within the community to participate in its activities. Through participation, volunteers begin to resonate with the production and enterprise concepts of the NF. They gradually shifted from the role of simple participants into dedicated members of the enterprise, involving themselves in every stage of the creation process. They also attracted more people to participate in NF activities, producing new value through co-creation. This process is the CE generated by the social enterprise of the NF. Volunteers gradually identify with the social enterprise as they gain participation experience, and a number of volunteers eventually join the enterprise team. This situation suggests that EV has different levels of influence. EV is discussed in the following section.

**Experiential Value (EV)**

Over time, people have attached increasingly higher value to personal experiences, indicating that the positive feelings evoked therein surpass the effect of printed publicity for a product. The advent of the experience economy also introduced Zeithaml (1988) proposed four consumer definitions of value and concluded that perceived value refers to consumers’ perceived evaluation of products or services or the trade-off between their perceived benefits
and costs. This trade-off is defined as consumers’ determination or evaluation of giving and receiving; namely, consumers’ overall evaluation of product performance (Zeithaml, 1988). Hirschman and Holbrook (1982) defined consumer value as a type of experience that does not exist in the purchased product, brand, or ownership of the product; instead, it is derived entirely from consumers’ consumption experience. The researchers also defined “experience perception” as the intrinsic pleasure symbols, hedonics, and aesthetics of products and the feelings and emotions valued by consumers. They compared rational perceptions and experience perceptions to explain the negligence of “consumption effects” in the past, which entail recreational activities, sensory pleasure, symbolic meaning, creativity, and emotional response. Holbrook (2000) characterized conventional EV into extrinsic value, intrinsic value, and an activity dimension, and sub characterized the activity dimension into active value and passive value.

Mathwick, Malhotra, and Rigdon (2001) expanded on the findings of Holbrook and developed the experiential value scale (EVS). The scale measures consumers’ EVs in four dimensions, namely return on investment, service excellence, aesthetics, and playfulness. Consumers’ return on investment includes financial, time, and effort investments and psychological resources with the potential of producing benefits. The experiential return on these investments includes economic utility and the utility produced by effective transactions (Mathwick et al., 2001; Holbrook, 2000). Service excellence is a self-directed response that originates from consumers’ approval of market services or marketing abilities. Aesthetics is a sensory experience comprising sight, sound, taste, physical feelings, comfort, internal emotions, aesthetic features, and the visual and mental ambiance of the overall business environment (Holbrook, 2000; Mathwick et al., 2001). Playfulness reflects consumers’ intrinsic pleasure. It manifests internally while participating in attractive activities and is a temporary escape from the real world (Mathwick et al., 2001). According to the
aforementioned assertions, EV is enhanced through the provision of products or services, interaction with consumers, and assistance or hindrance of consumer goals. EV is associated with the NF’s utilization of its facilities and environment to provide quality services and interesting activities that meet participants’ expectations and helps participants identify with the enterprise’s ideologies, thereby co-creating local and regional prosperity.

*Hypotheses*

In summary, SS and service quality are closely associated with SP. SS is the first and most direct service element experienced by customers. SS shapes overall service quality, wherein consumers are considered the co-creators of value, and ultimately becomes the consumers’ consumption experiences. Consumers then compare their ultimate experience with their expectations to evaluate overall service quality. Positive evaluations enhance their repurchase intention and create greater value. In the present study, we examined NF’s implementation of the “Reproducing Puli’s Butterfly Kingdom” plan as a social enterprise. Specifically, we investigated the SS and SP of specific events arranged by the NF through interdepartmental resource integration and public participation. We further analyzed volunteers’ co-creation processes to elucidate the four types of EVs obtained during these processes. Therefore, we selected the social enterprise and social citizens as the research subjects to analyze their interactive relationships in service value. We adopted the CE concepts proposed by Prahalad and Venkat (2004) to elucidate the effects of CE on the linear relationship between SS and SP. The following four hypotheses were formulated:

H1: The SS provided by the NF is positively and significantly associated with the CE of its volunteers.

H2: The CE produced by NF volunteers positively and significantly enhances volunteers’ EV

H3: The EV of the volunteers positively and significantly influences their evaluation of the SP of the NF.
H4: The SS of the NF positively and significantly influences the overall SP of the social enterprise.

Figure 1. Research Framework

**Methodology**

Quantitative data were collected from volunteers of NF events. The data retrieved from the returned questionnaires were examined to validate the proposed hypotheses and determine volunteers’ impressions and views of the NF.

**Scope and Subjects**

Several spring and summer events organized by the NF in 2015 were examined, namely the “Ecotour interpreter training courses,” “Taomi Butterfly Creative Cooking Contest,” and “HSBC 2015 Plant a Tree Volunteering Activity.” Volunteers in these events were selected as the research subjects.

**Location**

The NF in Puli Township and the events coordinated by the organization were examined in this study, including the Paper Dome NCEC, events co-organized with the National Chi Nan University (NCNU), and the equipment layout in these events. The Paper Dome NCEC is a composite business entity operating in a space of roughly 3.5 hectares. On the basis of functional facilities, the NCEC can be characterized into six spaces: a farming area, craft area, workshop, cafeteria, marketplace, and learning area. The Paper Dome NCEC adopts an experimental and atypical business logic, providing five social welfare functions; namely, (a) facilitating experience exchange regarding postdisaster community reconstruction, (b) promoting information sharing of community development, (c) shaping
the lifestyle and creative industries, (d) disseminating and fulfilling ecological community concepts, and (e) creating and promoting ecological urban-rural networks.

**Sampling**

The questionnaire was manually distributed in the classrooms of the Taomi Agricultural Leisure Area next to Taoyuan Elementary School, the Paper Dome NCEC, and local restaurants in Puli. Convenience sampling was adopted. Two hundred questionnaires were collectively distributed to event volunteers and 181 valid questionnaires were retrieved for an effective response rate of 90.5%. Volunteers are not first-timers. They are repeat visitors who have been participated in any NF activities or events at least once.

**Questionnaire Design**

A questionnaire survey method was adopted to collect the data and validate the research framework. The questionnaire comprised of five parts. Parts one through four contained items on SS, SP, value co-creation, and EV, respectively. Part five contained items related to respondents’ demographics. Each part is discussed in the following section.

1. **Servicescape**

Four dimensions of SS for social enterprises were developed according to those proposed by Wakefield and Blodgett (1999) and Edwards and Gustafsson (2008), namely, “personnel,” “courses and information,” “surrounding environment,” and “NF.” Each dimension comprised a set of items relevant to the research theme. A five-point Likert-type scale was used to score respondents’ answers (strongly agree, agree, no comment, disagree, and strongly disagree). Respondents’ scores were analyzed to determine the SS of the NF (Table 1).

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>1. NF personnel spoke at an appropriate volume.</td>
</tr>
<tr>
<td></td>
<td>2. NF personnel spoke at an appropriate speed.</td>
</tr>
</tbody>
</table>
Courses and Information

3. Activity registration and reservation information were clear.

4. NF provided sufficient details concerning the activity.

5. The information delivered by the NF was diverse and abundant.

6. I am satisfied with the teaching materials and course content.

Surrounding Environment

7. The venue was appropriate for the occasion.

8. Taomi contained substantial local cultural resources.

9. Community surrounding provided adequate ecological resources.

NF

10. I learned about ecological conservation in the NF activity.

11. I gained a better understanding of volunteer services and community involvement from the activity content.

12. I perceived the cohesion of local residents and the approval of the community.

2. Service Performance

We developed two dimensions of SP on the basis of those proposed by Grace and O’Cass (2004), namely, “job and service representative SP” and “overall SP.” A five-point Likert-type scale was used. Respondents’ scores were analyzed to determine the SP of the NF (Table 2).

Table 2. SP Items

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job and Service Representative SP</td>
<td>1. NF personnel responded to queries and provided assistance immediately.</td>
</tr>
<tr>
<td></td>
<td>2. NF personnel offered to provide assistance or explanations.</td>
</tr>
<tr>
<td></td>
<td>3. Explanations provided by NF personnel were clear.</td>
</tr>
<tr>
<td>Overall SP</td>
<td>4. The NF activity met my requirements.</td>
</tr>
<tr>
<td></td>
<td>5. The NF provided diverse activity content.</td>
</tr>
<tr>
<td></td>
<td>6. The NF provided interesting activity content.</td>
</tr>
<tr>
<td></td>
<td>7. I am satisfied with the NF activity</td>
</tr>
<tr>
<td></td>
<td>8. I enjoyed myself in the activity.</td>
</tr>
<tr>
<td></td>
<td>9. My participation in the activity has enabled me to gain a better...</td>
</tr>
</tbody>
</table>
understanding of the contributions made by local organizations to the community.

3. Co-Creation Experience

We developed three dimensions of CE on the basis of those described by (Keng & Ting, 2009); Ursula and Nicola (2012), and Johann Füller, Katja Hutter, and Rita Faullant (2011), namely, “co-creation level,” “community awareness,” and “autonomy.” A five-point Likert-type scale was used. Respondents’ scores were analyzed to determine the value co-creation of the NF (Table 3).

Table 3. Value Co-Creation Items

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Creation Level</td>
<td>1. I was able to fully express my views of the organization during the NF activity.</td>
</tr>
<tr>
<td></td>
<td>2. I discussed the activity content with NF personnel before participating in the NF activity.</td>
</tr>
<tr>
<td></td>
<td>3. I actively discussed the activity content with NF personnel during the NF activity.</td>
</tr>
<tr>
<td></td>
<td>4. I made like-minded friends during the NF activity.</td>
</tr>
<tr>
<td>Community awareness</td>
<td>5. I actively participated in every stage of the activity.</td>
</tr>
<tr>
<td></td>
<td>6. I have a better understanding of ecological conservation concepts after participating in the NF activity.</td>
</tr>
<tr>
<td></td>
<td>7. I look forward to participating in the next NF activity.</td>
</tr>
<tr>
<td></td>
<td>8. The experiences provided by the NF are similar to my own.</td>
</tr>
<tr>
<td></td>
<td>9. The concepts delivered in the NF activity are similar to my own.</td>
</tr>
<tr>
<td>Autonomy</td>
<td>10. I spent a considerable amount of effort in organizing this experiential activity.</td>
</tr>
<tr>
<td></td>
<td>11. I actively expressed my views during the activity.</td>
</tr>
</tbody>
</table>

4. Experiential Value

We developed four dimensions of CE on the basis of those described by Wu and Liang (2009) and Keng and Ting (2009), namely, “aesthetic value,” “service quality,”
“consumer reflux rate,” and “reasonable value.” A five-point Likert-type scale was used. Respondents’ scores were analyzed to determine their perceived EV (Table 4).

Table 4. EV Items

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>1. I feel that the NF is a great social enterprise.</td>
</tr>
<tr>
<td></td>
<td>2. The NF volunteers feel like my friends.</td>
</tr>
<tr>
<td>NGO Value</td>
<td>3. The content of the NF activity is extremely detailed.</td>
</tr>
<tr>
<td></td>
<td>4. Overall, I was happy and comfortable participating in the activity.</td>
</tr>
<tr>
<td></td>
<td>5. I escape the stress of reality when I participate in NF activities.</td>
</tr>
<tr>
<td></td>
<td>6. NF concepts are positive social values.</td>
</tr>
<tr>
<td>Consumer Reflux Rate</td>
<td>7. I am satisfied with the exchange of views during the activity.</td>
</tr>
<tr>
<td>Reasonable Value</td>
<td>8. My time and effort spent participating in the activity were worthwhile.</td>
</tr>
<tr>
<td></td>
<td>9. I do not think participating in the activity was a waste of time.</td>
</tr>
<tr>
<td></td>
<td>10. The NF activity expanded my views.</td>
</tr>
</tbody>
</table>

Results

SPSS 18 and SmartPLS 2.0 M3 were used to process the data. We first summarized the demographics of the respondents. The demographics were then processed to obtain respondents’ descriptive statistics, which were used to analyze the socioeconomic backgrounds of the respondents, descriptive statistics of the dimensions, and reliability of dimension preferences. Finally, SEM analyses were conducted to test the research hypotheses.

Respondents’ Socioeconomic Backgrounds

Respondents’ demographics included gender, age, level of education, city of residence, number of NF activities participated in, types of NF activities participated in, and
acquisition of information from activities. The results of the analysis indicated that 82 respondents were men (45%), and 99 respondents were women (55%). Most of the respondents were aged between 21 and 30 years (n = 158; 87%), followed by those aged 31 years and older (n = 23; 13%). Most of the respondents were undergraduates (n = 153; 85%), following by graduates and postgraduates (n = 15; 8%). Most of the respondents participated in the HSBC 2015 Plant a Tree Volunteering Activity (n = 156; 86%), followed by ecotour interpreter training courses (n = 15; 8%) and the Taomi Butterfly Creative Cooking Contest (N = 10; 5%). Respondents were provided with a multiple choice question to determine how they learned about NF activities. Most of the respondents selected “posters and pamphlets” (n = 95; 52%), followed by “friends and family” (n = 77; 43%), “NF website” (n = 40; 22%), and “fan page” (n = 18; 10%). A small number of respondents also chose “meetings,” “NF invitation,” and “voluntary participation” (n = 15; 8%).

Descriptive Statistics of the Various Dimensions

A descriptive statistical analysis was conducted to score the variables. The scores were then analyzed to determine the importance of each item, with 5 being the most important and 1 being the least important. Of the four dimensions, SS (M = 3.98) and EV (M = 3.98) achieved the highest scores, followed by SP (M = 3.95). CE obtained the lowest score (M = 3.79). In SS, “surrounding environment” and “personnel” obtained the highest and lowest average score, respectively (4.10 and 3.83). In the SP dimension, “job and service representative SP” and “overall SP” obtained the highest and lowest average scores, respectively (3.98 and 3.92). However, their scores were nonsignificantly different. In CE, “community awareness” achieved the highest average score (3.91), followed by “co-creation level” (3.80). “Autonomy” obtained the lowest average score (3.65). In EV, “consumer reflux rate” achieved the highest average score (4.03), followed by “reasonable value” (4.00) and “NGO value” (3.96). “Quality service” obtained the lowest average score (3.92).
A reliability analysis showed that the Cronbach’s $\alpha$ values for SS, SP, CE, and EV were 0.776, 0.715, 0.707, and 0.747, respectively. The Cronbach’s $\alpha$ values for all four dimensions were higher than 0.7, suggesting that they were highly reliable for factor analysis. The factor loading values of all dimensions and measures were between 0.563 and 0.919, which conformed to the acceptable range of 0.5 and 0.95. In addition, the average variance extracted (AVE) values of the dimensions and measures were higher than 0.5, and their CR values were higher than 0.7, suggesting that the convergent validity of the entire model was within an acceptable range.

Table 5. Factor Loading and Mean of the Various Dimensions

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean</th>
<th>SFL</th>
<th>SE</th>
<th>$t$-Value</th>
<th>$\alpha$</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Servicescape</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courses and Information</td>
<td>3.98</td>
<td>.801</td>
<td>.023</td>
<td>16.341</td>
<td>.776</td>
<td>.857</td>
<td>.603</td>
</tr>
<tr>
<td>Personnel</td>
<td>3.83</td>
<td>.601</td>
<td>.025</td>
<td>9.323</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NF</td>
<td>4.01</td>
<td>.851</td>
<td>.023</td>
<td>15.600</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surrounding Environment</td>
<td>4.10</td>
<td>.828</td>
<td>.022</td>
<td>13.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service Performance</strong></td>
<td>3.95</td>
<td></td>
<td></td>
<td></td>
<td>.715</td>
<td>.873</td>
<td>.774</td>
</tr>
<tr>
<td>Job and Service Representative SP</td>
<td>3.98</td>
<td>.839</td>
<td>.030</td>
<td>15.648</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall SP</td>
<td>3.92</td>
<td>.919</td>
<td>.042</td>
<td>15.652</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Co-Creation Experience</strong></td>
<td>3.79</td>
<td></td>
<td></td>
<td></td>
<td>.707</td>
<td>.833</td>
<td>.625</td>
</tr>
<tr>
<td>Co-Creation Level</td>
<td>3.80</td>
<td>.803</td>
<td>.039</td>
<td>10.455</td>
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<td></td>
</tr>
<tr>
<td>Community Awareness</td>
<td>3.91</td>
<td>.844</td>
<td>.056</td>
<td>9.368</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>3.65</td>
<td>.719</td>
<td>.042</td>
<td>7.706</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Experiential Value</strong></td>
<td>3.98</td>
<td></td>
<td></td>
<td></td>
<td>.747</td>
<td>.843</td>
<td>.578</td>
</tr>
<tr>
<td>Quality Service</td>
<td>3.92</td>
<td>.756</td>
<td>.028</td>
<td>12.351</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NGO Value</td>
<td>3.96</td>
<td>.844</td>
<td>.028</td>
<td>13.260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Reflux Rate</td>
<td>4.03</td>
<td>.563</td>
<td>.034</td>
<td>7.343</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Reasonable Value</td>
<td>4.00</td>
<td>.843</td>
<td>.022</td>
<td>15.213</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Note: SFL: Standard Factor Loading; SE: Standard Error; $\alpha$:Cronbach’s $\alpha$; CR: Composite Reliability; AVE: Average Variance Extracted
All causalities in Model 1 were supported (Table 6 and Fig. 2). The SS of NF positively and significantly affected CE ($\beta = .734; p < .01$); the SS positively and significantly affected the SP of the NF ($\beta = .472; p < .01$); the EV of the volunteers positively and significantly affected the SP of the NF ($\beta = .336; p < .01$); and CE positively and significantly affected EV ($\beta = .472; p < .01$). The causality results are tabulated in Table 7. SS achieved a significant and positive correlation with CE and explained 53.8% of the total variance of CE. SS and EV achieved significant and positive correlations with SP and collectively explain 58.8% of the total variance of SP. Finally, CE explained 56.2% of the total variance of EV.

Table 6. Pathway Analysis Chart and Hypothesis Test Results

<table>
<thead>
<tr>
<th>Causality Variables</th>
<th>Between Latent</th>
<th>$\beta$ (Normalized Factor)</th>
<th>$t$-Value</th>
<th>Test Results $^1$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>SS $\rightarrow$ CE</td>
<td>.734</td>
<td>18.224</td>
<td>Significant</td>
<td>.538</td>
<td></td>
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<tr>
<td>SS $\rightarrow$ SP</td>
<td>.472</td>
<td>5.416</td>
<td>Significant</td>
<td>.588</td>
<td></td>
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<tr>
<td>EV $\rightarrow$ SP</td>
<td>.336</td>
<td>3.718</td>
<td>Significant</td>
<td>.562</td>
<td></td>
</tr>
<tr>
<td>CE $\rightarrow$ EV</td>
<td>.75</td>
<td>15.187</td>
<td>Significant</td>
<td>.538</td>
<td></td>
</tr>
</tbody>
</table>

$^1 p < .01$

Figure 2. Flow Chart of the Research Results

Conclusion

On the basis of Chathoth, Ungson, Harrington, and Chan (2016) and Etgar (2008), we analyzed the SS (ex-ante), EV and CE (in-situ), and SP (ex-post) processes involved in customer co-creation and the sharing of value. The NF is an NGO that aims to transition into a social enterprise. It is also a provider of local tourism experiences. After the Jiji Earthquake,
the NF was first involved in rescue and resettlement and later engaged in homeland restoration and reconstruction. It then operated as an NGO and involved in the management of the Paper Dome Church. At present, the NF is in the process of becoming a social enterprise and has recruited volunteers to participate in various events and activities. In the meanwhile, NF utilizes social media for an assortment of purposes such as raising awareness, sharing meaningful stories, educating their audience, and even raising additional funds. Normally, the first timer participated in NF events or activities as a tourist. Then, repeat visitors start to co-create bidirectional experiential value with the venue, personnel, course, and service provided by the NF. Through participation, they become volunteers and begin to resonate with the ideologies of the NF and create values and social prospects that conform to these ideologies. Eventually, they naturally accept the ideologies of the NF and transition from volunteers to value co-creators. By examining the NF, we revised the established SS–SP model of service quality and incorporated the concepts of CE and EV into the evaluation of social enterprises, concluding the following implications:

1. The ideologies of social enterprises can be delivered to volunteers through activities, courses, and lectures, enhancing their overall evaluation of the social enterprise.

2. Analysis results on the NF revealed that CE is not only applicable for enhancing product consumption but also ideal for explaining the causality between volunteers and social enterprises.

3. The study results indicated that the volunteers of NF activities further understand the advantages of a social enterprise through the EV derived through their CE.

4. We incorporated CE into social enterprises and found that the association between CE and social enterprises was far greater than CE and conventional enterprises.

5. The association between SS and SP will have a greater emphasis on volunteers’ interaction and expression of opinions in future social enterprise contexts.
In the HSBC 2015 Plant a Tree Volunteering Activity organized by the NF, volunteers engaged in a series of events concerning the creation of spatial environments for butterfly ecologies. The activity also provided creative “butterfly meals”, in which nectar plants were used as the main ingredient. This enabled the volunteers to enjoy a great meal while forming associations with butterfly ecologies, thereby co-creating memories and values. The activity not only enabled volunteers to learn about the diet of butterflies and nectar-producing plants, as well as ecological environment protection methods. Through physical participation and the sense of achievement gained from planting and growing trees, ecological conservation concepts and methods are rooted in the body, mind, and spirit of the volunteers, rather than superficial advocacy of environmental conservation. The extensive content and professional speakers in the training course enabled volunteers to enjoy the beauty of nature and human culture and establish extensive emotional connections with the land. The NF promoted its business ideologies through its activities and courses. It also strives to provide quality services to its members to enhance their evaluation and acknowledgment of the NF, thereby resonating with its ideologies and persistence in protecting the land.

The volunteers that participate in the activities organized by the NF are able to recognize the value created by NGOs and form new values of social enterprises. For example, the volunteers in this study gained a better understanding of butterflies and habitat creation through physical engagement in the Plant a Tree activity. These experiences enabled them to form unprecedented ecological environment concepts and establish emotional associations with the land. Moreover, the integration of ideologies by the NF and its volunteers encourages the co-creation of common prospects and goals between the two entities. In future, the NF will form more meaningful social enterprise concepts to establish a top-down local governance model. The social enterprise business model established by NF can also be
practically incorporated by other similar organizations. By adopting localized, innovative, and green social economies as the core actuator and linking local resources, the NF aims to apply this model to a regional governance model that encompasses both collective interest and sustainable development. The NF aspires to introduce this model to the world.

In recent years, the term “social enterprise” has been the center of discussion around the world. It is considered a type of social innovation model. The NF has gradually shifted its business model from an NGO to a social enterprise that combines commercial and social welfare operations. Moreover, the NF promotes the core ideologies of its organization through the arrangement of various activities; wherein volunteers learn about the operations of local social enterprises.

The business model of the NF has gained the acceptance and trust of its activity volunteers, which centers on revitalizing and promoting local community-based economies. In the past, the concepts of CE were primarily adopted in the manufacturing and food and beverage industries. The present study expands beyond conventional frameworks by incorporating CE into social enterprises and validating CE performance. Different from other businesses, social enterprises primarily provide intangible services. For example, the NF provides tree-planting experiences, ecological and cultural courses, and even organizes a local orchestra. Through participation, volunteers resonate with the ideologies of the NF and transform from volunteers into the co-creators of value. The co-created value refers to bidirectional communication, which maximizes benefits for both the NF and volunteers. The empirical findings of this study show that the concept of CE is more applicable to highlighting the interpersonal interactions and communication of social enterprises than by examining those of the traditional manufacturing industry.

The advancement in smart tourism has been exceptionally fast in the past decade. Smart tourism describes the convergence of information technology with tourism. In smart
tourism, people cooperate to build social ecosystems utilizing information exchange via mobile devices connected to the internet (Hunter, Chung, Gretzel, & Koo, 2015). For the future research suggestions, the interaction between a user and any ICT (Information and Communication Technology) device or service would be the research trend for the next decades (Werthner et al., 2015). Although the main focus of this study is to explore the interactive relationships in service values using traditional survey method, I would suggest future researchers investigate traveler’s experience, perception or satisfaction by the use of smart devices or any ICT device (e.g. mobile applications, lightweight software engineering, and tools). In the foreseeable future, an individual’s behavior could be predicted more accurately with smart devices and technologies.

References


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