EXTENDING THE CONVERSATION ABOUT SERVICE CO-CREATION: INTEGRATION OF PRINCIPLES OF *AL-BAY'*

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ABSTRACT

Literature on service management and marketing suggests that service co-creation, or the process of active involvement between providers and consumers of a service, contributes to an enhanced service experience and offers competitive advantage to organizations. Such ideal conditions, however, are not often present in certain situations, particularly due to information asymmetry issues prevalent in many types of services, given the knowledge-intensive nature of these interactions. This problem is exacerbated in less-developed economic systems and among less savvy consumers. This article extends the discussion of service co-creation by proposing integration of the *al-bay'* (business exchange) principles based on the Islamic concept of transactions. This conceptual article is designed as a theory synthesis paper developed by synthesizing the main principles of *al-bay'* and the service co-creation. Observing the fundamentals of *al-bay'* overcomes information asymmetry related issues in service dealings, ensures that justice is achieved and fosters trust-based relationships among contracting parties. This conceptual article extends the discussion of service co-creation that typically highlights the provider-customer interaction. The

integrated framework serves as a normative model that could guide service providers and businesses to go beyond generating positive participant experiences by protecting the stakeholders in their particular environments.

1. INTRODUCTION

Service is a key driver of the global economy. The World Bank reported that the service sector contributed 65% of GDP from 2015-2018 (World Bank, 2021). By the end of 2019, this percentage dropped following the COVID-19 pandemic; however, it can be expected to increase as emerging services expand within the gig economy. The service sector is highly diversified, with sub-sectors including education, health, hospitality and tourism as well as financial services such as *Islāmic* finance. With the evolution of financial services, the focus has shifted to offering advisory services, resulting in substantial service provider-customer interaction. For instance, a Takaful agent and a prospective client may engage in a long process of cooperation, first, to determine the client's particular needs and financial situation and then to produce an appropriate Takaful plan aligned with the client's specific requirements.

Service is defined as the mobilization of organizational resources and competencies to benefit the organization, its customers and its stakeholders (Vargo and Lusch, 2004). Since the early 2000s, the term service co-creation began to dominate discussions within the service management and marketing literature. According to Prahalad and Ramaswamy (2004a), to enable active interactions, organizations must plan and develop their capacities and resources to allow a personalized service experience. Meanwhile, consumers must be willing to become involved in the service interaction and bear some of the subsequent risks. These authors further suggested that this perspective on servicing the customers, which enables delivery of unique service experiences, allows an organization to differentiate its service for competitive advantage.

Based on the co-creation concept, the provider-consumer interaction requires four conditions, namely dialog, access to and transparency of information, as well as the co-evaluation and co-

assumption of the transaction risks. These forms of interaction would potentially enhance innovation and learning for both providers and consumers, hence creating competitive advantage for the organization (Prahalad & Ramaswany, 2004a; 2004c). Such ideal conditions of information access and transparency, however, are not often present in service interactions, particularly because of information asymmetry, which can be more prevalent in contexts involving less-developed economic systems and less savvy consumers.

Information asymmetry issues between service providers and customers are widespread, especially in the developing world context, which could potentially result in adverse decisions taken by the transacting parties. This could create service displeasure in the transactional setting and at the aggregate level, perhaps even leading to organizational decline and long term market failure. The traditional concept of co-creation seems to limit its focus to the interactions and the interacting parties. Thus, a more holistic conceptualization and extension of the service co-creation concept in serving the needs of all stakeholders is needed, particularly involving *Islāmic*-based services. To bridge this knowledge gap, this article aims at extending the discussion of service co-creation by integrating the principles of *al-bay'* (business exchange or dealing). This is because, from the *Islāmic* perspective, the elements of co-creation appear to have been established and further elaborated within the concept of *al-bay'*. This integrated framework can serve as a normative model that explains *Islāmic*-based service co-creation. This conceptual paper is designed as a theory synthesis paper (Jaakkola, 2020) that builds on an integration of the concept of service co-creation and the main principles of *al-bay'*.

The next section will discuss the concept of service co-creation. Section 3 will discuss *al-bay'*. Section 4 will touch on integrating the principles of al-bay' in service co-creation, while section 5 presents the conclusions and implications of the paper.

2. THE CONCEPT OF SERVICE CO-CREATION

The extant literature suggests that co-creation, which is the process of active involvement between the providers and customers of a service, including business customers, contributes to improving an organization's offerings and provides it with greater business opportunities (Gouillart, 2014; Jouny-Rivier, Reynoso, and

Edvardsson, 2017). Active consumer involvement in creating an interaction's value includes designing and developing products or services (co-conception); marketing, delivering and implementing services (co-production); and providing after-sales services (co-maintenance) (Voorberg, Bekkers, and Tummers, 2015; Zhang and Chen, 2008; Sheth and Uslay, 2007). In this study, the term co-creation covers the entire spectrum of co-conception, co-production and co-maintenance.

Service co-creation emphasizes the value of the provider-consumer interaction, besides assuming that the service space is a total service experience environment (Finsterwalder, 2018; Prahalad and Ramaswamy, 2004a). Therefore, both provider and consumer need to be adaptable to co-creation by mutually cooperating on these themes through incessant dialog, having access to information, co-assuming service risks and ensuring information transparency. These four themes were named the DART model of value co-creation by Prahalad and Ramaswamy (2004a, 2004b, 2004c). The first building block of the DART model is dialog, which refers to two-way communication between two parties of equal standing. Based on this dyadic interaction, both parties must be willing and able to act. The second block (access) refers to information availability and the platform or technologies that will enable co-creation to occur. Having access to two-way dialog and transparent information enables both parties to make informed choices by evaluating and assuming the transaction risks and negotiating their way throughout the service execution, which is the third block. Access to information, in combination with information transparency as the fourth block, empowers both parties to become co-creators and allows them to make informed choices. If either party has no information access or transparent information, asymmetric information problem occurs; the issues stemming from this can be expected to generate ineffective interaction.

Vargo, Maglio, and Akaka (2008) introduced service-dominant logic (SD logic) to discussions of the co-creation concept. SD logic is a marketing paradigm that regards all organizations' interactions as forms of service. Accordingly, the authors argued that the co-creation concept is underpinned by the theory of service science. This theory conceptualizes service as the application of values and competencies to provide benefits to the service recipient, which occurs through an exchange system and establishes that value production through co-creation involves active engagement of all service system participants. Later, Ramaswamy and Gouillart (2010)

proposed the co-creation concept as a corporate strategy, emphasizing the strategic management perspective when implementing the concept. This view of co-creation as a corporate strategy complements the service-centered view of co-creation adopted by researchers who generally support the SD logic principle. In a critical analysis of the co-creation process, Grönroos (2011) stated that the consumer involvement roles during the co-creation process must be properly understood, because of inherent boundaries on the roles of consumers, who operate outside organizations. In any case, integrating consumer feedback based on company-consumer interactions without proper knowledge and competencies may have negative consequences such as service co-destruction (Echeverri and Skålén, 2011).

The perspective on value co-creation has shifted from the firm creating a pre-determined value that is then packaged, proposed and sold to customers. Now, value is being co-created by the producer and the customer (Espejo and Dominici, 2017; Saarijarvi, 2012). This means customers no longer act only as 'passive' buyers but as active participants in determining and co-producing the value they purchase and consume. The object of the interaction is the product or service being transacted. Regardless of the type of customer involvement, their participation in the service requires the use and mobilization of their personal resources both in the supporting role and in replacing the service provider labor (Saarijarvi, 2012). In this regard, customers not only pay for purchasing the service, but also contribute their time and other resources to creating the value. Hence, a strategic perspective is needed to perceive the value proposition as one in which the value built through the co-creation process, which must be gauged against the perceived value that customers receive (Saarijarvi, 2012). In other words, for an organization, co-creation should not be pursued for its own sake but as part of a necessary effort linked to organizational strategy.

In their article, Kaasinen et al. (2011) suggested several platform options for attracting customers to interact during the design stage. They however did not explicitly describe the process of integrating consumer feedback into the end product or the process outcome. Hilton, Hughes, and Chalcraft (2012) hold that service co-creation involves integrating resources by the participants during the service process. In this process, consumers experience a learning curve enabling modification of their resources. Thus, organizations need to customize their service delivery to suit the consumer level of learning. In relation to learning, Echeverri and Skålén (2011) find that

the knowledge held by the provider and that held by the consumer is not necessarily equal. However, they did not indicate how to identify this knowledge discrepancy and, should a discrepancy be identified, offered no guidelines for resolving this issue.

Co-creation process interaction involves not only the company's engagement with customers but also employees and other stakeholders. In Leavy's interview with Ramaswamy (Leavy, 2014), Ramaswamy stressed that these attached engagements, which affect the mechanism of the platforms that connect individuals, produce utility or material benefits, emotional attachment, and personal-developmental value for all the parties involved. Gouillart (2014) further highlighted the importance of co-creating through an organization's interactions with its stakeholders, which contributes to developing an eco-system comprising networks of participants' experiences and resources. In their earlier article in 2010, Ramaswamy and Gouillart suggested that leveraging this form of "community-based" co-creation platform enables organizations to enhance their network economics. In summary, the core principles of co-creation include direct engagement of participants' experiences and resources within a network platform that offers mutual benefits to all participants. Gouillart (2014) proposed five tools that organizations can implement when designing their approaches to stakeholder involvement in the co-creation process, which include community or social marketing, design thinking, co-creative transformation, crowdsourcing and open innovation.

2.1 LIMITATIONS OF THE SERVICE CO-CREATION CONCEPT

While the literature discusses the positive aspects of service co-creation, recent studies have suggested its limitations. Some issues relate to a potentially negative experience, including a lack of information about the service; a lack of understanding of the service or specific elements of the service process or procedures; the incongruence of the views or expectations held by providers and consumers; and the delayed service recovery when failure occurs (Echeverri and Skålén, 2011). These could be interpreted as issues of asymmetrical information between provider and customer. Specifically, they refer to the absence of relevant information, as well as the lack of conceptual understanding, knowledge and skills on behalf of one or both parties.

Moreover, while the importance of service co-creation and the ideal situation where interaction must occur have been examined,

actual service interaction implementation has not been discussed. In their review, Voorberg et al. (2015) revealed that studies on co-creation in the public service context remain inconclusive with regard to co-creation process outcomes. In fact, the outcomes of co-creation initiatives have not been reported. This implies that co-creation practice might be a symbolic gesture for an organization aimed at achieving legitimacy among its stakeholders, rather than a serious attempt to benefit from the co-creation process. Therefore, our understanding of the co-creation concept, which is inherent to its implementation, is currently underdeveloped.

In a critical analysis of service co-creation, Grönroos (2011) stated that the consumer involvement role during the co-creation process must be properly understood, as there is a limit to consumer roles. Rather than assuming that consumers are always the co-creators of value, the situations in which consumers act as co-creators have mostly occurred during crucial moments when the providers are physically or virtually present with the consumers. This is because, during this moment of truth, the consumer interaction can be directly integrated so they become co-creators of the service. In this regard, the terms co-creation and co-production are identical. However, outside the moment of truth, i.e., during the service design and internal implementation, consumer interaction with the providers will not necessarily lead to co-creation of services. Organizations might provide opportunities for interaction with consumers while aspiring to co-create. Co-creation, however, might not occur if the interaction output is not properly integrated into the service process. Thus, integration of feedback from customers or other stakeholders is mostly at the discretion of the organization, indicating that the provider-customer relationship is unequal. In any case, the consumer feedback integration is based on interactions with them; but without proper knowledge and competencies on the part of the organizational members, this may generate negative consequences such as co-destruction of services (Echeverri and Skålén 2011). Plé and Chumpitaz (2009) were among the first to emphasize that issues of service co-destruction might occur due to failure in service co-creation. They defined service co-destruction as any situation involving the misuse or waste of resources by any service participant, intentionally or unintentionally. As co-destruction impact is costly, the costs and implications are expected to be far greater if co-creation initiatives are treated as strategic organizational imperatives.

On the whole, service interactions are complex. Evidence suggests that the ideal conditions of information access and transparency are not often present. This is referred to as information asymmetry, which is prevalent in many types of services, particularly knowledge-intensive services (Barile, Saviano, and Polese, 2014). Information asymmetry issues can occur in all the DART model building blocks. To ensure that all service interaction is founded on these blocks seems overly idealistic, particularly because information asymmetry remains predominant in less-developed economies, where consumers cannot rely entirely on the system. Meanwhile, consumers in such economies are less savvy than those in more developed countries. Thus, as the need for a more integrated solution has been established, it is proposed that these issues can be overcome by integrating the principles of *al-bay'* in service co-creation.

3. THE CONCEPT OF AL-BAY'

According to the renowned *Islāmic* scholar Wahbah al-Zuhayli, a contract is required as the basis for interactions between humans or in society (al-Zuhayli, 1985). A contract or agreement between contracting parties, for instance, a seller and a buyer, is a fundamental aspect of *al-bay'*, which literally means 'exchange' and applies generally to business transactions. Technically, *Islāmic* jurists define *al-bay'* as the "exchange of a useful and desirable thing for similar thing by mutual consent in a specific manner" (Ibn al-Humam, 1995, p. 73, cited in Najeeb, 2014). The underlying idea in a sale contract is that the seller transfers his or her ownership of the subject matter to the buyer, in exchange for a specific price or other consideration. To be deemed a valid contract, three elements need to be fulfilled: a) offer and acceptance (*sighah*); b) contracting parties (*aqidan*); and c) subject matter of the contract (*ma'qud alayh*) (Najeeb, 2014; al-Zuhayli, 1985).

3.1 PILLARS OF *AL-BAY'*

Sighah is the first pillar of *al-bay'*. It refers to the expression of agreement or a statement by both parties to enter into and conclude a contractual relationship. It consists of the expressions of offer (*ijab*) and the acceptance (*qabul*) by both parties in an event of transaction (*majlis akad*). Moreover, shari`ah law stipulates the preconditions for each pillar. The preconditions must be complied with; otherwise, the

bay` contract becomes invalid. Under the *sighah* dimension, jurists have specified the preconditions that the offer and statement must be based on free will and be without any force or duress. To avoid any dispute, the offer and acceptance should be clearly stated or mentioned. The statement is recommended to take the form of the past tense in confirming the offer and acceptance by each party.

In the contemporary digital era, *sighah* may no longer be limited to physical interaction or conversation but can be achieved through virtual agreements such as a digital signature, e-payment or electronic remittance. Expressions of *sighah* may also be communicated through contemporary means such as instant messaging or email, as well as other forms of writing and communication understood and agreed by both sellers and buyers. Hence, the practical application of this pillar of *al-bay'* is adaptable to modern situations as long as it is guided by the authentic sources of the Qur'an and the Sunnah, as well as the interpretations of *Islāmic* scholars.

The second pillar involves two contracting parties, usually termed the seller and the buyer. Both parties must be *mukallaf*, meaning persons of sound mind who have reached puberty. (In certain situations, they must be Muslim). Thus, they are able and required to adhere to the precepts of *Islāmic* law (Saeed, 2017). Each party must also possess the legal capacity to conduct the contract. This refers to one's qualification to acquire rights and undertake duties and responsibilities. The parties must be competent, which is defined as having reached maturity and puberty, as well as being sane.

The third pillar is the contract subject matter, which covers either the goods (or services) and the price. According to Najeeb (2014), most scholars classify subject matter into three main categories: corporeal (*ain*), a term which refers to "property with physical existence"; usufruct (*manfa'at*), which refers to "benefits of some kind" from the products or services; and rights (*haqq*), which refers to "special rights over particular properties" (Najeeb, 2014, 7). The subject matter may consist of tangible or intangible things that fulfil certain conditions. Among others, the subject matter must be permissible to be transacted by *Shari`ah* law, have beneficial value and be owned by the parties (thus, fish in the sea are not valid for sale). Another important condition is that the subject matter must be known to both parties. Both parties must properly identify the subject matter and disclose relevant detailed descriptions to avoid confusion. Any

information on the subject matter should be transparent; thus, any defect concerning the subject matter must be known by both parties. Finally, the form of delivery of the subject matter from the seller to the buyer should also be specified and concluded.

4. INTEGRATING THE PRINCIPLES OF *AL-BAY'* IN SERVICE CO-CREATION

This section outlines the synthesis of the service co-creation dimensions discussed by the extant service literature and the principles of *al-bay'* based on *Islāmic* teachings. Next, the authors propose a framework integrating *Islāmic*-based service co-creation with the principles of *al-bay'*.

4.1 DIMENSIONS OF SERVICE CO-CREATION AND PRINCIPLES OF *AL-BAY'*

The concepts of service co-creation and co-construction generally refer to the joint creation of value by both sides in a service interaction, for example, by the company as the seller and the customer as the buyer. As such, the basic premise of any business and service transaction is that service co-creation does not involve the firm trying to please the customer but rather the creation of value (Prahalad and Ramaswamy, 2004b). Conversely, the pillars of *al-bay'* are considered the standard conditions for a valid business interaction or transaction. This condition is prescribed through the divine revelations of al-Quran and al-Sunnah, with the overarching principle of upholding justice and equity to both parties.

In the co-creation concept, knowledge is central to creating the value proposition. The co-creation process, which involves collecting, combining, sharing and creating new knowledge through internal and external collaboration, produces an outcome in the form of a value proposition (Halale, Gangadharan and Uden, 2015). Beyond this, the co-creation principles stipulate that the enrichment and learning of both sides should be the interaction process outcomes. Such learning contributes to an organization's ability to design a better service experience in future, which will provide it with long-term strategic advantages. Hence, the co-creation principles successfully reveal the underlying values of co-creating in services. When this is integrated with the concept of *al-bay'*, the enrichment and learning needed for future improvements, as guided by divine prescriptions, as

well as any decisions and actions taken for future benefits, are underlined by the principles of equity and 'justice for all'.

In addition, the conditions of *al-bay'* are to be fulfilled in a certain order or in stages. The control and monitoring mechanisms are embedded into the principles by initially establishing the conditions under which the parties enter into a business transaction, as well as the conditions of the transaction subject matter. For instance, the principles of *muamalat* (principles under *Sharīʿah* that govern human interactions) outline that any products or services and their transactions must be permissible (*halal*), have no element of interest *(riba'),* be free from gambling elements (*maysir*) and be free from uncertainty (*gharar*). Therefore, the products or services, as well as the interaction process leading to the co-creation of experiences, must not contradict the principles of *muamalat* and must subscribe to full information disclosure. This screening aspect is not explicitly addressed in the conventional view of service co-creation.

Co-creation attempts to maximize the joint values from both sides, while the contract of *al-bay'* can be fulfilled with the agreement of both seller and buyer, based on *Sharīʿah* principles. Both the service provider and the customer are deemed to have rights (*haqq*) and responsibilities that must be fulfilled accordingly. Sellers are expected to provide the best products and services while abiding by the *Islāmic* rules and regulations. For instance, a seller must be honest in disclosing any item's defect or any problematic aspect of the transaction, so that the buyer is able to recognize the item's true condition and can thus make an informed decision and negotiate accordingly. These rules are also applicable to customers as service recipients. As such, if a customer demands unlawful entertainment or an item considered non-halal for Muslims (such as pork or beer, for instance), Muslim service providers are not allowed to abide by the contract, which is automatically void. Hence, the principles allow for service pleasure to be achieved by both seller and buyer.

The principles of *al-bay'* outline how products and services must include only the permissible which, among other conditions, means those which are *halal* and without element of *riba'*, *maysir* or *gharar.* This indicates the emphasis on not only the experience when a service is constructed but also the product or service, the actors within the interaction, the entire interaction process and the process outcome; all of these are value-laden in nature. These pre-conditions not only protect the buyer and seller from consuming forbidden

products or services in such dealings but also protect the consumer and society overall from any harm resulting from such interactions, as well as from the use of such products and services. By embracing *Islāmic* principles, any business exchange will encourage an optimum level of risk sharing, resulting in increased shared prosperity within society (Askari, Iqbal, and Mirakhor, 2014). This means that the benefits of *al-bay'* surpass simply addressing the concerns of the contracting parties; they also encompass consequences that may influence other stakeholders who are potentially affected by the transactions.

Obligatory pillars of *al-bay'* highlight the information-intensive nature of co-creation processes and the need for transparent communication and equity in interactions. These principles appear to cover the main elements of co-creation, as discussed in the extant service literature, including the DART model. Beyond these principles, the concept of *al-bay'* further specifies the need for symmetrical information to enable sellers and buyers to make correct judgements or decisions. Symmetrical information enhances the meanings of the continual dialog between the service providers and buyers, as well as the mutual need for accessible and transparent information.

With emphasis on the values and belief systems, integrating the principles of co-creation and *al-bay'* offers justice to all parties and serves as guidance for both service provider and buyer involved in transactions. By adhering to *al-bay'* pillars, the contracting parties in a business transaction enjoy justice in their dealings (through just transactions), while such transactions also become a way of forging a relationship of trust. This is because one key focus of transactions in Islam is the upholding of justice for the contracting parties and all related stakeholders. Hence, a positive service experience improves the transaction efficiency and effectiveness besides building strong relationships between providers and customers. Therefore, for service providers, engaging customers not only offers the organization competitive advantages but also potentially protects the stakeholders. Such holistic efforts to serve customers are expected to have a transformative long-term impact on society.

Table 1 shows the synthesis of the dimensions of service co-creation and the principles of *al-Bay'* as conceptualized by the authors.

TABLE 1

Synthesis of Dimensions of Service Co-creation and Principles of *al-Bay'*

Dimension/Element	Service Co-creation	Principles of *al-Bay'*
Basic premise	"Joint creation of value by the company and the customer"	To uphold justice and equity to both parties who enter into a business transaction
Condition of the interacting parties	Service provider "allows the customer to co-construct the service experience to suit his/her context"	• *Haqq* and responsibilities on behalf of both the service provider and customer are prescribed • Information symmetry is required for both parties, allowing co-construction of the service
Subject matter	"Joint customer-producer problem definition and problem solving"	Subject matter (product and service) must be permissible and *halal*, as well as fulfilling the needs of both parties
Process of service experience and interaction / transaction	"Creating an experience environment in which consumers can have an active dialogue with the company and can be directly involved in co-constructing personalzsed experiences; product offering may be the same, but customers are able to construct different experiences"	The process of interaction leading to personal experiences must not contradict the principles of *muamalat* (namely by being *halal* and being free from *riba'*, *maysir* or *gharar*). Participants must subscribe to full disclosure/information symmetry

TABLE 1 *(continued)*

Dimension/Element	Service Co-creation	Principles of *al-Bay'*
Creation and recreation of experience	Each transaction creates a different and unique experience	Focus on both tangible and intangible experiences that lead to enrichment and learning for both parties
	• "Experience variety"	• Experience variety to meet the requirements of *al-bay'*, which emphasizes upholding of justice for both parties
	• "Experience of one"	• Interaction experience must be by mutual consent
	• "Experiencing the business as consumers do in real time"	• Justice for the interacting parties prevails beyond personalized experiences
	• "Continuous dialog"	• Continuous dialog is required and must be guided by divine prescriptions
	• "Innovating experience environments for new co-creation experiences"	• Continuous innovation in the service environment and experience is encouraged but must be guided by divine prescriptions

Source: Authors' conceptualization and Prahalad and Ramaswamy (2004b, 8).

4.2 INTEGRATED FRAMEWORK OF *ISLĀMIC*-BASED SERVICE CO-CREATION

Generally, the values that underpin the concept of *al-bay'* include justice for all and obedience to divine prescriptions, thus implying the existence of a greater good or "other" stakeholder beyond the contracting parties. Moreover, the concept of *al-bay'* considers the permissibility of the products, the interaction process and the

outcomes; this overcomes the limitations of the current framing of co-creation that focuses exclusively on the interaction process.

Even though Islam does not prohibit profit seeking and the pursuit of capitalism, without *Sharīʿah* guidelines, economic activities may lead to imbalance, inequality and injustice. For this reason, contracts prescribed by divine revelations are intended to maintain the balance, distributive justice and equality of opportunities (Usmani, 2002). The explicit emphasis on justice and the obedience to divine prescriptions rightfully serve as guidelines for service providers, particularly those in the developing world. In contexts where societies appear forced into trying to match developed nations, some elements of justice are neglected. Moreover, issues of asymmetrical information are widespread in many industries, particularly in knowledge-intensive services such as financial and healthcare services (Barile et al., 2014). While technologies are available, they are usually not fully utilized to enable information symmetry. Relationships between service providers and customers are often unequal and involve conflicting values, which might result in manipulative transactions based on profiteering (Espejo and Dominici, 2017). Other concerns that must be addressed are the low level of mindfulness and the lack of a sense of responsibility for the negative impacts of certain products and services in business and society.

Given the requirements for symmetrical information, permissible products and services, efforts to achieve these goals can be made by both the service providers and consumers. These efforts might include using technology that would make information more equitably accessible and transparent. In addition, service agents could be produced who serve with honesty and integrity by maintaining continuous dialog with customers. Technology use would also enable inclusivity within all social groups (Namisango, Kang and Rehman, 2021; Leavy, 2014).

Figure 1 illustrates the emergent conceptualization of service co-creation integrated with the principles of *al-bay'*, which are based on the *Islāmic* belief and value system, as an overarching concept for service dealings.

FIGURE 1

Emergent Integrated Framework of Service Co-Creation and *al-Bay'*
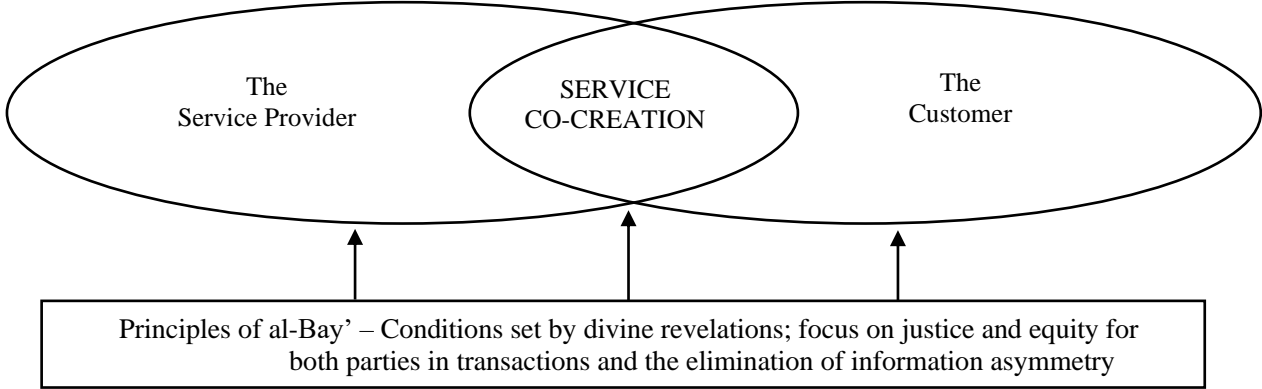
Source: Authors' conceptualization

This emergent framework takes the perspective that a system of service co-creation should emphasize the interaction process, encompass the underlying values of those involved in the transaction process and incorporate the permitted nature of both the tangible and intangible aspects of the products or services being transacted. The framework also addresses the impacts of products and services by extending the model from the concerns of only the consumer to others in the business environment. Hence, the value created through this form of co-creation extends beyond the monetary value to the firm and the consumer positive service experience.

This integrated framework, which combines the perspectives of service co-creation and the *Islāmic* principles of *al-bay'*, is an emergent conceptualization because this combination has not been discussed in previous literature. To date, service co-creation in particular has only been discussed from the Western perspective and mainly at the operational level. Thus, the concept of value co-creation can be enriched by examining it together with the holistic principles of Islam, which provide a fundamental basis for it to serve as a normative model guided by the divine *Islāmic* teachings.

Technology and digitalization, including digital marketing, function as the enablers of business transactions or communications within the entire service experience, in which value co-creation occurs and the principles of *al-bay'* are applied and demonstrated. The emergent model developed by the authors is generally relevant to all business transactions, regardless of the medium or enabler. For example, the application of a business transaction infused with digitalization might be particularly relevant given the advent of financial technology, or fintech. Arguably, contracts and business transactions are not restricted to traditional ways but also adaptable to new and emergent applications.

5. CONCLUSIONS AND IMPLICATIONS

Discussing service co-creation in the context of *al-bay'* concept provides a more holistic conceptualization of how interactions between parties involved in a contractual or business exchange add value to the service experience and favorably enhance it. This is especially relevant for *Islāmic* products or service offerings, where certain requirements must be fulfilled for the transactions to be considered valid or effective, as stipulated by *Islāmic* injunctions. Integrating the service logic with a values-based perspective, such as

the *Islāmic*-sanctioned *al-bay'*, enriches the meaning of service co-creation. This is because the current view does not consider the underlying values or beliefs of the individuals involved in the service interactions.

The emergent framework of this study is built upon divine prescriptions, in which justice is upheld for everyone. It is also supported by the co-creation principles, with knowledge as the foundation of both the transaction and the process outcomes. The framework serves as a normative model that guides service organizations to overcome some issues of injustice in business transactions. Particularly for those organizations operating in the developing world, where transactions between two parties (i.e. organizations and consumers) often do not occur on equal grounds due to information asymmetry. The framework also addresses problems related to *Sharīʿah* non-compliant products, services or processes. These guidelines aim at making customer service more of a holistic effort while supporting the organization so that it achieves the desired competitive advantage. In other words, the study emphasizes that service providers and businesses should go beyond simply generating positive experiences for the participants or consumers by also protecting the other stakeholders in the environment.

In summary, preconditions of *al-bay'* encompass the co-creation elements of an exchange, which not only increases its efficiency but also improves its effectiveness and builds strong relationships with customers. Integrating *al-bay'* principles into service interactions would remove issues of information asymmetry by defining the permitted products and services, as well as outlining the responsibility that both buyers and sellers have to provide accurate information. Such practices offer the customers service pleasures, which supports a service provider's aim to achieve a competitive advantage. This contributes to a balanced industry and economic development. Recognizing the importance of belief systems and values, such as religious values, will offer a more in-depth understanding of service interactions and strengthen co-creation as a body of knowledge. Future studies may consider examining the resources, conditions or systems necessary to create or support an environment in which an *Islāmic*-based service co-creation experience can occur, as envisioned by the normative framework. Since multiple stakeholders are involved in the service experience, we need to investigate the coordination aspect of this *Islāmic*-based service implementation.

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