The concept of value has been at the heart of marketing thought and practice. Marketers strive to develop a unique value proposition to satisfy the needs of customers in order to create a differentiated offering to targeted customers, be they end consumers or business users. It is the unique value delivered by products and services that defines firms’ competitive market positioning. Recent advances in marketing theory have enhanced the interpretation of value in terms of its types, manifestations and determinants. Value in marketing is delivered to customers, stakeholders, shareholders, ecosystems and society. While the literature has been unanimously emphasizing the economic interpretation of value, measured in money terms, marketing has been at the forefront of critical thinking bringing to the fore new meanings and interpretations of value that have unlocked the psychological, emotional, social and ecological value of products and services to customers. It is the marketing thought that has extended the understanding of value-in-use and has indisputably positioned value in context. Marketing has developed the notion of value delivered by intangible assets that can create much greater value than the tangible product and/or service. Marketing has unravelled the multilayered nature of value to the customer and thus augmented the meanings and interpretations, as well as the analytical and practical potential of this notion. Consequently, we see the need to revisit the concept of value in marketing in order to address its complexity. This book sets to provide an insight into the concept of value in marketing in its contemporary interpretation and level of development. The aim is to offer an overview of debates and developments in our understanding of value in marketing that can raise the awareness of the scholarly and business communities of its pivotal importance for businesses and consumers.

Value in Marketing presents reflections and analysis of value in marketing by consecutive generations of scholars who have made theoretical contributions to the contemporary understanding of the concept, its interpretations, dimensions and importance. The chapters address various issues including: customer value development, implications and trajectories; intra-variable and inter-variable perspectives of value; the importance of the value concept in the international marketing context; and value developed in networks that is intrinsically associated with knowledge creation in the internationalization, meanings and interpretations of value in diverse contexts that help us develop further the dimensions of the concept. We trust the book will be of interest to researchers, scholars and students in the fields of marketing management and international business, and to people who wish to have a better understanding what marketing really brings to consumers.

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1 Value in Marketing
What Is It and Why Does It Matter?

Marin A. Marinov and Svetla Marinova

We have been researching the meanings and interpretations of value to find out that it is often perceived as too obscure in its meaning and many people would merely shrug their shoulders in bewilderment. Not to mention that when trying to find the literal translation for value in other languages, one might struggle to find equivalent words that express what it really means. Instead, descriptive words—such as benefit, use or utility come to mind more easily and are more understandable. Then you hear: “Oh, yeah, I see what you mean.” Moreover, when we mention value to some friends and colleagues, many would simultaneously equate it with profit. Indeed, value is a concept that can mean many things to different people or may be not meaningful to some. This makes us wonder how we can communicate better what value is, who creates it and why it is important in business-to-consumer (B2C) and business-to-business (B2B) marketing. Consequently, this volume presents a collection of personal perspectives, reflections and overviews on the meanings, interpretations and perspectives associated with value in marketing.

The concept of value is as old as the exchange processes and dates back to the dawn of the existence of mankind, evidence of which can be traced in the Bible. Aristotle in his work The Nicomachean Ethics indicated that justice in exchange calls for proportioned reciprocity as there is a need to identify how value should be measured for the evaluation of proportioned reciprocity. The Roman law called not for the inherent value of a good but for a market price, which had to be determined at the time of the sale. Mazzucato’s recent award-winning book The Value of Everything (2018) also argues that value is often explicitly equated with what can procure a price in the market; as a result, price determines value, albeit she explores value further from this initial premise.

According to Zeithaml (1988) and Holbrook (1999), a diversity in the meanings and interpretations of value exist because value is perceived as highly subjective and dependent on the individual’s perception. The initial understanding of value as utility originates with Adam Smith (2003 [1776]) and the economic marginal utility theory that emerged from the foundations of Smith’s earlier work (Kauder, 1965). Value in business activities
has developed on this basis with the interpretation of the worth created in business transactions for the parties participating in the exchange of goods. As a result, the perceived value to any party is the ratio between calculable and presentable benefits received and sacrifices made being measured in a single measure of value, such as money (Anderson and Wynstra, 2010). It is widely accepted, though, that value has multiple measurements and is not exclusively related to economic benefits, but it relates to relationship benefits and functional benefits (Ritter and Walter, 2012).

This interpretation is echoed by Marinova, Larimo and Nummela (2017), who also highlight that value is subjective, relative, differing among users, and context specific. This is aligned with Ravald and Grönroos (1996), who describe value as related to consumers’ own actions, position and experience in the buying process. Of course, consumers cannot create value alone and in this regard, Amit and Zott (2001) argue that value can only be created and hence, refers to the total value created among all participants in a transaction. This is reflected in the original definition of marketing adopted in the U.S. in 1935 by the AMA, which stated that: “(Marketing is) the performance of business activities that direct the flow of goods and services from producers to consumers” (Wilkie and Moore, 2007: 269). For a number of decades value in exchange was debatably one of the major concepts in marketing (see, e.g., Alderson, 1957; Bagozzi, 1975; Houston and Gassenheimer, 1987). Marketing literature has been exploring value creation by firms for their customers as exchange value and value-in-use for the customer, based on customer wants, needs and preferences. Subsequently, the notion of value creation in the firm gave place to value co-created in the relationship between the firm and the consumer (Prahalad and Ramaswamy, 2004).

Research by Vargo and Lusch (2004, 2006, 2007, 2008, 2011), Vargo, Maglio and Akaka (2008) and Akaka, Vargo and Lusch (2013) has developed the Service Dominant Logic (SDL) and the service-ecosystem perspective that have placed centrality to service exchange, integration of resources, value co-creation, value-in-use and value-in-context (Akaka, Vargo and Lusch, 2013). Thus, co-creation and multiple value outcomes have been recognized as fundamental to service provision. In line with this, the AMA’s definition of marketing was adjusted in 2013 to reflect the understanding that a product is no longer the object of exchange between a firm and its customer, but it is an offering, a bundle that creates value for the customer, for various parties contributing to the bundle offered to the customer, and for the society at large. “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2013).

At present, numerous understandings of value are centered on the essential conventions of various theoretical approaches applied in social
sciences, mostly economics, psychology, sociology and anthropology. The late developments concerning Consumer Culture Theory (CCT), Service Dominant Logic (SDL) and branding research have advocated the necessity for a clarification and a theoretical synthesis of the different conceptions of value (e.g., Arvidsson, 2006; Domegan et al., 2013; Grönroos, 2012; Gummerus, 2013; Holbrook, 1999), types of value and mechanisms for value creation and co-creation.

The philosophical reflections of Plato in The Republic (in 360 BC) regard value as intrinsic and extrinsic (Plato, 2007). The intrinsic value in Plato’s thinking relates to the internal worth or ‘goodness’ of a person, something deeply internally embedded that shapes one’s moral values and beliefs. The extrinsic value is associated with things and therefore, it exposes the importance of the ‘thing’, which could be an object, a product, an activity or anything that is external to a person and brings some instrumental value for that person. This arguably leads to the assumption that value can be both intrinsic and extrinsic and that these two concepts do not exclude, rather, they complement one another. In addition, the worth itself is a matter of perception, the perception of the person who gets the worth of the ‘thing’ and thus has a subjective evaluation and interpretation, which may or may not be shared by other persons. In line with this, Holbrook (1999) categorizes three dimensions of value, namely: (1) intrinsic-extrinsic, (2) self-oriented versus other-oriented and (3) active-reactive. The intrinsic-extrinsic dimension is applied when a product is valued because of its qualities as an end product or as a means that helps someone gain something else. A self-oriented versus other-oriented dimension relates to the value of the product to the end-user or because of its worth to someone due to the reactions of others. The active-reactive dimension is about the involvement of a person in the value of the product. Others have suggested that value in marketing should be seen as a multidimensional construct including functionality and features (with identity, safety, usability and performance), customer experience (with convenience, visual appeal, reliability and compatibility), brand image (with accomplishment, sensory appeal, productivity and values) and social status (with comfort, engagement, efficiency and refinement). Some have developed the Marketing Value Wheel Framework with business value, consumer value and cultural value with their constituents (Carr, 2019), while others suggest that value should be analyzed considering various levels and types (Boztepe, 2007; den Ouden, 2012; Marinova, Freeman and Marinov, 2018). In doing so, the notion of marketing has been further unpacked and its complexity has created new challenges to marketing scholars and practitioners alike.

This book comprises various chapters presenting a broad retrospective analysis on the term ‘value in marketing’ taken from the perspectives of the concept of consumer value, intra- and inter- variable perspectives on value research. It investigates and analyzes the dispersed knowledge in
the marketing literature to categorize various schools of thought related to the concept of value in the field of marketing. It has also indicated that firms possessing well-established social networks generally grow fast internationally providing value well beyond national borders and consumer groups in a single country, as they link users and sellers of goods and services globally.

Chapter 2 is written by a guru in marketing, Emeritus Professor Morris B. Holbrook, and represents a personal retrospective journey suggesting an idiosyncratic subjective contemplative treatise, a generalized true-to-life SPI appraisal, mapping out the progression of the author’s identifiable actual Concept of Consumer Value (CCV); setting CCV as a lean-to of earlier work on the Consumption Experience; bringing up numerous aspects of CCV that are debated time and again, often taken the wrong way, or disregarded; and referring briefly to those on the international scene who have addressed theoretical fine-tuning and measurement-related empirical issues in ways that, in spite of the author’s own participation, the author believes are still embryonic and in need of further improvement.

Chapters 3 and 4, authored by Associate Professors Raquel Sánchez-Fernández and Martina G. Gallarza, represent intra- and inter-variable perspectives on value research. Chapter 3 refers to the deep, extensive and scattered research on value, and identifies the emergence of two main areas of discussion, namely, conceptualization and dimensionality, representing intra-variable approach, and interrelationships with other constructs, inter-variable approach. Chapter 3 sets to contribute to the value literature by providing a systematic review under an intra-variable perspective, including: (1) an explanation of the importance of researching the notion of intra-variable perspective; (2) a review of the etymological foundations of the value concept on the basis of numerous disciplinary sources; (3) an exploration of the polysemy and terminological richness associated to the analyses concept; (4) a comparison and classification of the value definitions, where the wide spectrum of approaches is evidenced; (5) a diachronic review of what has been studied regarding the nature, typology and dimensionality of value, uni- and multi-dimensional approaches). Chapter 3 concludes with a discussion of the major inadequacies, deficiencies, challenges referring to the analyzed notion, and identifies future research streams in the investigation of value.

Chapter 4 offers a review on inter-variable approach, showing that the inter-variable perspective on value is a crowded and rich steam of research that has never lost the interest of marketing and consumer behavior researchers. This chapter is organized in sections, along with an introduction and conclusion. First, it brings the relevance of value research; then the chapter addresses the conceptual inter-variable perspective, i.e., delimitations between value and related variables, both diachronically and synchronically. Afterwards, it deals with the methodological
inter-variable perspective, showing a ‘chain of effects’ between (service) quality-consumer value-customer satisfaction-loyalty. Finally, the chapter proposes an overview of the future perspectives on value measurement, essentially as connections between inter- and intra- perspectives. Overall, this chapter takes retrospective and perspective points of view, concerning the inter-variable perspective on value.

Chapter 5, written by Dr. Sardana Islam Khan, Dr. Ho Yin Wong and Dr. Parves Sultan, investigates and analyzes the dispersed knowledge found in the literature to categorize various schools of thought related to the concept of value in the field of international marketing. The extant literature has addressed different products, contexts or relationships from the perspective of perceived value investigating various factors and aiming at different outcomes. It is really challenging to connect the dots between the dispersed knowledge existing in the contemporary international marketing literature on value. This chapter endeavors to fill in certain gaps in the literature on international marketing. These schools of thought, referred to in the chapter, take account of the cost leadership school of thought, superior product school of thought, relationship school of thought and culture school of thought. Based on the analysis of these schools of thought, an integrative value framework has been developed and proposed for international markers and future researchers, including a comprehensive list of factors and activities creating value for consumers and firms in the international marketing context.

Chapter 6, written by Professor Kent Eriksson and Dr. Angelika Lindstrand, addresses the process of internationalization of firms and the importance of networks. Firms with well-established social networks generally grow fast internationally providing value because they link users to each other, and also to sellers of goods and services. The technology of social networks make it possible to connect actors internationally, however there is a need to consider cultural, cognitive and regulative factors that actors need to overcome so that international business operations can take place. Overcoming such obstacles of the international context is associated with knowledge development. This chapter is a review of the current accomplishments in the international business research on value in the process of knowledge development and network creation. The review is conducted to identify future directions of research on value in international business. The authors adopt an all-encompassing definition of value arguing that the reason for it is based on the premise that sustained international business is only viable if networks and knowledge developed create value for the firm. As value can be defined narrowly, the authors analyze value in terms of firm performance.

Chapter 7, by Professor Svetla Marinova, Dr. Jonas Eduardsen and Professor Marin A. Marinov, explores the impact of social media for organizations in terms of value co-creation and identifies how firms can use social media as a platform for facilitating value co-creation.
Value co-creation in social media platforms is a complex process of actor engagement where firms and heterogeneous customers and/or customer communities interact on technologically enabled platforms to co-create value in co-design, co-conception, co-production and co-promotion. Thus customers do not only consume value created by companies, but they proactively engage in a timely, transparent, self-managed approach for mutual learning and resource sharing to enhance product and service provision, assuming various roles in the co-creation process and gain intrinsic (hedonic), extrinsic (pragmatic and economic) and internalized extrinsic benefits (cognitive, social and personal) benefits. Companies also participate in this co-creation process in order to design, initiate, launch and augment product/service offerings and thus enhance their organizational explorative and exploitive innovation capabilities, promotion appeal and consumer reach. Internet platforms serve as enablers and a meeting ground for customers and companies to co-create, but they also bring in new organizational capabilities of creating communities of common interest, providing information, speed and transparency in the co-creation process. In order to develop such capabilities, social media offer various platforms to respond to customer heterogeneity, as well as to diverse company needs, develop new functionalities and capabilities, empower customers, while customers have become proactive participants who have embraced these new responsibilities and opportunities of co-creator empowerment. Thus, while social media can provide a rich source of external knowledge that can be used to co-create value, organizations must acquire new skills and competencies to adequately benefit from social media. The authors develop a holistic framework for social media-driven value co-creation and contribute to the literature on social media marketing and value creation by addressing an important theoretical and managerial research gap.

Chapter 8, written by Professors Svetla Marinova, Susan Freeman and Marin A. Marinov, explores how value is created and co-created within a specific context of relationships and how this value is shaped by the social context. It explores the perceptions of the value created by small and medium-sized enterprises (SMEs) operating in different levels of an international value chain. The chapter offers a holistic understanding of multi-firm participants and network attachments throughout the supply chain rather than a single point of a supply chain, hence recognizing different outcomes and values. Implied cultural differences of value shaping multiple perspectives on meanings and interpretations of value are captured. Introducing systems perspective into marketing and supply chain position research, the chapter posits that creating value includes the ecosystem that thrives when multiple actors align in a supply chain to create a supportive environment for value creation. The authors demonstrate different perceptions and value propositions at different levels and suggest a value chain positioning typology that affects the value created by
the participant firms in the value chain, and a typology of types of value concerning different levels of value users.

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1 A comprehensive analysis of the conceptual connections and delimitations between value and other related constructs—that is, an inter-value approach to this concept—will be undertaken in Chapter 4.
1. If we look at the number of citations obtained by their precursors, their 2004 paper is the most-cited marketing article (more than 11,000 citations in December 2017 in Google Scholar) to date.
1. Areas with asterisk * were taken from JIBS editorial areas.


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