Understanding the Value Phenomenon: towards typology of value creation practices

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ABSTRACT

This thesis's central aim is to *advance*, *extend* and *deepen* the understanding of value *creation and evaluation*. It explores the Value Phenomenon (VP) as initiated in Service Dominant Logic (SDL). In so doing, this study brings forward new theoretical concepts and supports them with an illustrative case.

In the initial literature review, value conceptualization in marketing and Service Research SBL are explored and the concept of VP is defined by two constitutive parts*, creation* and *evaluation*. The four constitutive dimensions (actors, interaction, resources, and context) of experience and social practice are presented. The overall outcome, being the creation of the Strategic Value Innovation Service (SVIS) framework, that enables one to better understand value creation and evaluation, and the VP, within a SDL context.

The literature review is further developed to provide a two-dimensional taxonomy that clarifies the relationship between Value Creation Types (VCT), and in addition advancing our understanding of VP.

The rationale for choosing the Extended Case Method (ECM) as a research methodology and autobiographic – Subjective Personal Introspection (SPI), is then discussed. It allows the exploration of taxonomy, meta (interpretative) and macro (social construction) theories, within the context of a Personal Flight Journey (PFJ). It specifically explores the novel four-dimensional typology of Value Creating Practices (VCP) and extends the understanding of VP.

Prior to concluding the illustrative case study of the PFJ, as a support for theoretical contribution, and for the Typology of VCP during the SPI, is presented.

Using the SVIS Framework, Taxonomy of VCT and the Typology of the VCP, the understanding the multiple nature of VP in micro, mesa and macro context is achieved; and this provides new opportunities for innovation.

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ACKNOLEDGEMENTS

Although I haven't always followed some of the "typical PhD paths", by applying a typical Quantitative Methodology, I believe I still have managed to justify my academic approach and theoretical contributions in a scientific way. This and the final steps of my PhD would probably not have happened without much constructive advice from Cleopatra.

However, if I had to choose one person without whom this PhD would not have been possible, that would be Prof. Robert Paton, who has advised me to call him Robbie.. I had his full support and advice, even for my often "un-orthodox" practical and conceptual approach, and the honest discussions with him of the risk and consequences involved in my methods.

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AUTHOR'S DECLARATION

I declare that, except where explicit reference is made to the contribution of other scholars, that this dissertation is the result of my own work. This dissertation has not been submitted for any other degree at the University of Glasgow or any other universities or institutions.

Signature:

Printed Name   Driton Sahiti

ACRONYMS

CEX	Customer Experience
SDL	Service Dominant Logic
SL	Service Logic
CDL	Customer Dominant Logic
AMA	American Marketing Association
GDL	Goods Dominant Logic
FPs	Fundamental Propositions
SLR	Service (dominant or not) Logic Research
VP	Value Phenomenon
CCT	Consumer Culture Theory
SS	Service Systems
RATh	Resource Advantage Theory
CB	Consumer Behaviour
SCTh	Social Constructivist Theories
SPTh	Social Practice Theory
CCV	Concept of Consumer Value
SVIS	Strategic Value Innovation Service
IARC	Interaction, Actors, Resources and Context
VCT	Value Creating Types
VCP	Value Creation Practices
ECM	Extended Case Method
PFJ	Personal Flight Journey
SPI	Subjective Personal Introspection
NSoM	Nordic School of Marketing
IMM	Industrial Management Markets
CFJ	Consumer Flight Journey
GST	General Systems Theory
SBL	Service Based Logic
RO	Research Objective

Chapter 1 – Introduction

This chapter sets the scene and positions the thesis within the context of SDL. It provides the purpose, research approach and clarification of the *theorizing* process. Finally, the rationale behind the structuring of the thesis is presented

1.1   Setting the scene

This thesis has its foundation in a personal interest in enhancing my, and others, understanding of the customer experience (CEX) and value. As a practitioner and later as an academic, I noticed that the term value creation, particularly co-creation, was increasingly being used and discussed, and questions such as what does the customer value? And, how can we help the customer extract more value from experience (?) were being increasingly asked. The focus on customer value in marketing has long been regarded as being of importance (Treacy & Wiesrsema, 1993; Ravald & Grönroos, 1996; Woodruff, 1997; Holbrook, 1999; Khalifa, 2004); more recently attention has been focused on the idea of value being something which is subjectively created by the customer and managed by them (Grönroos 2006a; Vargo and Lush, 2008; Heinonen, et al., 2010). This is actually a customer-oriented view of value and has been put forward by service marketing and management academics alike (Grönroos, 1984; Parasuraman, et al., 1988; Bitner, 1992; Normann & Ramirez, 1993; Normann & Ramirez, 1994; Gummesson, 1994; Normann, 2001; Storbacka & Lehtinen, 2001); and, has been reinforced by Vargo & Lusch (2004, 2008; Lush and Vargo, 2006) within a Service Dominant Logic (SDL) context, particularly as it relates to Service Logic (SL) (Grönroos, 2006a, 2007, 2008) and followed by Customer Dominant Logic (CDL) (Heinonen, et al., 2010). Furthermore, as of 2007, the American Marketing Association (AMA) notes that the purpose of marketing is to improve value creation for both the customer and the provider.

A closer analysis of the value concept clearly shows that both scholars and practitioners have very different views on customer value and its formation (Grönroos, 1984; Zeithaml, 1988; Ravald & Grönroos, 1996; Woodruff & Gardial, 1996; Bitner, et al., 2008).

In addition, there is an extensive literature on customer Values (plural) as forms of beliefs and norms that serve as guiding standards to evaluate value (singular). This concept is not the focus of the study. There is no indisputable theory of value in marketing, although the concept has a central role in most definitions (Grönroos, 2000; Lovelock & Wirtz, 2011). Gummerus (2013) presented a comprehensive analysis of the value concept:

> "…value creation processes and value outcomes. The prior considers the parties, activities, and resources involved in value creation, whereas the latter explains the value outcomes customers perceive" (p.21).

Since the introduction of the SDL, Vargo & Lusch (2004), the notion of value phenomena has received a remarkable amount of interest, especially the avocation that **value**-in-use should "replace" value-in-exchange, a move away from Goods Dominant Logic (GDL) towards SDL. 4 of the 11 Fundamental Propositions (FPs) of SDL highlight the role of the customer in value creation and evaluation:

- FP6 – The Customer is always a co-creator of value;

- FP9 – All economic Actors and Social actors are resource integrators (implies the context of value creation is networks of networks;

- FP10 – Value is always uniquely and phenomenological determined by the beneficiary. Value is idiosyncratic experiential contextual and meaning laden;

- FP11 – Value co-creation is coordinated through actor-generated institutions and institutional arrangements (Vargo & Lusch, 2016).

The FPs expressed as axioms represent the basis for a grounded theory (of Society) not just for Marketing (Vargo & Lusch, 2017).

Table 1. Transformation of FP-s into Axioms (Adapted from Vargo & Lusch 2016)

Axiom	Description
Axiom 1/FP1	Service is the fundamental basis of exchange;
Axiom 2/FP6	Value is co-created by multiple actors, always including the beneficiary;
Axiom 3/FP9	All social and economic actors are resource integrators;
Axiom 4/FP10	Value is always uniquely and phenomenologically determined by the beneficiary;
Axiom 5/FP11	Value co-creation is coordinated through actor-generated institutions and institutional arrangements.

The efforts of Vargo & Lusch (2008, 2011, 2016) are significant and they have stimulated much interest in notions of co-created value; adding to existing concepts such as, value-in - *Exchange* (Penrose, 1959; Porter, 1985; Barney, 1991; Hunt & Morgan, 1995); value in - *Use* (Normann &

Ramirez, 1993, Grönroos, 2006a, 2008; Vargo, et al., 2008);   value-in-*Experience* (Holbrook 1982, 1994, 1999, Arnould, & Price 1993; Helkkula & Keller 2011, 2012);   value-in-*Practice* (Korkman, 2006; Schau, et al., 2009; Heinonen, et al., 2010); and finally value-in-*Service (Eco) Systems* and   in-(Social)-*Context* (Maglio & Spohrer, 2008; Gummesson & Mele, 2010; Edvardsson, et al., 2011; Chandler & Vargo, 2011; Heinonen 2014; Lush, et al., 2015).

On the other hand, Vargo & Lusch, (2004, 2008) also created controversy (Brown & Tony 2009; O' Shaughnessy & O' Shaughnessy, 2011; etc.) and criticism (Leroy, et al., 2013); Hietanen, et al. (2018) argued that   "....the pre-theorization of value co-creation has escaped its creators' control" (p.1104 and SDL is "ill-equipped to understand and consumer culture, but also continuing to propagate simplistic and misguided views of "value" in commodity markets" (p.1).

This thesis hopes to contribute to the current theoretical discussion on value (co)creation and evaluation as per Service (Dominant or not) Logic – S(D)L Research. The term "Value Phenomenon" (VP) is used in order to describe the two different, but very similar and often difficult to separate concepts, namely the "*creation*", which is seen as the continuous process of interaction between actors' resources in particular context (Gummesson & Mele, 2011), and "*evaluation*", as the act that describes the moment of assessment during the process of creation or eventually destruction (Plé & Cáceres, 2010; Echeverri & Skålén, 2011).

The unit of analysis are the actors' (individual/customer/consumer) *social practice*. They will be analysed in three levels of context, namely (1) micro, (2) meso and (3) macro contexts. This unit is chosen since the value creating actor (e.g. individual, customers) does not exist alone, but in a social world. It also interacts with and is part of other social groups of *actors*, including: brand community, firms, organization (meso context)), national culture, market systems, institution(al) laws, states (macro context) and is part of globalized systems, trends and institutions (meta context). As such, the value creation (interactions and integration of resources) happens and is continuous between those different actors and levels of context.

For that reason, a starting point will be the Reckwitz's (2002) concept of social practices:

"A 'practice' is a routinized type of behaviour which consists of several elements, interconnected to one other: forms of bodily activities, forms of mental activities, 'things' and their use, a background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge" (p.245),… based on Social Practice Theory (SPTh) seen from the perspective of Culture Theory approach, that summarizes the multiple social (practice) constructivist theories, in particular, since it considers the "four versions of Cultural Theory, namely, Mentalism (minds), Textualism (discourses), Inter-subjectivism (interactions) and Practice theory (practices)" (p.246).

This view enables us to look at social practices from the perspectives of *phenomenology, structures, social phenomenology – an inter-subjective view, practice theory, social systems*, etc., in different levels of context.

First and foremost, this thesis is conceptually oriented and considers the literature review from different fields and streams of marketing, with some key references to strategic management. Nevertheless, attention will be paid to the perspectives on service, namely service-dominant logic (SDL); service logic (SL), with an emphasis on the Nordic School , customer-dominant logic (CDL), and, without overlooking the other approaches that describe and have different views on value, such as: Consumer Culture Theory (CCT); Service Systems (SS); Resource Advantage Theory (RATh); and Consumer Behaviour (CB). Generally, the debate centres on the customer versus service dimension (Nordic School of Marketing (NSoM) and the SDL).

The primary academic contribution of this thesis is conceptual: *envisioning and identifying (or/and revisioning)* from the around an emerging typology, as advised by MacInnis (2011).

Conclusions and contributions from the first part of the literature review continuously reveal new terms and concepts of different value creation types. These concepts will be clarified by adopting Social Construction Theory (SCTh). Furthermore, the relationship among them will be examined through a taxonomy (or a model); between the individual and societal realms of the identified value creating types (VCT). This part of the literature review will be concluded with a conceptual contribution as advocated by MacInnis (2011) called a *differentiating* type.

Next, the Extended Case Method (ECM) will be introduced. To my knowledge this has never been used in Service Research before, but only in Consumer Behaviour (e.g. Holt, 1995, 1998). I used ECM to extend the understanding of micro phenomena by merging macro theories and (exploratory) empirical data. This will be done through an Illustrative Case Study of a Personal Flight Journey (PFJ), using a methodology known as Subjective Personal Introspection (SPI) that is also known as auto-ethnography. Additionally, an illustrative case will be used to help illustrate the VP as per SVIS Logic (frameworks, model/taxonomy, and dimensions) and accommodate the VCT into the typology by integrating them conceptually (MacInnis 2011). Finally, a typology of value creation practices (VCP), established by dimensions and constructs identified earlier in literature, is also presented.

These Frameworks, Taxonomy (Models) and Typology are of academic and managerial relevance. Details are presented in the final discussion chapter.

1.1.1 My curiosity in Value Phenomenon – Logic - What kind of a Logic?

My curiosity increased exponentially as I developed from perceptions of value as an objective thing (exchange and management perspective) to a more subjective (experience and consumer oriented) view and coming to the conclusion that "It all depends". Meaning, it depends upon what lenses are chosen to view the situation. Finally, I adopted a social constructionist perspective, or the interpretative paradigm, thus tending again towards a subjective form or what Pouliot (2007) would have referred to as a "Sobjectivists" view. My main interest is to better "Understand the VP", with the main purpose of clarifying concepts and questions around value.

It appeared that many papers in Service Research, especially the ones that influenced me, were conceptual as noted also by Benoit, et al. (2017), particularly the ones derived from SDL and the SL debate. I responded to the call from MacInnis (2011) and Yadav (2010, 2014) for more specific, intensive and thoughtful research, of a doctoral nature, into the theoretical underpinnings of the value phenomena. By adopting and interpretative perspective and approach my research attempts to make sense of the data (literature review and explorative and illustrative case); through analogical and abductive reasoning to provide a deeper understanding of VP.

This approach afforded me the opportunity to explore and understand VP through different lenses by zooming-in and zooming-out (Leroy, et al., 2013) on the context of value creation and evaluation. However, as the thesis is theoretical, I decided to explore the practicalities of my deliberations through an explorative case, using the Auto-ethnographic approach (Holbrook, 2006a) the Subjective Personal Introspection (SPI) method. This took the form of a Person(al)-Customer-Flight Journey, to refine the taxonomy into the typology; secondly, to illustrate the typology of value creation practices; and finally, to add additional weight to the concepts, frameworks and typologies by "testing" them interpretatively, through ECM (Burawoy, 1991, 1998).

1.1.1.1 Exploring multiplicity of VP creation: The Case of Personal Flight Journey

Arguably, one of the key SDL contributions is the move from value-in-exchange towards value-in-use; the focal point, which traditionally has been transactional, has evolved to interactive processes between the provider and the customer (Grönroos, 1994, 2008; Vargo & Lusch, 2004; Ballantyne & Varey, 2008, Gummesson and Mele, 2010).

The PFJ affords the opportunity to holistically view the roles of both the service provider(s) and the customer. In so doing, it responds to calls for research to consider the practical implications of both SDL and CDL; exploring the interactive dimension of the customer experience (Grönroos, 1994, 2008; Vargo & Lusch, 2004; Ballantyne & Varey, 2008, Gummesson and Mele, 2010). Further, it addresses Heinonen, et al.'s (2010, 2013, and 2014) concerns that SDL has adopted an overly provider orientated perspective when considering VP; it also suggests the providers main role is in facilitating the customers creation of value (Grönroos & Ravald, 2011; Grönroos, 2011); analysing the VP from "above or from below" (Grönroos, 2017 p.126).

1.2   Positioning the scope of the study (Locating the scale of the Study)

This thesis is based on the *social constructionist* and *interpretative* approach and uses examples from SBL research focusing on VP, thus value (co)creation and evaluation. The following Figure 1, illustrates this thesis' positioning within the SBL discussion.

Figure 1. Positioning of the Study
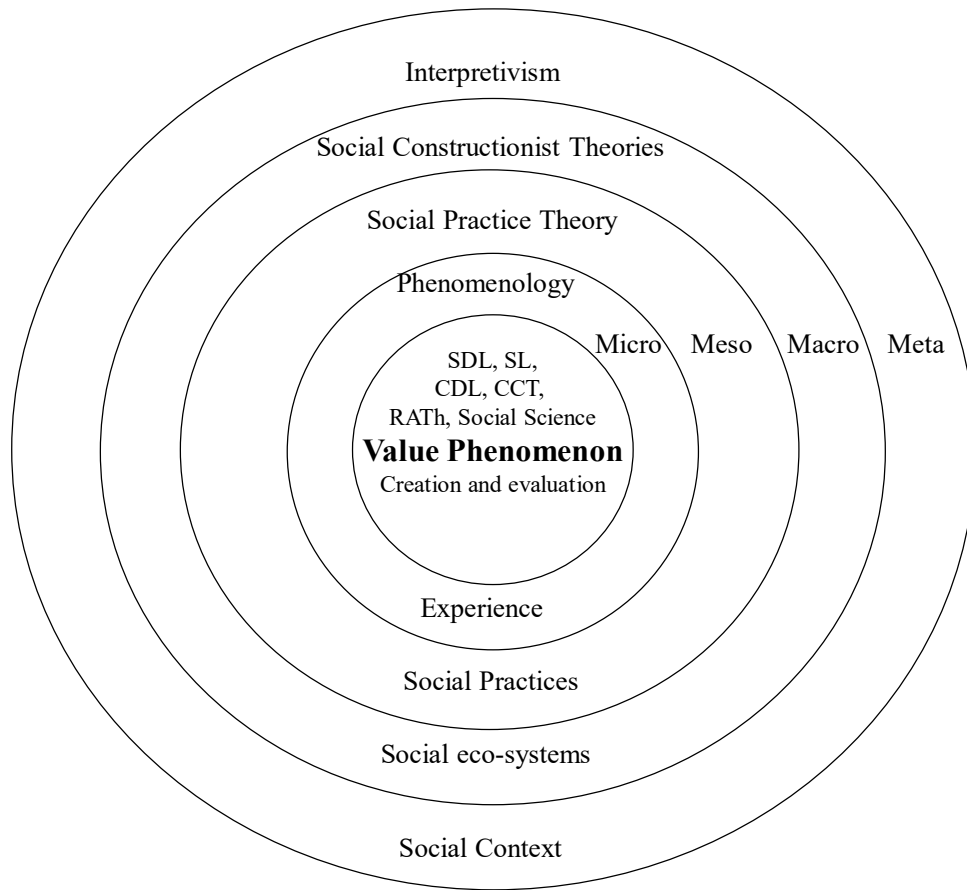
Source: Driton Sahiti (author)

Crucial concepts that are briefly discussed in this section, describe the study's positioning within marketing research. Details of such concepts will be discussed later in the thesis.

1.2.1   Value in Service Based (dominant or not) Logic (SBL)

Moving from value-in-exchange to value-in-use, was a key feature in SDL. From this perspective, the concept of value-in-use, illustrates value creation in the customer's value-generating processes.

This thesis uses expressions such as *experience and social practices,* where *value for customer emerges*, as it is dependent on how and which lenses are used when analysing value. It means that

value is emerging out of *social practices and experiences* in the *actor's (customer's) social life context* (Arnould, et al., 2006; Voima, et al., 2010; Edvardsson, et al., 2011; Akaka, et al., 2013). Here, value is not considered something delivered to the customer, rather emphasis is specifically on the customer's experienced value resulting from the interaction and integration of actor's resources in a particular social context (Gummesson & Mele, 2010). Implying that SDL has moved toward value-in-use (product or a service) (Vargo & Lusch, 2008, Grönroos, 2008). On the other hand Heinonen, el al. (2010) doesn't agree suggesting the existing SBL (SDL and SL) logics as being too supplier-focused. Furthermore, at the societal level, the Industrial Management Markets (IMM) Group (Ford, 2001; Holmlund, 2004; Viio, 2011) emphasise *networks* within buyer-seller relationships. While consumer behaviour focuses on the analysis of the behaviours, decisions and overall responses of buyers to a seller's offering networks, thus ecosystems (Vargo & Lusch, 2016, 2017).

A more profound *understanding of VP* is needed; a customer's (beneficiary's) logic, which requires an even sharper focus on *understanding the customer's everyday social practices and their personal experiences*. The empirical part of this study elucidates the significance of understanding *how customers extract value from different social practices*, either by transforming those *social practices into the personal experiences* or by belonging to the bigger *value creating ecosystems,* depending on individual and societal (realms) life situations.

1.2.2 Value Phenomenon (VP) - Value (co)creation and evaluation

This literature review explores the *(co)creation and evaluation of value,* as advocated by Nordic scholars (Gummerus, 2013). The term VP will be used to describe two main constructs of value, namely, *creation* as "a process", and *evaluation* as "moment of judgement" during that creation process. These two constructs are intertwined but yet very different, and as such that must be recognised in order to fully comprehend VP.

Whereas, the construct of "*evaluation*" in strategic management literature is known as value capture (Bowman & Ambrosini, 2002), in consumer behaviour there is also extensive literature on consumer decision making or as a perception (e.g. Howard & Sheth, 1969; Holbrook, 1996, 1999,

etc.) that are in this thesis considered as "evaluation types". SDL literature the focuses on the value creation concept, with little attention given to value evaluation, apart from an acknowledgment that value is determined and evaluated by the consumer (Vargo & Lusch 2008, Grönroos, 2008, 2011; Grönroos & Helle, 2010; Grönroos & Voima, 2013).

In SDL value emerges as the interaction process between actors' resources in a particular context; out of constructs such as social practices, experiences, networks and different service ecosystems. But for value to be extracted, thus to be formed, the judgement or evaluation of this process is important. Without it, VP cannot be fully considered and understood. The full understanding of VP cannot happen without proper understanding of the linkages between the two concepts of creation and evaluation. More recently value destruction has been raised (Echeverri & Skålén, 2011) recognising that value can be both won and lost!

1.2.3   Value Creation from social practices and experiences

In this thesis "creation" and "co-creation" will be used interchangeably underlined by this definition: "Value is created and evaluated during the interaction and integration of resources between different actors in a particular context"; a product of a thorough literature review, reflecting Gummesson & Mele (2010) definition.

In this thesis, value creation is considered as process that cannot happen individually but rather collectively and in context, and thus the "co" is always present: the context is part of any value creation type. For that reason, the terms are used interchangeably.

These differences in *creation* concept are relevant in cases when we talk about consumer (user) interaction and involvement (Prahalad & Ramaswamy, 2004; Kristensson, et al., 2008; Ramaswamy, 2011; Grönroos & Voima, 2012). The *creation* is important as noted by Hollebeek and colleagues (e.g. Hollebeek, 2011a, 2011b; Brodie, et al., 2013). On the other hand, many see *valuations* as an individual *acts* (phenomenologically evaluated) based on personal *experience* (Holbrook 2006a; Vargo & Lusch, 2008; Helkkula et al., 2012a, 2012b).

The thesis also examines two other constructs, *experience* and *social practice*. VP emerges out of these constructs, which are similar and sometimes used interchangeably. The only difference is they are very different from the ontological and epistemological points of view (Helkkula, et al., 2012b; Ellway & Alison, 2016). The *experience* as concept is very individually/personally oriented and mainly studied through phenomenology (Husserl, 1931; Heidegger, 1962, 1986; Schütz, 1967, etc.) and interpretative views as being subjective in nature. While social practice has more of a social/collective perspective. It is often viewed from the agent's (individual) perspective and is influenced by Social Practice Theory (Bourdieu's, 1972/1977; Giddens, 1984, 1988; Reckwitz, 2002); treating social practices as an *(s)objective* (Pouliot, 2007) construct. Such views position this thesis in the interpretative philosophical domain, within macro social constructions theories and at a micro phenomenological level.

1.3 Purpose of this thesis

This thesis advances the research scope by exploring VP from micro interactions (provider-customer) through to the next levels of meso and macro interactions, with a customer (beneficiary) as the centre of those levels of context. Therefore, the central research aim of this thesis is as follows:

The central AIM (fig.2) of this thesis is to understand the multiple nature of VP by exploring how beneficiaries create and evaluate value in different (micro, meso and macro) levels of context: in experiences, social practices and (eco) systems; and ultimately extend our understanding of SDL.

This research reveals that *VP* is based upon a process of personal experiences that are experientially accumulated (or destructed) over time (Grönroos & Voima, 2013), in which the customer both creates and evaluates value, confirming that social constructs such as *social practice and experience* are inherently temporal and based on *multiple service exchange events* (Ellway & Dean, 2016), and seen as a sum of value-in-exchange moments. Since the starting premise is that value emerges out of those constructs the interaction of individual and social realms is of particular interest.

Figure 2. Expansion of SD Logic...Research Aim
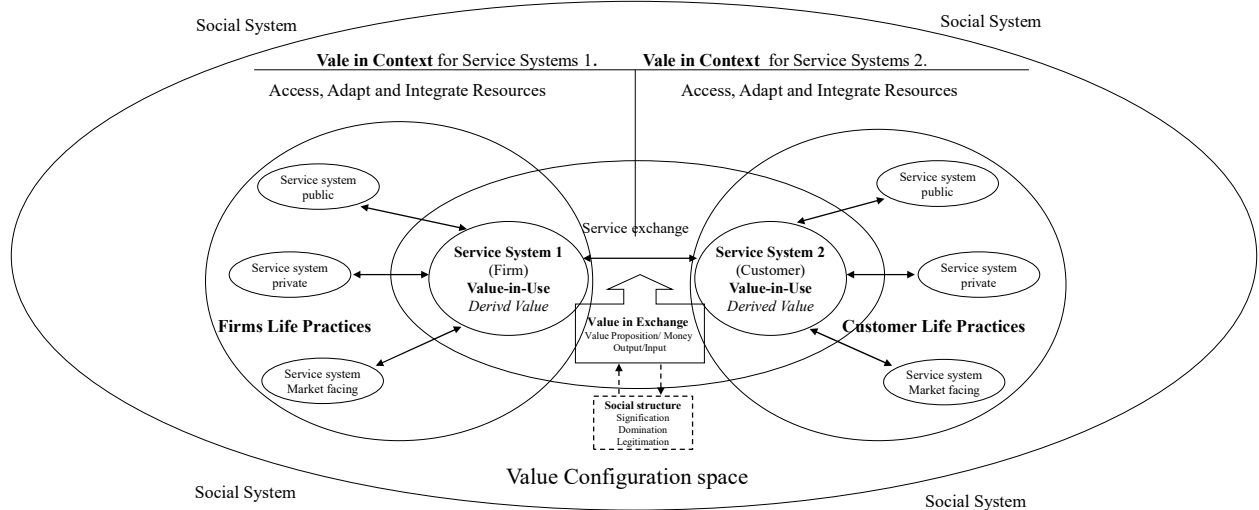
Source: Adapted from Vargo, et al. (2009) & Edvardsson, et al. (2011)

In order to achieve a better understanding of VP the following research objectives must be pursued and will in turn influence the theses structure:

Research Objective #1:

To *Create Understanding* of the VP; by *identifying key dimensions and constructs within an overall framework*.

The above RO#1 will be achieved through a literature review that will explore and synthesise the following literatures:

- conceptualization of value and value perception (Sánchez-Fernández, & Iniesta-Bonwello, 2007; Sánchez-Fernández, et al, 2009)
- service marketing (Zeithaml, 1988; Normann & Ramirez, 1993; Ravald, & Grönroos, 1996; Normann, 2001)
- Concept of co-creation (Prahalad, C. K. & Ramaswamy, V., 2004. Vargo, et al, 2008)
- Consumer behaviour (e.g. Richins, 1994a; Holt, 1995; Holbrook, 1996, 1999)
- market Orientation (Slater & Narver, 1994; Slater, 1997)
- Resource Advantage Theory (Hunt, & Madhavaram, 2006b; Madhavaram & Hunt, 2008)

- Nordic School of Marketing (Grönroos, 2008; Gummesson & Mele, 2010; Gummerus, 2013,)
- Customer Dominant Logic (Heinonen, et al., 2010; Heinonen, et al, 2013; Heinonen & Strandvik, 2015)
- Consumer Cultural Theory (Arnould, et al., 2006; Schau, et al., 2009)
- Service Dominant Logic (Vargo & Lusch, 2004, 2006, 2008; Lusch & Vargo, 2006a. 2006b; Ballantyne & Varey, 2006; Chandler, & Vargo, 2011; Edvardsson, et al., 2011).

The impact of macro theories, such as Phenomenology (Helkkula & Kelleher, 2010; Helkkula, 2011; Helkkula, et al., 2012a; Helkkula, et al., 2012b; Frow, et al., 2014; Ellway & Dean, 2016) and Social Practice Theory (Korkman, 2006; McColl-Kennedy, et al., 2012; McColl-Kennedy, et al., 2015; Ellway & Dean, 2016) will also be introduced to further enhance the debate and conceptualization of *value creation and evaluation*, and will be discussed separately to achieve *deeper understanding*.

Important to achieving RO#1, are the *value evaluation types* (e.g. Howard & Sheth, 1969; Sheth, et al., 1988, Holbrook, 1999; Smith, & Colgate, 2007), and many interaction frameworks (e.g. Brakus, et al., 2009, Grönroos & Voima, 2013) that are identified and are key to developing a logical framework. The research process attempted through *sense making reasoning* (inductively, analogically) of all those different conceptualizations and frameworks and *abductive logic* to *delineate and summarize* (MacInnis, 2011), to produce the *Strategic Value Innovation Service* (SVIS) Framework.

Research Objective #2:

> To <u>*Advance Understanding*</u> of value phenomenon by identifying, clarifying and presenting the relationship among *value creating types* through a two dimensional *Taxonomy*

This RO#2 is accomplished through the conceptual *understanding of VP*, by going into detail through different approaches of *value creation*, clarifying each of these concepts, finding the relationships between them, and finally presenting a theoretical conceptualization of all those different concepts through the Taxonomy.

Research Objective #3:

> To <u>*Deepen the Understanding*</u> of *value creation practices,* by involving social *construction theories and explorative case study* and present a unique *four-dimensional matrix-type typology*

To further extend the knowledge of value creation concepts, a methodology called Extended Case Method (ECM) used used (Burawoy, 1998b) that suggests macro theories as a means to study micro phenomenon. Then social construction theories are considered, such as: Hermeneutics, Phenomenology, SP, and Structuration, (with small involvement of the Goffman, Foucault – concepts). This will *deepen the understanding,* providing a theoretical clarification by presenting a four dimensional matrix, a Taxonomy of Value Creation Practices, in line with current SDL discussions.

Seeing taxonomy of value creation types through meta and macro theories will provide further insights, ontological descriptions, into the four dimensions (actor, interaction, resources, structure).

Research Objective #4:

> To offer a <u>*Typology*</u> as a method (tool) for exploring value creating practices and use it in this thesis through the illustrative case as "prove" that "*it works*" in a particular context

This objective aims to operationalize the typology as the method for identifying, describing and improving value creating practices for academic and practical use. By doing so, the *typology* can be used to explore customer insights into value creation; the personal flight journey ECM will provide the means for this exploration.

1.3.1 Findings and final conclusions

Although I have pursued academic rigour and debate throughout the thesis, the findings and conclusions will concentrate on the key, topical, deliverables and contribution of the research. I will incorporate latest thinking on macro theories to highlight my contribution.

By alternating back and forth between data and theories I have come to much *deeper* understanding of the *hermeneutic circle*. Moreover, the newest articles have confirmed my key study findings, which enabled me to simplify my research rationale.

In conclusion, introducing a new (1) SVIS *framework* for *understanding* a SBL, a (2) novel *taxonomy* of VCT, a (3) *typology* of customer VCP , and finally (4) a method (tool) for improved understanding of VP, are the contributions of this research thesis. The main contributions are *conceptual*, whereas the *empirical explorative qualitative case study* serves to illustrate a conceptual contribution and explore the typology. Validation of this thesis comes through *conceptual rigour and exploratory adequacy* (Manjit, 2010).

1.4   Key Theoretical Concepts

This thesis was initiated and based upon SDL. However, as already stated, other marketing streams or sub-fields are considered as and when appropriate. To encompass all those schools of thought, I use the term SBL, symbolizing the two main concepts into one abbreviation, specifically that of the North American Influence (SDL) and Nordic School (SL).

Value as concept is important from the strategic marketing level. Consequently, theoretical concepts have strategic perspective and the conceptual framework is called "SVIS Logic".

First, I will point out which key concepts and constructs are explicitly examined in this study.

Consumer Value Phenomenon – is a concept used in SBL and more generally in Marketing to explore wat something is worth to the consumer. This thesis uses the term *Value Phenomenon* to encapsulate "*value creation*" and "value *evaluation*". Whereas the concept of **"value *creation"*** is

a *continuous process of interaction among actors' resources in particular context,* the "**value evaluation**" is a moment-of-exchange or a point of valuing the particular integration of resources during interaction. The accumulative *moments of evaluation* actually determine if the customer will continue to interact or not, to create or destroy the value.

The actor or *actors,* are all participants and stake-holders in the creation process and includes consumers, often termed *beneficiaries*. Each beneficiary evaluates the value individually, while the creation process is in most of the cases societally and context dependent, and for that reason is often referred to as *co- created.* During this co-creation process, actors involved *interact and integrate resources.*

Interaction indicates actors and resources engaging. In most cases it is dependent on the context, and the offering in which the beneficiary is interested. A clear separation between actors' (provider & consumer) direct and indirect interaction in the SBL discussion is not as clear as it is in GDL.

In the process of interaction, actors *integrate* ***resources, operand (tangible) or operant (intangible),*** and the whole process is known as a service for *service exchange*. In the SBL discussion, there is more emphasis towards *operant resources* (*knowledge and skills*) as per Vargo & Lusch (2004, 2008) and consumer resources such as *cultural, societal, economic* as per CCT (Arnould, et al., 2006).

The ***level of context (structure)***, can be *micro* (provide-consumer), *meso* (organization, industries, communities, institutions) and *macro* (governmental, international and societal institutions) where many actors are involved. Two main constructs that are created out of those interactions among actors' resources in particular contexts are *experiences* and *social practices*.

Whereas ***experiences*** are individual phenomenological (Heidegger, 1962; Merleau-Ponty, 1962) constructs, out of which value emerges for the consumer and the personal *operant* resources are involved during the *experimental dimensions (e.g. Holbrook & Hirschman, 1982, Schmitt, 1999)* in interaction with other actors, and ultimately are subjective.

On the other hand, ***social practices*** *are* rather *societal* constructs and characteristics of *particular "doings"* that are constructed by *mental activities, material* and *actions* composed in those practices (Reckwitz, 2002, Shove, et al., 2004). *Practices* ontologically can be seen as *"sobjective"* (Pouliot, 2007). Social practices transforms contexts them into the ***service systems*** *(Giddens 1984) or in SDL* term*s, service ecosystems and institutional arrangements* (Vargo & Lusch, 2011, 2014, 2016, 2017). According to Vargo, et al. (2008), "service systems engage in exchange with other service systems to enhance adaptability and survivability, thus co-creating value—for themselves and others" (p. 146), a conceptualization that highlights the ***service eco system*** as constitutive part of any value creation process.

The VP concept was chosen due to the importance that has been given in SBL and strategic marketing. The concept of VP in the SBL debate is usually seen from the consumer perspective, although as stated earlier, the *beneficiaries* can be any other actors involved in integration of resources to create and evaluate value. For that reason, this thesis concentrates on individual consumers, as the main beneficiary.

1.5 Research approach and theorizing process

To describe the research approach, ontological, epistemological and methodological assumptions are discussed, based on the research philosophical position in interpretivism with its background in the social constructionist view, and by extension also in phenomenology as philosophy as well as in methodology (hermeneutics). The philosophical position will be discussed followed by the ontological and epistemological assumptions of this thesis.

The research process is separated into *Conceptual/Theoretical and Empirical Explorative case study*. Conceptual/Theoretical position will be clarified starting from ontological and epistemological assumption, up to the detailed *theorizing process*. Wheras, t*he empirical* part and research methodology will give rationale for usage of Extended Case Method (ECM) approach that fits perfectly for the thesis aim.

Figure 3. Research Approach
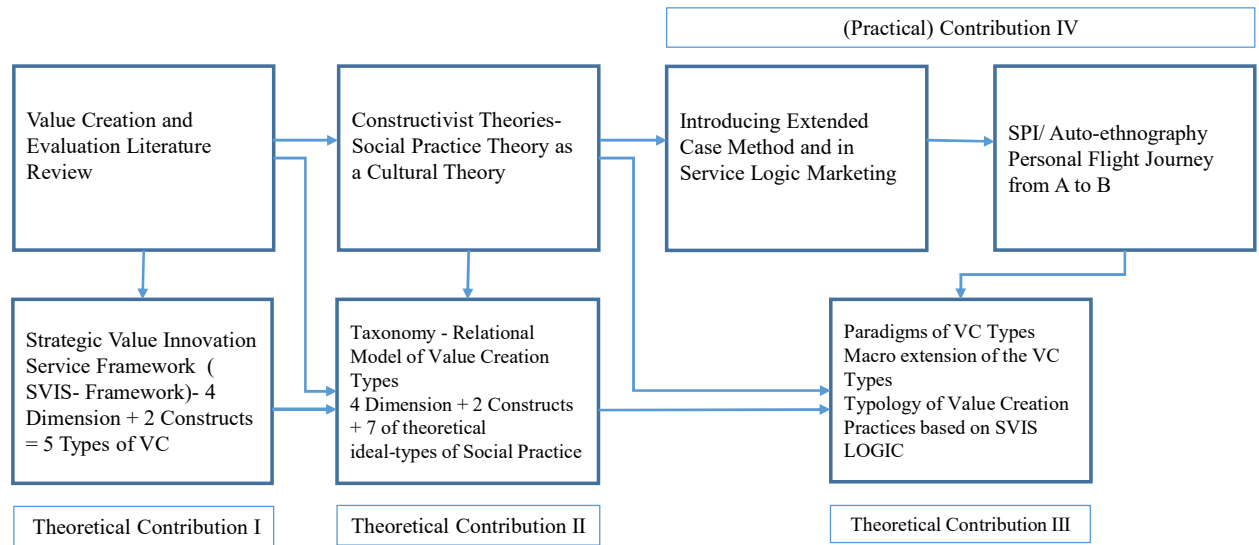
Source: Driton Sahiti (author)

Due to applicability of this methodology, a multiple philosophical position are involved and are discussed next.

1.5.1 Reality, what kind of reality – the importance of ontology and epistemology

As noted by Tranfield & Starkey (1998) management research does not function in one unified ontological or epistemological paradigm. In dealing with the philosophical position and their ontological and epistemological stance; one needs to clarify why it matters and how to approach the research. Annemarie Mol's (2002) approaches on this subject are interesting, as she advocates for multiple realities that "…ontology is not given in the order of things, but that, instead, ontologies are brought into being, sustained, or allowed to wither away in common, day-to-day, socio-material practices" (p.6). She acknowledges that the importance of acquiring knowledge comes from, "living with the real and not necessarily 'living up to reality'" (Mol (2002, p.158).

Using multiple paradigms during the process of zooming-in and out (Leroy, et al., 2013), is exactly how we approach reality (from different zooming/perspectives) when a value *creating practice* is

analysed. The paradigm discussion in management and marketing research is possibly best interpreted according to different original assumptions about the nature of the phenomena of study (ontology), the nature of knowledge about this phenomena (epistemology), and the nature of conducting the study of those phenomena (methodology) (Gioia & Pitre, 1990). In addition, Gioia & Pitre (1990) state that fresh insights start from different ontological and epistemological assumptions due to developing the multi paradigm approaches, thus creating different possibilities for studying newly marketed, and different and uniquely informative theoretical views of phenomena of the study.

For that reason, scholars in social sciences have engaged in theory development about the construction of the reality (Berger & Luckmann, 1967; Davis, 1985; Bourdieu, 1988; Archer, 1995; Gergen & Gergen, 2009), by initiating conversation about *subjective and intersubjective* ontology (social world-reality) vs an *objective reality*. Additionally, questions such as 'how do we come to know something in this reality' (?), thus, epistemology thorough which knowledge is advanced, conveyed, and sustained within this social reality (environment), are also considered.

1.5.2 Ontological Assumptions

Ontology considers the philosophical supposition concerning, "the nature of things that exist" (Arantola-Hattab, 2013, p.35), or 'what is the reality out there', or 'how do we perceive reality'; Burrell & Morgan (1979):

> "Objective and causal processes are the characteristics of natural science while the meaningful actions and practices that require interpretation and understanding are hallmarks of (what) social science is concerned with." (p.7)

As noted, the theses main philosophical position is *interpretivism* and seeing reality as socially constructed and interpreted by individuals and society through interaction (Berger & Luckman, 1967). I*nteraction and social practices* are objects of study that need *interpretation and understanding* and are seen as subjective and the researcher is part of the reality. Whereas the natural sciences deal with identification of causation of processes in an objective form where reality exists without the involvement of the researcher (O' Shaughnessy, 2011).

Ultimately, value phenomenon is seen as multi-faceted and *multi-dimensional*, dependent on context and the research perspective during the *evaluation* of the phenomenon, dependent on the perspective as we zoom-in or zoom-out. So here ontology is considered within (through) the *meta-interpretivist* perspective and macro-social constructionist theories, such as Social Practice, Structuration and Institutional Theory. Whereas, Phenomenology is considered a theory as well as methodology to analyse social constructs such as *service systems, social practices and experiences.*

1.5.2.1 Meta theory -Interpretative Approach

This thesis investigates social reality constructed by individual communication through interaction of language, and by integrating *operant resources and shared meanings*, in line with the Berger & Luckman (1967) position.

Aim of this thesis is *to understand VP*, which necessitates an interpretative approach, as one needs *to understand* reality or/and the meaning of the *individual (inter)action and experiences (in a particular context); it* "relates to the reason-giving explanation that is embedded in terms of wants and beliefs, which is significant for the individual because he or she believes it is important to his or her wants" (O'Shaughnessy, 2011, p.175). The researcher in this approach needs to document their values and biases during the data collection (Hill & McGowan, 1999). This is particularly important characteristic for this study since it is based on the auto-ethnography and/or the subjective personal introspection (SPI). The researcher is directly related to the research environment and the *individual sense-making* of a social context (Eriksson & Kovalainen, 2008; Osbeck, 2014).

1.5.3 Epistemological assumption and approach

While ontology is concerned with modes of reality, epistemology is concerned with knowledge and with questions such as "Where does knowledge come from?", "What is Knowledge?" and

"What are the sources and limits of knowledge?" (Eriksson & Kovalainen, 2008). A PhD is new knowledge.

The perspective on reality (ontology), determines ones perspective on new knowledge creation (epistemology). Reality is interpreted in social sciences and cannot be explained with a natural sciences methodology, where phenomena have a fixed objective and casual process. As such, the deductive reasoning and hypothesis testing are not part of the new knowledge creation, but part of testing new knowledge (O'Shaughnessy, 2011). Analysing the (micro) phenomena in social science is very much dependent on context, and as such, very flexible and multi-dimensional.

1.5.3.1   Hermeneutics as a way of acquiring new knowledge

The technique for interpretation of texts, so called "hermeneutics" dates to the interpretation of scriptures, like the Bible and Quran. This has traditionally been done by considering the text within a historical context, with the intention of illuminating the truth. Early scholars were involved in setting the principles and basis for a full hermeneutics approach (Saleh, 2010). Lately, the technique developed encompassing multiple modes of individual manifestation (Guignon, 2003). The notion "hermeneutic circle" was firstly coined by Friedrich Schleiermacher (1768–1834), who argued that it raises to the obligatory condition of *interpretation and understanding* (*verstehen*) as part of the research process, "…by a 'leap' into the circle, moving *from parts to whole and whole to parts* in an iterative way" (italics added) (O'Shaughnessy, 2011, p.175).

The iterative process, *hermeneutic circle* (figure 4, can be seen as a primary methodological tool that enables a non-linear research process (Eriksson & Kovalainen, 2008). This conceptualization is important, since it creates the starting point of all new knowledge; epistemology (and ontology) in social science. According to Heidegger (1962) we as interpreters cannot attain absolute objectivity (O'Shaughnessy, 2011).

In the *hermeneutic circle*, the researcher interprets prior knowledge, modifying as one progresses. The *hermeneutic circle* is a way of **conceptualising understanding** in a process of interpretation in which the researcher actively participates (Eriksson & Kovalainen, 2008) during *theorizing*

process (Swendberg, 2016). In auto-ethnographic methodology the *hermeneutics* (circle) is present suggesting self-interpretation is a critical.

As an auto-ethnographer, my understanding about micro (value) phenomena constantly increased as a result of continuous analysis and comparison between data and macro theories (see Fig. 4. below). In the *hermeneutic circle*, the *sense-making* as scientific reasoning (Osbeck, 2014), is used to justify thesis/research outcomes.

Figure 4. Hermeneutic circle of the research
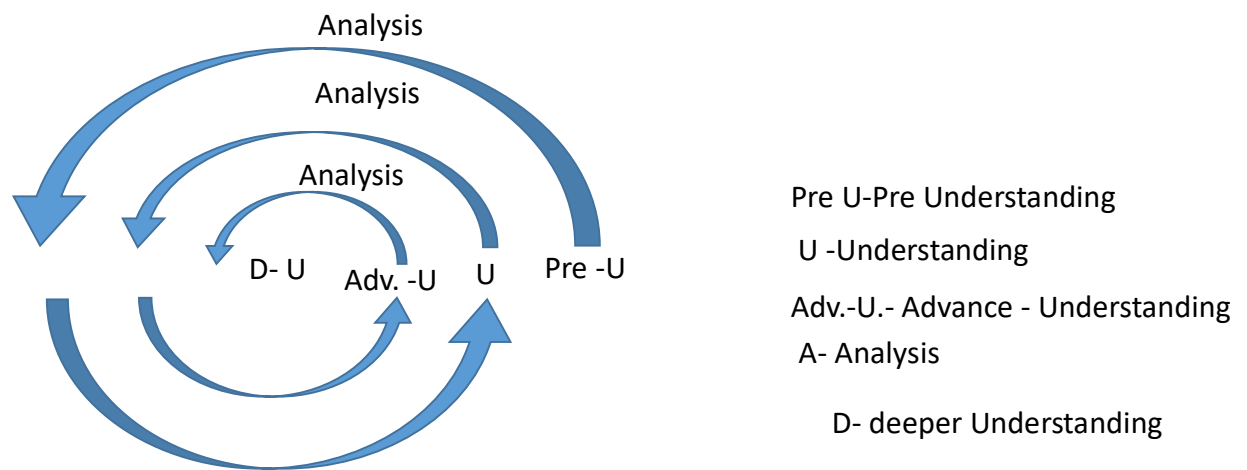
Source: Driton Sahiti (author)

1.5.3.2   Adopting a phenomenological (life world) perspective in the Service Based Logic

Within the marketing discipline, the field of Consumer Research (CR) and Consumer Culture Theory (CCT) employs interpretative phenomenological approaches (Svensson, 2007); allowing assessment of consumers' hedonic and emotional responses (Hirschman & Holbrook, 1982). Phenomenology validates consumers' subjective experiences as data (Goulding, 2005) in contrast to distanced observations of consumers' actions or behaviours.

1.5.4 Conceptual approach and Theorizing

Belk, MacInnis & Yadav (2019) found "… that thinking conceptually is enjoyable, provocative and interesting", calling on scholars to "reflect on their own research paths… consider ways to add more conceptual projects in their research portfolios", and share their believe "…that when young scholars are given guidance in thinking conceptually, and when they engage in conceptual work, as often as possible, they have the greatest opportunity to make long-standing and important contributions to the field over time" (p.5).

This thesis is not grounded on 'empirical' data collected through field research, but is rather an attempt *to understand particular (value) phenomena*, by going deeper into the literature and social macro theories in order to *identify, summarize, integrate* and *compere concepts* (MacInnis, 2011) that will expand the *understanding of the phenomena*. Following the *hermeneutic cycle* (Heidegger, 1962) *of understanding* I explore different levels of *understanding (pre-understanding, creating, advancing and deepening)* (see Figure 4), by using macro social theories and auto-ethnographic explorative case, in order to interpret the phenomena, validating in a *context of discovery* (Swedberg, 2016; Jordan, 2018) and thus extend the Service Based Logic (SBL).

This research focuses onon the *theorizing* process (theory development) rather than *theory* and *theory testing,* placing it in the *context discovery* phase (Swedberg, 2012, 2016). Here new ideas, propositions and theory undergo *"conceptual blending"* (Fauconnier & Turner, 2003); where "the form in which [thinking processes] are subjectively performed" (Reichenbach in Swedberg, 2012). The focus is less on *theory testing,* or "the form in which thinking processes are communicated to other persons" (Reichenbach's Experience and Prediction (1938) p.6, in Swedberg, 2012), which in fact, belongs to the *context of justification (Swedberg, 2012)*. In the "*context of justification*" phase, ideas or hypotheses are to be tested, with the engagement of information and methodical techniques, to create the plausibility and acceptability of those ideas, propositions or theories (Hunt, 2010; Yadav, 2010; Swedberg 2012). Despite that, an illustrative case will be used to explore the generated *typology* (as a form of theory).

The thesis objectives centre on offering a new conceptual framework, taxonomy and typology of value creation practices to extend the *"Understanding of the Value Phenomenon"*. The scientific

reasoning behind the *theorizing process* and the key epistemological question "how did I come to that knowledge(?)" needs to be answered, as it belongs to the phase of *context of discovery*. The spot-light in social science today is typically on *theory* and *context of justification*, while *theorizing process and context of discovery* is debated rarely, if at all (Swedberg, 2012). Subsequently, this issue needs to be addressed in a more detailed manner.

1.5.4.1 Scientific Reasoning in Theorizing Process

According to Sowa (2006), *deduction* is exact, expectable, and inelastic, and if everything (environment) is under control and perfect, then deduction is also perfect. In contrast, if whatever in the environment is flawed, then, deduction can amplify, propagate and advocate the faultiness to the point of a total disaster. Deduction needs absolute objectivity, which is almost impossible to guarantee, especially in social sciences. On the other side, *value* (phenomenon) as construct (concept) is totally opposite to what deductive reasoning is needed for: not precise, not predictable and maybe delicate. *Value* emerges out of the *experiences and social practices*, which are phenomenologically determined and therefore totally subjective, respectively 'sobjective' (Pouliot, 2007). So, if it is not perfect, stable and under control it is not advisable to use deduction.

This research concentrates on the *theorizing* process and not *theory testing: requiring sense making reasoning* (induction, case-based and abductive are prioritized (Osbeck, 2014). According to Swedberg (2012) "…induction, deduction, generalizing, model-building, using analogies, and so on" (p.5) … are different ways of thinking that are (believed) to be used when one theorizes. In particularly, induction, analogical (model building) and abduction belong to a *sense making type of reasoning* (Figure 6) and are used during *theorizing* process, namely in *context of discovery* phase (Osbeck, 2014; Swedberg, 2016). Furthermore, these types of reasoning are used in the process of *understating* particular phenomena, since the process of *understanding* requires *making sense of the data,* and eventually present them into new idea, concept, integrative framework, taxonomy and typology (MacInnis, 2011, 2014).

It is worth mentioning that in *theorizing process* (during *sense making* process), *the model/case based reasoning* (Osbeck, 2014), or as it is mostly known as *analogical reasoning,* plays an

important part. As, prior to making the *inference to best possible explanation*, that requires *abductive reasoning,* and prior to new propositions/hypothesis, data must be continuously compared in order to create concepts, models, constructs that require *analogical reasoning*.

According to Peirce (1902), "Besides these three types of reasoning there is a fourth, analogy, which combines the characters of the three, and yet cannot be adequately represented as composite." One of the key advocates of analogical reasoning is the Muslim legal scholar, Ibn Taymiyyah (14th century AD) who "…set out to refute philosophical logic, a task which culminated in one of the most devastating attacks ever levelled against the logical system upheld by the early Greeks, the later commentators, …" (Hallaq, 1993, p.1).

Ibn Taymiyyah debated contrary to the *syllogistic arguments* and in approval of analogy for developing to the new knowledge. His position was that "...every empirical theory is derived by induction from cases. Any deduction from such a theory can be obtained by applying analogical reasoning to the same cases" (Sowa, 2006, p.60), see Figure 5.

Analogical reasoning is mentioned in cognitive and linguists research by authors such as Lakoff & Johnson (1980); Gentner (1983, 2002 and 2010); Gentner & Markman (1997); Gentner, et al., 2001; Sowa (2011), etc. In marketing, there are some exceptions (Moreau, et al., 2001a, 2001b) where *analogical reasoning* is mentioned in terms of describing "how consumer makes decision to evaluate and adopt new products". However, there appear to be cases where researchers offer *analogical reasoning* as part of their *epistemological process* despite the fact that humans are analogical creatures (Gentner, 2002) and cannot escape this type of reasoning in daily life and at least not in science.

Figure 5. Deductive vs Analogical reasoning
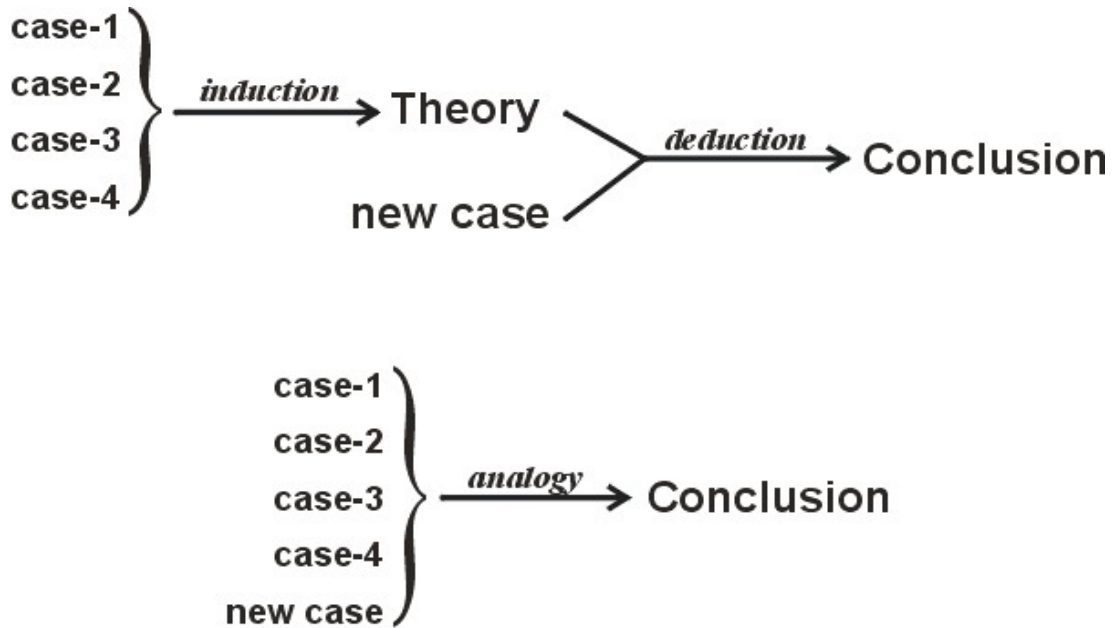
Source: Sowa (2003)

Involving the analogical reasoning in this epistemological journey of knowledge, can be considered as novelty and contribution in the field of service research.

Figure 6. Scientific Reasoning of this thesis
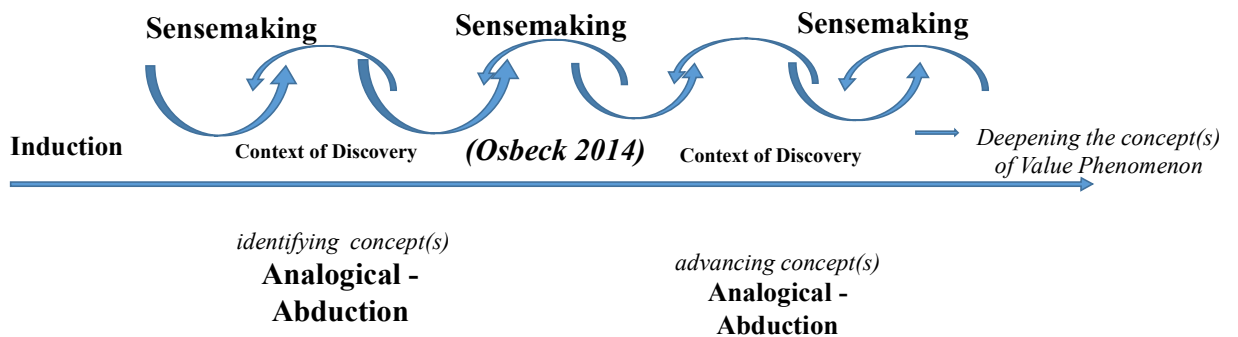
Source: Driton Sahiti (author)

Phase 1, Pre-study or Theorizing process and Context of Discovery is further broken into the 5 steps according to Swedberg (2012):

Step #1 – Observe! Submerge yourself totally in what you want to study "Look – do not think!" Wittgenstein in Swedberg, 2012, 2016

Step #2 – Find a name for your Phenomena

Step #3 – Develop on/several Concepts

Step #4 – Push Further – perhaps develop a metaphor, an analogy, a typology a classification

Step #5 – Suggest an explanation.

Figure 7. Theorizing Process
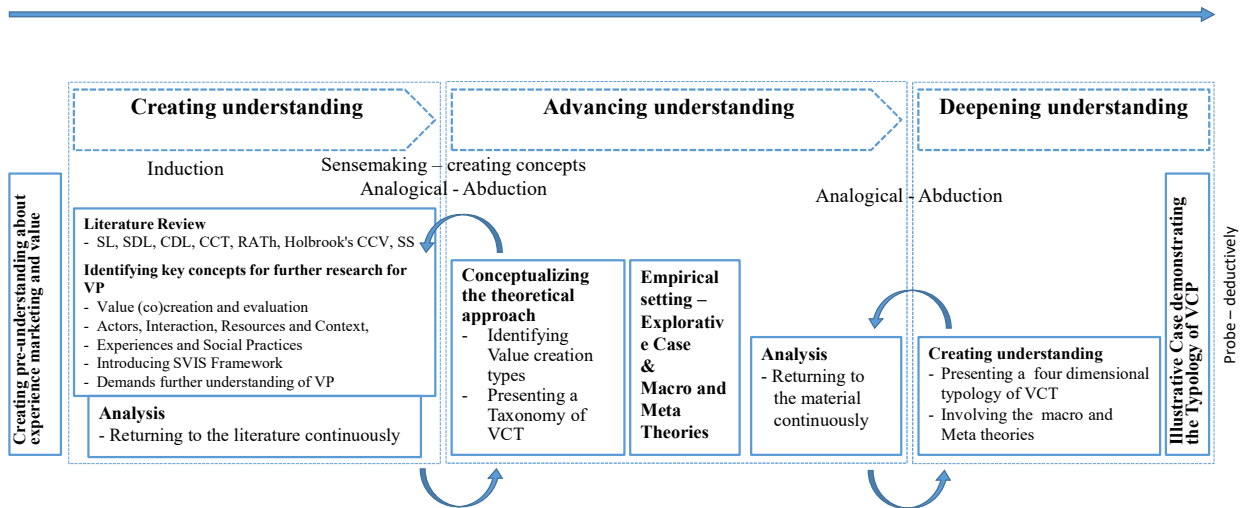
Source: Driton Sahiti (author)

1.6 Theorizing process and/as the structure of this dissertation

The *steps of theorizing process* as advised per Swedberg (2012) will be elaborated. It is important to note that the structure of the thesis is based upon the *theorizing process*. The *theorizing process* is illustrated by figures 4 and 7, with more detail in figures 8, 9, 20 and 24.

In early beginning of this journey, I **created pre-understanding** (Figure 8), as part of the theorizing phase, I used a *beginner's mind* (reasoning) (MacInnis, 2011, 2014), I observed and submerged myself totally in what I wanted to study; "Look – do not think!" (Wittgenstein in Swedberg 2012, 2016). This type of reasoning was rather *inductive;* but was followed by a *sense making process* (Figure 8).

In second phase of *theorizing* process, or in "**creating understanding**" phase (Figure 9) of *hermeneutic cycle* , during 2008–2012, I started to advance in my literature review (Services Marketing, Service Logic, Service Dominant Logic, Consumer Dominant Logic, Consumer Cultural Theory, Resource Advantage Theory, Holbrook's Concept of Consumer Value, Service Science, etc.) and to *create understanding* of the VP.

Also, I started drawing and visualizing several concepts (step 3, as per Swedberg, 2012), such as identifying key concepts for further VP research; value (co)creation and evaluation, dimensions (actors, interaction, resources and context); constructs (experiences and social practices); and finally developed the , integrative Strategic Value Innovation Service (SVIS) Framework. In this phase, I had to *make sense of the data* (literature review), and so, the theorizing process started to evolve, analogical and abductive logic (Osbeck, 2014) was involved to *summarize, compare and decide what to and what not to drop* (MacInnis, 2011, 2014) in order to achieve RO#1 and as a result to present a SVIS framework. This phase is described in more detailed in Chapter 3.

In a need, to further **advance understanding** (Figure 20) inside the *hermeneutic cycle* (Figure 4), between the years 2010 – 2014, by proceeding to step 3 and 4 in theorizing process (Swedberg, 2012), I kept reading and returning to the latest literature, slowly involving *interpretative* and *social constructivist* theories.

Figure 8. Creating Pre-understanding

Hermeneutic circle of the research

Creating **pre-understanding** about experience marketing and customer value
2004 -2010 (MBA study …)

Literature Review as DATA
Customer experience , Services Marketing SL, SDL, Holbrook's CCV,

Sensemaking

Induction

Theorizing
Step #1 –Observe! Submerge
yourself totally in what you want
to study

Context of Discovery
The form in which thinking process
are subjectively performed
(Reichenbach, 1938)

" Look- do not think!"
WITTGENSTEIN
Swedberg 2012

I used a beginner's *mind (reasoning)*
and revision. (MacInnis, 2011, 2014)

MBA Thesis – Customer Experience in Vienna Classical
Concerts - Tourist Industry

Source: Driton Sahiti (author)

After identifying most of the *value creation types* (VCT) from the service literature review: value
in-: exchange, use, experience, social practice, service systems, networks, context, etc., I moved
further (in step 4) as advised by Swedberg (2012, 2016) and developed a *taxonomy of value*

creating types (Figure 23). The taxonomy is presented through two axes (individual use and social context), and the relationships between those VCTs.

During this phase, I made sense analogically from the data and identified the new concepts (value creating types) by using abductive reasoning (Osbeck, 2014). This is a phase when by *integrating, harmonizing, synthesizing and comparing* (MacInnis, 2011, 2014) all constructs and concepts the advancement evolved into the Taxonomy of VCT. In this way RO#2 was achieved. The Chapter 4 is dealing with this phase.

After presenting the taxonomy of VCP, in further pursuit *for **deepening understanding*** (Figure 24), during 2010–2014, and moving from step 4 to step 5 (Swedberg, 2012), additional *social (macro) constructivist* theories were deployed (Phenomenology, Structuration Theory, and Social Practice Theory); allowing a deeper exploration of the value creating types. This is done as per advice of Burawoy (1998, 2001) who introduced the Extended Case Method (ECM) as a methodology for looking at the *micro phenomena through the macro theories*. An empirical setting for studying phenomena (value creating types, considering macro theory) was researched in *explorative case* study of my personal flight journey. For that reason, to explore the Holbrook's (2005, 2006) Subjective Personal Introspection (SPI) an auto-ethnographic type method was applied with an illustrative case. The combination of macro theories and field the data, resulted in a four-dimensional-matrix-type *typology of value creation practices*. The typology was built through four *dimensions* (actors, interaction, resources and context/structure) giving rise to four *value creating practices*, further classified in *individual* (value-in-experiential–use and value-in-experience-use), *and societal* (value-in-social practice, value-in-social (eco)system) *realms*.

This analysis involved constantly reviewing the literature and *making sense of theory and data.* Identifying models, concepts and constructs through analogical reasoning, then *suggesting an explanation* (step 5, as per Swedberg, 2012) in a form of the typology (Osbeck, 2014).

The process is in line with MacInnis (2014) typology of conceptual thinking of *Integrating, harmonizing, synthesizing* and *comparing* data. In this form the RO#3 is achieved and consequently the main aim of the study. Chapter 5 is concerned with this this process and objective.

While until now I described the whole *process of the theorizing in context of discovery*, Chapter 6 intends to demonstrate *"how typology works"* which is similar to deductive testing and "Probe"*, in "context of justification"*.

Since typology cannot be tested in empirical form, then *explorative case* is also employed as form of **Illustrative Case** to demonstrate 'how typology can be employed'. The typology was used as a tool during my auto-ethnographic study, in the same manner as Holbrook (2005, 2006) has used his own typology of CCV to describe his photographic essays. In this form the typology was "tested" and proved that the Typology of Value Creating Practices "works".

Chapter 2 – Research Methodology in Empirical setting

In this chapter the reason for choosing Extending Case Method (ECM) as a research methodology is provided. Next the principles of SCTh and Social Practice Theory are elaborated and finally the auto-ethnographic subjective personal introspection (SPI) is also presented as a method collecting and interpreting the data.

2.1   Introduction

While discussing value innovation, Vargo (2008) continuously highlighted the significance of *zooming out*. However, Leroy, et al. (2013) as well as Grönroos (2016) have taken a critical stance by advising that *zooming out* on the macro level of value creation should be coupled with *zooming in*, to recognize and explore the complexity at the micro level. This combining of a micro and macro approach, which is also what Vargo & Lusch (2016) proposed, with a simultaneous attention on *social practice and experience*, brings us to the question:

How can we at the same time zoom-in and out to recognize the individual and contextual influences within the interlinking constructs: *experience, social practice and service (eco) systems* in value creation, in order to achieve the aim of the thesis (?)

The SPI (or auto-ethnography) is an appropriate method for all levels of analysis. The participant observer (myself), must distance themselves (as an individual) from the subject of interest. They must get involved more on the macro theories, in order to explain phenomena of study as advised by Burawoy (1989) and considered by Holt, (1995, 1998) in Consumer Culture Theory.

In response to the Burawoy (1989) advice and to follow my aim, I apply *social constructivist* view as a macro theory. It enables me to use *a social practice* at a meso (neutral) level by using Reckwitz (2002) integrative SPTh. At the micro level, *an experience* is considered through the phenomenological lenses as done by Helkkula, et al. (2012). While by *zooming out* (Nicolini, 2009, 2013), at macro level, *service (eco)systems* approach as proposed by Vargo & Lusch (2016, 2017). Further, I elaborate the ECM methodology, *as an interpretative methodology* and SPI (auto-ethnography) as technique for collecting data.

2.2   Extended Case Method (ECM) as an Interpretative methodology

In assessing strategies to study *value creation practices*, one must consider the conceptual frame and theoretical assumptions guiding the research.

In this thesis, the phenomenon that arranges people's everyday *consumer practices,* namely the VP, will be studied. In methodological terms, in order to study how consumers create value in different *social practices*, the micro level data will be exploited through the consumer *introspection of social practices*. This offers possibilities to explore meso and macro level constructs, as indicated earlier. In pursuit of such an ambition, I follow the logic of the ECM, the doctrine of which is presented below.

ECM is the favoured (strategic) methodology for investigating macro enquires relating to bigger systems like markets, cultures and institutions, but from an interpretative standpoint. Its origins lie in Manchester School of British Anthropology in the 1950's. The most prominent promoter of the method has been sociologist Michael Burawoy (Burawoy, 1998a, 1998b; Burawoy, et al., 1991, 2000). ECM as methodology refers to an analytical logic that is used on data types characteristically applied in interpretive research (field observation, interviews, primary source materials, archived texts) and not to data assembly procedures (method), which sometimes could be the case.

The method is built upon an interpretative foundation which Burawoy calls "hermeneutic science" (Burawoy 1998a) or "reflexive science" (Burawoy 1998b), but in contrast to hermeneutics, ECM seeks to develop a heuristic conceptual framework with descriptive power. The main aim, or the end outcome, of any ECM research is the adaptation of pre-existing theory and theoretical models, notions, concepts and constructs. Burawoy suggests academics select theories that could be significantly upgraded merely by their re-conceptualization and reconstruction (Burawoy, et al., 1991). According to Burawoy, et al. (1991) theory building in the ECM pursues logic comparable to Karl Popper's 'falsifications' philosophy of science, in which objectivity "does not rest upon procedures, but on the growth of knowledge, through the imaginative and parsimonious reconstruction of theory to accommodate anomalies" (Burawoy 1998b). The goal is to use uncharacteristic data (data that existing theory should account for, but does not) to develop theoretical advances (Burawoy, et al., 1991).

Thus, the goal of the ECM is to build productive expansions of theory rather than to look for substitutes to experiments and this is hallmark of a discovery oriented approach, which is in line with this thesis approach of "understanding the phenomena" and finally expanding our

understanding of SDL. In addition, ECM supports correlation, immediacy and conversation as compared with positive modes of science whose features are separation, distance and objectivity (Burawoy 1998b, p. 12).

To distinguish the comprehensive significance of multilevel and systemic perspectives to social science, an increasing number of academics have broadened the applicability of the ECM. It applies to cultural analysis of the social world (Eliasoph & Lichterman, 1999), to discover how individuals and communities both experience and convert their environments (Miranda, 2002; Sullivan, 2002; Hines, et al., 2005), in consumer research (Kates, 2006), in domains like technology and satisfaction (Fournier & Mick, 1999), consumers' choices (Allen, 2002), brands (Holt, 1998) and institutionalized consumption practices (Holt, 1995).

ECM academics prove how theory can be extended and developed, by using in-depth interviews, participant observations, archival research and political analyses (Miranda, 2009). In pursuit to extend or update a theory, one should begin with his/her "favourite theory" (p.16) as Burawoy (1998) suggests. An interesting example, that is relevant to his thesis, is the extension of the ECM theory itself, done by Eliasoph & Lichterman (1999).

2.2.1   Why using ECM to study Value Creation Practices?

ECM is a mixture method, but it also builds upon both social constructionist and critical theories of science (Miranda 2002).

The ECM in distinction to its counterpart, grounded theory (Strauss & Corbin, 1998), which intends to improve invariant doctrines by extracting from context, assists in the construction of historically and contextually assured accounts of cases, social circumstances and specific consumption results and conclusions (Burawoy, 1991). Also, ECM tries to comprehend the impact of macro social, cultural and contextual forces on situations, as revealed in data collected in micro observation (participant observation and interviews). According to Burawoy (1991), ECM 'seeks to uncover the macro foundations of a micro sociology. It takes the social situation as the point of empirical examination and works with given general concepts and laws about states, economies,

legal orders and the like to understand how those micro situations are shaped by wider structures' (p. 282). Such characteristics suite the micro social phenomena such as value, and ultimately to consider the social practice as a unit of analyse.

The enquiry agenda then entails collecting data that allow a multilevel and a methodical case scrutiny, and finally, usage of this investigation for expansion of an existing theory. This argument highlights characteristics of the ECM for empirically exploring value creation practices as multilevel formed constructs, thus, experientially and life-worlds (phenomenological experience) as well as structurally and systems. In the context of value creation practices, usage of the ECM responds to the call for research that builds upon or complements previous theorizing and empirical work in the area of marketing (Kates, 2006).

Additionally, the ECM improves theory by examining the multiplicity of a *practice (experience)* and representing these outcomes on top of pre-existing generalizations (theory). Personal (consumer) experiences can equally refine and resist social structures. ECM research converts evidence of the interdependence of those personal experiences and the wider social, cultural, political and economic environments (Burawoy, et al., 1991).

ECM encourages a multilevel - systemic episteme, building upon interpretative macro and meta-theoretical approach that equally appreciates the individual and societal realms that outline or constrain social practices. These characteristics are important for this thesis, because the context has a significant role. Ultimately, confirming the Burawoy, et al.'s (1991) claim, that ECM researchers search for multiple views people challenge, confirm exclude or dominate.

While a multilevel framework of inquiry seemed necessary for examining value creating practices in the personal flight journey, but the implications on how to go about were not immediately clear. The methodological focus of this thesis is on the use of ECM, while the comparative case analysis are important to arrive at multilevel analyses of value creating practices for comparing different levels of context and will be discussed in the next section.

2.2.2 Extended Case Study as Strategy for Multilevel Research

Case-oriented research offers several advantages in studying of unusual events and situations. A principal use of case studies is for research in situations in which boundaries between a phenomenon and its context are unclear (Yin, 1989). A consumer flight journey (CFJ) case, between destinations A and B clearly fit this profile, since it is dependent on different actors, resources and ecosystems. The difficulty to understand the relevant context of analysis increases proportionally with the complexity.

Due to this complexity, ECM (Burawoy, 1991) as a strand of case study methodology has approached this boundary problem from an explicitly multilevel perspective, advocating the situation of the case in the broadest relevant field of social action. Case studies are inductive in their execution, identifying sources of data and explanatory principles and testing provisional findings progressively as they unfold. The ECM extends this inductive emphasis to the progressive identification of expanded levels of social context. The inductive process stops when the data become saturated, yielding no further explanatory power (Strauss & Corbin, 1998).

Since ECM was developed in social anthropology and then into sociology by Burawoy (1991), it has an explicit multilevel focus. Situating a given case in such an extensive multilevel social context for the understanding of that case, is also the aim of the ECM. In a such case study, a multilevel value creation practices, theory could be prerequisite to illustrate how those (value creating) practices, all individual, group and system, are constrained and facilitated by micro (individual, agent), meso (Institutionalized group thinking, community, organization), and macro (social, cultural norms, state policies, rules, laws) context, and how value crating practices handle the structuration (Giddens, 1984), thus discard or exceed these *multilevel dualities* between *agents, interactions, resources and structures*. In this way, ECM addresses the criticism that case method outcomes are not generalizable by evaluating specific case outcomes in the context of existing macro theory.

In delineating the aim of empirical inquiry, the case method is based upon a one of the main advantages of (auto) ethnographic study, thus of not closely prearranging the subject of empirical inquiry and eventually opens the door for an interesting, surprising, or anomalous outcomes to

appear (Fernandez, 1986). For more detailed description of introspective methodology, auto-ethnography or SPI on the later sections after Macro theories elaboration.

2.3   Theory and theory extension

Earlier *theorizing* was introduced and discussed, but the question of "what is theory" needs to be addressed as well as it is the product of theorizing and typology as form of theory here will be presented.

Theorizing process was introduced and discussed earlier but the *theory as a final product of that process* (Swedberg, 2012), *need also to be elaborated, as the typology is form of theory*

Theory is concerned with concepts and interrelationships that illuminate, how or why the observed situation, processes or phenomena of interest occur (Gioia & Pitre, 1990; Strauss & Corbin, 1998). In this line, theories permit a possible prediction of the variability of a result from observed situations, processes or phenomena (Colquitt and Zapata-Phelan, 2007). In addition, empirically testable, "law-like generalizations" (p.10) are a characteristic of a general theoretical development. Hunt (2010) also identifies the significance of the expansion of a studious understanding of the theory extension. Furthermore, for Gioia and Pitre's (1990: 587) theory '… is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs', is in line with Burawoy (1988, 1997; 1998) explanation on how theory get developed through Extended Case Method (ECM).

2.3.1   Macro Theory - Social Constructivism

In this section, macro theories will be discussed as an extension of meta-interpretative-theories to build a framework for further investigation of the VP. We will start with the *Social Constructionist* approach towards theories; then follow with Social Practice Theory, and the role of values in Social Practice. While SPTh will be elaborated upon the others will be simply noted. Through these theories all social dimensions and constructs that are building parts of the VP are treated, such as:

actors, interactions resources and context that constitute the value creating practices, experiences and service (eco) systems.

2.3.1.1 Principles of social construction theories (SCTh)

One way to interpret society is through SCTh. Through these theories it is possible to improve our understanding how individual's actions in micro, meso and macro level craft, apprehend and recreate social events and structures (Linton, 1936; Mannheim, 1936; Merton, 1957; Goffman, 1963; Berger and Luckman, 1967; Giddens, 1984; Bourdieu, 1988; Archer, 1995).

The SCTh are identified by constructs like, *social structures, systems, social practice*, *experience* etc., which through continuous interaction are recreated. This process of interaction and intertwining among those constructs it opens possibility for researchers to understand reality in social world and ultimately also VP.

The SCTh are direct outcome of the interpretative worldview on social reality as applied by Goffman (1963); Berger & Luckmann (1967); Blumer (1969); Levin & Levin (1988), which in turn are founded upon philosophical origins of *hermeneutics and phenomenology* (Boland, 1985). Using these lenses to view the world it indicates also that the individual sees the social world through *making sense of the social situations and acting upon them* (Wieck, 1989; Walsham, 1993). It further implies that the only way to understand reality is as a social constructed and it can be articulated thorough *human sense making activities* (Walsham, 1993). The paradigms thus describe the complexity of human sense making as the situation emerges (Kaplan and Maxwell 1994).

Similarly, SCTh consider that individuals have the possibility to absorb, adjust and make personal decisions (Giddens, 1984; Bourdieu, 1988). Through the social *constructs* such as *structure, systems, practice and experiences* meanings are created and recreated that are inherent and depended on individual sense making and of the social interactions that are involved in. The social context characteristics need to be identified in order to understand social meaning (Hoffman 1990), ultimately VP. Furthermore, Peñaloza & Venkatesh (2006) advise that the *notion of meaning*

involves a phenomenological interpretation as well as cultural context, thus connected to *the roles, positions, language* in addition to social *interactions, experiences, practices and systems,* which according to Berger & Luckman (1967) have supported that social context and related constructs are basis of knowledge.

According to Deighton and Grayson (1995) SCTh are important for marketing since they help describe how joint understandings form a "social consensus" that influence views and interactions of individuals and are foundations that form the social reality. References to SCTh have been applied in the marketing literature such as O'Guinn & Shrum (1997) who observed consumers construction of realities as a result of their most obvious accessible information.

Furthermore Richens' (1994) suggestions that the meanings of marketing images and symbols are shaped and reinforced through the socialization that comes from participation in shared activities. Askengaard & Linnet, (2011) also used the SCTh to define the epistemology of the CCT and Holt (1996, 1997, 1998, 2006, 2012) used the social constructionist approach to study, consumption practices, lifestyles, American consumption, brands and sustainable consumption. Furthermore, Deighton & Grayson (1995) identified through SCTh five phases in the clarifying "seduction" of marketing and Grewal & Dharwadkar (2002) based upon Berger & Luckmann's (1967) influential work developed an all-inclusive framework of the institutional setting in which marketing channel research is performed. Lastly, in the context of the present thesis, Penaloza & Venkatesh (2006,) dealt with notion *of value* as socially constructed and the value emerges "prior to, during and after the actual exchange and use(s) take place" (p.303) and Edvardsson, et al., (2011), used SCTh to explain the *service exchange and value co creation* and introduce *value-in-context*.

2.3.1.2 Social Practice Theories- Distinguishing Practice Theory from Other Social Theories

One of the main SCTh that is cited in the Service Research literature is Reckwitz, (2002) Practice Theory. Practice Theory is differentiated into four key cultural theories, hence, *mentalism, inter-subjectivism, textualism and practice theory*. Practice theories and other cultural theories are distinguished by several important differences; the social and the conceptualization of the sense of

shared meanings are positioned inversely in practice theory. Mentalism positions the social in the individuals mind (e.g. classical structuralism and interpretivism), inter-subjectivism in symbolic interactions (e.g. theory of communicative action, symbolic interactionism), and textualism in 'texts' (e.g. post-structuralism and several types of post-modernism), whereas practice theory situates the social in 'practices' (Reckwitz, 2002). Highlighting the vital constituents of *person's action and social order, such as body, cognition, things, knowledge, language/discourse, structure/process and human agency are understood and examined through their embeddedness in practice, instead of through mind, interaction or texts*. In conclusion, human action and social order arise, and achieve meaning and intelligibility, from social practices (Schatzki, 1996, p.13).

In spite of the variation of perspectives, an array of shared characteristics has been acknowledged that permit them to be named *practice theories*, one of those characteristics is the drive to find a solution to a number of separation present in other social theories, like; *subject vs object, mind vs body, inner vs outer, emotion vs cognition, agency vs structure; tacit vs explicit; intrinsic vs extrinsic, self-oriented vs other-oriented.*

Practice perspectives usually highlight the entwining, instead of the disconnectedness, of the constitutive dimensions, concepts and constructs that constitute practice. Though the types of these entwining's vary, the common aspects of practice cannot be considered as isolated constructs but are constitutive part of practice performance. Practice is seen mainly as constituted socially instead of individually (Schatzki, 1996), since practitioners' common understanding of their practice offers path and a means of consolidating their actions. An essential ingredient is common knowhow that creates opportunity to convey a range of doings in an anticipated style.

Practice theory as part of the Interpretative paradigm and in line with social construction meta-theories stands for the understanding of the social reality and self by individuals through *sense making* (Reckwitz, 2002; Warde, 2005). To understand how actors' value creating practices and evaluate diverse forms of value, different individual consumptive experiences must be taken into consideration (Holbrook & Hirschman, 1982).

These thesis is not limited to value as created by community of practice (Lave & Wenger, 1991; Wenger, 1998, Schau, et al., 2009) or as an integrative practice (Schatzki, 2002), but in *social*

practice presented by Reckwitz (2002), that is in line with Warde (2005) perspective on practices: organized, routinized behaviour consisting of several interconnected elements such as: "forms of bodily activities, forms of mental activities, 'things' and their use, a background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge…" (Reckwitz, 2002, p. 249–50).

To summarise, Reckwitz, (2002) argues: "Carrying out a practice very often means using particular things in a certain way. It might sound trivial to stress that in order to play football we need a ball and goals as indispensable 'resources'... but it is not" (p. 253). Thus, *social practice* (theory) has a significant involvement of the individual, who is a carrier of the personal and societal *values, beliefs and norms* into the *practice*. Those personal social resources are discussed in next section.

2.3.1.3   The role of values in Social Practice

As a one of four value creating dimensions are consumer (social) resources, then norms, believes and values (not plural) must be addressed in order to highlight their role in to the value creating social practices

Different types of consumer behaviour and social practice theories draw upon understanding of individual behaviour and social reality transformation. Some authors in sustainability theme (cf. Shove, 2010), did that, while Piscicelli, et al. (2014) are among those who linked *social psychology* and *social practice theory* to study the role *of values* in the social practice.

The advanced theory of elementary individual values of Schwartz, et al. (2012) outlines *values* as "trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or group" (p. 664). In social psychology, values are *constructs situated within persons and converting into behaviours that motivated them* and have impact on consumer actions and behaviour, (Piscicelli, et al., 2014).

According to Piscicelli, et al. (2014), *values* are not clearly defined in existing conceptualization of social practice theory as they are in social psychology, where the *conceptualization of values,*

is seen as integral constituent (resources) of individuals. From social practice viewpoint *values* are defined as social constructs, emerging from social cultural phenomena and concepts present within social reality, making them a founding resource of a practices by restraining and facilitating understandings of actor's activities. Piscicelli, et al. (2014) further argues that *values* are positioned *as an enabler and constrainer* by the various *social-cultural reality* in which people are nested. Taking in to the consideration the causative affiliation among values and behaviour (i.e. values preceding and translating into behaviour) then *values and practices are also seen as co-constructive*, with individual values forming and being formed by, during and inside enactments of practices, context based experiences and social interactions (Hards, 2011). Values are uninterruptedly transformed, modified and (re)formed in concrete social context, making the relationship among values and practices very dynamic and "proxies for meaning" as acknowledged by Piscicelli, et al. (2014) and recommended by Evans (2007, p.18): "values influence choices and practices but the choices and practices that are undertaken in actuality have the effect of (or at least the potential to) renegotiating values" , thus making it relevant for the value creating practices and the evaluation of the value.

2.4 Method

Since, an initial unit of analysis in this thesis is social practice as a form of *personal customer experience*, and then *understanding* of such *experience* is imperative. As ECM also advocates, that participant observation is a key method to ethnographic study, as such choosing subjective personal introspection (SPI) which is the "ultimate participant observation" Holbrook (1995, p. 209), to analyse personal experience is one of the best tools for doing that, since it is form of the auto-ethnographic essay methodology (Holbrook, 2005, 2006b). In this way, one is able to interview himself and then to express own experience and their outcome far more rigorously then one would to others (Jorgensen, 1989).

From the multiple interpretative perspectives involved to study micro phenomena, obviously the study will be a value-laden and subjective (Guba & Lincoln, 1995). Considering also that it is impossible to separate oneself from one's data (Holbrook, 1995), and the acknowledging that *subjectivity is foundation of the epistemological basis of interpretative research*, then the SPI

should be accepted as appropriate method of gathering data in interpretative research. Finally, the methods for collecting data is not a matter of true or false, but rather if the method is useful or not as noted by Silverman (1993) and in case others do not consider to be, than at this point the researcher needs to ignore it (Shankar, 2000).

As in any other communities there is a need for "intersubjective agreement", thus "social consensus" Holbrook (1995, p. 201) for a new practice to be accepted, it is the same with new methods in an academic community, and with SPI that is the case as well (Shankar, 2000), since it is an introspective method and the difficulty of creating a social consensus is even harder.

Since the SPI is interpretative – introspective methodology, it will be shortly discussed in the next section.

2.4.1 Introspective Method

There are two reasons for using *Introspective method*: first, with this method one can collect a much deeper and richer data from his own experience, and there are aspects to a personal viewpoint that can be defined as "relatively unique", reflecting my own lived experience (Thompson, et al., 1989).

Phenomenological approaches, especially those of existential-phenomenology, which focus on a consumer's own experience (Thompson, et al., 1989, Holbrook, 2005, 2006a; 2006b), provide a starting point for the inquiry. Noting that the lack of research and clarification about multiple realities and those multiple value creation, I thought that revealing my story of my own experience in multiple and simultaneous roles would be the distinct best option I could most "thickly" describe (Geertz, 1973), interpret (Denzin, 1989), and unmask its effects.

The Introspective approach is done through the auto-ethnographic method and SPI as particular form of it, most notably advocated by Holbrook (2005, 2003a, 2006b) as most representable form of introspection.

2.4.2 Auto-ethnography also known as Subjective Personal Introspection (SPI)

SPI, due to the fully subjective approach of the researcher, is a debatable research technique, as discussed in detail by Wallendorf & Brucks (1993); Brown & Reid (1997); Patterson, et al. (1998). Despite that, here I will just concentrate on advantages of this method in general and highlight the importance of them for this thesis.

As most of interpretative research, especially consumer, it begins with the researcher thinking over the issue of interest. In most of the cases it starts with questions like how, what and why, is something happening? Following that, I was interested to know what VP is and subsequently how is the value created and evaluated? Looking from this perspective, SPI is an official method of representing the process of what a researcher does continuously subconsciously (Shankar, 2000). In this way it is an ideal type of purposive (determinative) sampling (with purposive sampling being the preferred sampling method in interpretative research (Guba & Lincoln, 1984).

As individuals we go in life through different roles (Goffman, 1959) such as consumer, researcher or practitioner. Each of these roles entails social practices, but also personal, mental and emotional processes that introspection does inspect accordingly (Shankar, 2002; Holbrook, 2005, 2006b).

Since, social practice involves also mental and emotional processes, because of that SPI is appropriate for this study. Brown & Reid (1997) consider that SPI:

> "…involves the researcher reflecting on and analysing his or her own personal experiences pertaining to the topic under investigation and bringing them together in the form of an autobiographical essay."

Hence, this thesis considers an auto-ethnography as relevant method for this study. Auto-Ethnographic methods of inquiry and interpretation are being increasingly adopted by interpretive consumer researchers (e.g. Arnould & Wallendorf, 1994; Belk, et al., 1989; Holt 1995). Wallendorf & Brucks (1993) called this research an *introspection*, in addition to another three frequently used types that they recognized, such as *guided introspection*, *interactive introspection* and *syncretic introspection* resulting from combination of previous two.

ECM is also known for particularly accommodating ethnography inside the process (Burawoy 1991; Fournier & Mick, 1999), then the SPI fits perfectly to the overall research method and methodology. Furthermore, outcomes extracted out of auto-ethnography are treated to review, restructure, support, and familiarize existing theories or report theoretical gaps (Burawoy, 1991).

As far as this study is concerned, SPI was used to illuminate each of the research objectives. Illuminating the *consumer experience* from my own perspective with the phenomenological perspective, and being a participant observer by *analysing a social practices and service systems* involved that directly impact my own customer experience during the flight journey. While on the micro level the SPI will play a primary role in identifying the individual customer experience. Thus, value-in-use at the other levels, such as meso level, the role of the researcher will come *as practitioner* who observes *the social practice* of journey and the involvement of other actors who directly and indirectly co-create value with the beneficiary.

As form of ethnographic study, SPI uses photographs and essays as data collection techniques that will be discussed in following sections.

2.4.3   The photographic essay collected artefacts during my multiple journeys

As noted, SPI is a form of representation of one's own personal experiences, mental and emotional processes, that requires inputs for recalling the customer experience journey and the moments experienced. Considering that such memories are intrinsically suspicious, their reliability increases if they can be supported by relevant resources, such as diaries, possessions, and reminders of different kinds. The need for such reinforcement raises the meaning of photographs and other archival objects that involvement of the topics, themes, ideas, and issues of interest (Holbrook, 2005).

According to Holbrook (2005, 2006a) photographs are considered valid observational tools, they play a multiple role in auto-ethnography (Heisley & Levy, 1991; Zaltman, 1997).

Holbrook, (2005, 2006a) describes these threefold roles. First, pictures reinforce SPI-based memories via the practice of "auto-driving," "photo-elicitation," or "metaphor elicitation." Second, they help to validate statements completed by the author. Third, they support the transmission of the sense of the related personal consumer experiences to the individual group of interest with more precision, richness, and pragmatism than would be conceivable just by words alone. This multiple set of reimbursements has conveyed the photographic essay into consumer experience analysis in ways that have importantly increased the influence of the ethnographic or SPI-based analyses (Holbrook, 2003; Holbrook & Kuwahara, 1998).

2.4.4   Unit of Analysis

The research design is chosen to explain how unique actors (service provider – customer) interaction emerge into value creation practices. Value creation practice can be a threefold; experience in micro level, social practice at meso level and service systems at macro level. As advised by Burawoy (1998a) a case study is needed to further explore the micro phenomena in order to find anomalies that may (or may not) appear, in order to extend the middle range theory of SBL.

A *social practice* as *meso level construct* is at the centre of the research design, although while focusing on the other two levels, I use an *experience (micro)* and *service system (macro)* notions. I adopt a research method than enables me collect as much as possible data from the three above discussed levels of inquiry. I start exploring *my own customer experience* in flight journey, and then I observe other actors involved to identify other *social practices* and *social eco-systems*

Below I explain briefly each of those three units of analysis

2.4.4.1   Experience as Micro level construct

As a carrier of the *social practice*, customers have a personal '*experience*' in value creating practice, as constitutive part of the *practice* as well as interpreter of that experience (Gummerus, 2013).

In literature the notion of experience is used when an individual *'experiences'* (<u>a verb</u>) or 'has practical contact with facts or events', that person is said to have had '*the experience'* (<u>a noun</u>), meaning 'the knowledge or skill resulting from it' or 'the fact or process of being affected by it' (Australian Concise Oxford Dictionary, 1992, p.393).

That is, the notion *experience* must have an object and reveal experience of the subject being involved in it. However, as stated above, we adopt a Gummesson & Mele's (2010) and Holbrook's (1999) conceptualization of value, in order to describe value, but with some adoption to proceed the emergence of the value. Thus, *the interaction and integration of the actors' resources in particular context create social practices, where individual is the carrier of it and ultimately transform it into an experience, out of which value emerges* (Gummesson & Mele, 2010). This conceptualization is in line with term 'experience of practice', used by Ellway & Dean (2016), as "… interpret as living through and finding meaning from certain patterns of action to create value" (p.303) and with Helkkula, et al. (2012a) view that value is created out of *experience* and it includes individual customer's distinctive reflection and phenomenological evaluation of that 'living through', which makes the experience internal and subjective and inherently value.

Finally, these conceptualizations are consistent with our meta and macro theoretical approach defined in this thesis, and in this level a phenomenological approach to experience is adopted.

2.4.4.2   Social Practice as Meso level construct

This research examines *social practice* as a source of value creation and is mainly based upon the work done by Reckwitz (2002) and on consumption studies done by Warde (2005). Whereas Reckwitz (2002) defines social *practice* as 'routinized behaviour, consisting of several interconnected and essential elements: bodily activities, mental activities, ''things'' and their use, background knowledge and understanding, know-how, states of emotion and motivation' (p. 250), Warde (2005) on the other side defines it as routine 'doing', containing mental processes and past experiences. Hence, for this research we define *social practice* as construct that is build out of *Interaction* of *Actors' Resources* in particular *Context* (structure), out of which, in their everyday lives Value emerges (created and evaluated). This definition involves Reckwitz (2002) as well as Warde (2005) conceptualizations, but I consider these four dimensions from the value creating

perspective as identified by scholars of SDL Marketing, since in what *context of the social practice* is placed, is one of the main concerns in value creation of studies. Value creation is a social phenomenon, which means it is co-created and mutual (Arnould, 2006; Payne, et al., 2008; Chandler & Vargo, 2011).

2.4.4.3   Service Eco-Systems as Macro level construct

Knowing that the *service eco-systems* in SDL has been lately focal, in its further expansion it is expected to be added to an increasing, general *ecosystems orientation* (e.g., Iansiti & Levien, 2004; Adner, 2016; Lusch, et al., 2016) in marketing and business in general, and hence to be considered helpful in achieving the main aim of this thesis.

The term "ecosystems" originates from "natural" science, and is generally attributed to Tansley (1935), who considered ecosystems as the "basic units of nature." In addition, in the literature on S-D logic, the term "*service system*" is also used in in the context of service exchange. Such a "service system" has many similarities with the "*social eco-systems*" as described above and highlighted in Spohrer, et al. (2007, p. 2), who defines a *service system* as a "value-co-production configuration of people, technology, other internal and external service systems, and shared information (such as language, processes, metrics, prices, policies, and laws)".

Examples of service systems are cities, call centres, hospitals, and universities; the largest service system is the global economy, while the smallest is the persons engaged in service exchange. Obliviously, the Airport and the whole travel systems fit perfectly to this description. These systems survive, adapt and evolve through the interaction and integration of resources with other systems. According to Vargo, et al. (2008, p.146), "service systems engage in exchange with other service systems to enhance adaptability and survivability, thus co-creating value—for themselves and others". Like social (eco) systems, service systems create and are created during interaction and the integration of resources that are reciprocally beneficial (Vargo, et al., 2008).

Since the aim of this study is to understand the value also from macro level perspective, then the role of *social systems, eco systems structures and contexts* need to be considered in order to identify the *value creation* within them, and thus advance understanding of VP as per SBL.

2.4.5 Research Design

In line with the ECM, I used the Personal Flight Journey as case study and SPI as data collection and analysis method. This led me to explore value creation and evaluation as per SBL.

It was chosen since during my journey I noticed that the flight from A to B incorporates a lot of different aspects from different fields. Here there is a clear case that can simulate an everyday life in such a short period. Because flight incorporates different actors and different institutions, then systems and structures are also involved. This allows me to analyse the value creation practices in the micro, meso, and macro levels, from the perspective of the consumer and researcher (at the same time), in line with the Auto-ethnography style or "auto driving, SPI.

2.4.5.1 Data collection and analysis

Data were collected through the pictures taken and written narrative during my flight journey from city A to B. Thereafter, I commented on each picture (after some time) as per SPI (Holbrook, 1986, 2005, 2006). As Holbrook (2006) notes, that it is an interpretative method for collecting the whole experience, not just in narrative form, but also in pictures and by encompassing researchers' values, memories and knowledge perfectly well.

SPI fits the interpretative, social constructionist, hermeneutics and phenomenological fields and is totally in line with my research aim. From a micro level perspective, the analysis is focused on *personal (consumer) value creation practice.* By *zooming in and out,* the same data could be used to conduct the analysis on other levels, through different constructs, apart from *experience* such as *social practice and service (eco)systems* by conducting observations with *social constructionist theories*, which are also applied.

The ECM analyses development is shown in the course of two phases. First, it employs an *analytic reduction* across photographs to identify value creation practices, denominated here as value-in-use (*experiential and experiences*) that are subject to a *co-experience* (with respective values-based experiential influences).

In the second phase of the ECM, *structuration*, the analysis shifts from micro to macro level. In accordance with other integrative, cultural influenced, social practice theories (Reckwitz, 2002), where my understanding is extended by moving within the *hermeneutic circle (fig.4)*, in line with a Burawoy (1998a) statement that ECM is a hermeneutic science. This interpretive progress enabled me to relate value creating practices to the other social factors, such as consumer social culture and marketing that shape how people, consumers and actors create value creation experiences, practices and ecosystems. Finally, in the last stage of the ECM, reconstruction and extensions of the middle theory are developed. Here, the emphasis is on collective practices and systems, as part of structures that are subject *to norms, community, explicit frames power networks,* as per Social Theories (in general) and Giddens' (1984) works (in particular).

The notes, reactions, pictures, videos and (narrative) journey transcripts were debated weekly with an external (PhD candidate) investigator and evaluated (Arnould & Wallendorf 1994; Spiggle 1994). The external researcher delivered a supplementary theory-carried discussion with which to investigate the data, in particular the importance that macro theory plays in this approach. Being rather detached from the day-to-day details of the research, this freestanding researcher was appropriate to emphasize outcomes that I might incline to consider for fixed after many times and different periods of engagement at the case.

As the nature of different value creating practices began to appear to be the study's primary phenomenon of interest, the data analysis entailed tacking back and forth between findings and theories or metaphors applicable to the findings (Spiggle, 1994; Thompson & Haytko, 1997).

A last difference, being inherent and researcher in ECM, Burawoy (Burawoy, et al. 1991; Burawoy, 1998) also dares the necessity for objective detachment from participants and instead supports shared and joined knowledge construction, being in line with a central characteristic of interpretative research methodologies. ECM further recommends academics to not consider

observations of the 'other', but instead to share understandings (i.e. findings) as a consequence of interactions with the direct participants (Burawoy, 1998; Burawoy, et al., 1991).

Value creation logic (paradigm) conversation not only pursues detailed narrative from multiple roles of actors, but also incorporates a researcher who indicates multilevel roles as well, as suggested by Miranda (2009) in her study of multiracial context. Multiple roles of researchers have a variety of personal preconceptions, experiences and identities. Nonetheless, getting one's lived experience as a researcher's personal data within an ECM framework is considered a possibly valuable dimension.

The study will inspect consumer value from the beneficiary point of view. This will enable me to better understand value (as a micro phenomenon), through the lenses of interpretive macro theories (e.g. social constructivist ones) and resulting to expansion of the S(VIS) Logic as middle range theory, which is the final aim of this study.

2.4.5.2   Interpretation of data

My autobiographical story was subject to "hermeneutic interpretation" in accordance with Thompson, et al. (1990, p. 347) statement that: "interpretation proceeds by means of an iterative back-and-forth process of relating part of the text to the whole". The mutual themes that arose from the data were merged into *value creation types*, with the *personal customer experience* seen as individual type of value creation, from beneficiary perspective.

Furthermore, this classification was verified by another researcher to ensure the "trustworthiness" (Lincoln & Guba, 1985).

Having identified the *value creation types*, I interpreted the findings from the analysis of my flight journey considering those *types* and completed an autobiographical story. Extracts from the autobiographical essay are included in chapter V, firstly considered as explorative case to collect data and to refine my typology and that experience is used as form of Illustrative case to back up my theoretical contribution.

Chapter 3 – Creating Understanding – Towards SVIS Framework

The literature review chapter is separated in two main parts. In the first the objective is to *Create Understanding of VP and theorising process.* The structure of this Chapter is described in fig.9 and as a result of that to present a SVIS framework (to achieve RO#1)

It begins with brief introduction of the methodology for literature review followed by the section of identification of the value logic creation. Next the Importance, conceptualization, evaluation and creation of value are discussed and prior to presenting the SVIS Framework the four dimensions that build the framework are discussed that will achieve a RO#1.

Figure 9. Creating Understanding

Hermeneutic circle of the research

Creating understanding

2008-2012

Literature Review as DATA
Services Marketing SL, SDL, CDL, CCT, RATh, Holbrook's CCV, SS

Analysis
- Returning to the literature continuously

Sensemaking

Theorizing
Step#2 Find a name for your Phenomena
Step#3 Develop one/several Concepts
Swendberg 2012, 2016

summarizing to *compare, to drop*
(MacInnis, 2011, 2014)

Theory
Swendberg 2012, 2016

- **Identifying key concepts for further research for Value Phenomenon**
- Value (co)creation and evaluation
- Actors, Interaction, Resources and Context,
- Experiences and Social Practices
- **Introducing SVIS Framework**
- Demands further understanding of VP

identifying concept(s)
Analogical reasoning
Osbeck 2014

inference to best possible explanation) –
Abductive Reasoning
Osbeck 2014

Context of Discovery
The form in which thinking process are subjectively performed
(Reichenbach, 1938)

Context of Justification
The form in which thinking processes are communicated to other persons
(Reichenbach, 1938)

Research Objective #1:

To introduce an Integrative SVIS Logic Framework that will accommodate extended knowledge in S(D)L by identifying key dimension and constructs of the value creation and evaluation.

Source: Driton Sahiti (author)

3.1 Methodology for Literature Review

The current diversity and ambiguity of many concepts in marketing theory have led me to a conversation initiated by Karababa & Kjeldgaard (2013) on how to clarify and then extend a broad and socio-culturally informed understanding of the concept of value creation and evaluation, hence VP. First, I will present a summary of the main uses of the concept of value in strategic marketing and management and then more specifically - from Service Based Logic (SBL) including CCT, CB, SS, IMP, RATh literature.

Furthermore, I will continue discussion of those concepts from a SCTh Perspective - Social Practice Theory (Reckwitz, 2002), similar to Giddens' (1984) Structuration theory; Bourdieu's (1988) Practice theory; Phenomenological (Husserl, 1901, Heidegger, 1962); and viewed through the cultural view as highlighted by Reckwitz (2002). I will also include these concepts from more of a sociocultural conceptualization of value and value creation from an integrative position, as advocated more recently by the SBL perspective.

3.2 Identifying the logic of value creation

The overall environment of marketing communications has changed dramatically. Technology and the Internet are essentially changing the way the world interrelates and communicates (Keller, 2009). Research advocates that information accessibility has influenced consumer behaviour, and so the fundamental premises of corporate strategy deserve careful reconsideration (Clemons, 2008).

Successful frameworks that have directed companies' strategies in the past, e.g. Porter's 'competitive strategy' and value chain (Porter, 1980, 1985), are still delivered as if the world has stood still. Porter's (1985) value chain is supplier-oriented and it ends when the company has made the sales (last value chain). All the value is added during the input (of Cost) in the chain of material, assembly, support to the spare parts, and supported by human resources, infrastructure technology and procurement. In addition, the firm's value chain is not the same as the customer value chain. These frameworks are dominated by goods (manufacturing) logic, based on mass manufacturing which opposed a customer logic that is individual and personalized (Gummesson, 2008).

Replacing the Goods Dominant Logic GDL with new SDL started in the late 70's and early 80's with frameworks such as 7P's; SERVQUAL; Service Blueprinting; Relationship Marketing; by mainly two marketing schools the North American School (Booms & Bitner, 1981; Zeithaml, et al., 1985; Parasuraman, et al., 1988; Berry, et al., 1991; Shostack, 1984; Kingman-Brundage, et al., 1995), and the NSoM (Grönroos, 1982, 1994, 1999; Normann, 1984; Normann & Ramirez, 1993; Edvardsson, 1994; Gummesson, 2007). In 2004 they were "retro-repacked" again in articles by Vargo & Lusch (2004, 2006 and 2008) and additional reviews and comments by many authors (Grönroos, 2006a, 2006b, 2008; Gummesson, 2007) have contributed to the SDL debate.

Many companies are now moving forward towards "the blue ocean in the search for innovating a new Value" (Kim & Mauborgne, 2005) and are using new innovative strategies (Hamel & Prahalad, 1994; Hamel, 2002) which will enable them "…to create a customer" (p.37), as Peter Drucker advocated as early as 1954, and Schmitt, (2008) advanced by claiming that it is imperative, "…to create a valuable customer experience" (p.113).

The experience view, originally started in the late 1990's, through different concepts and frameworks known as experimental marketing (Schmitt, 1999); experience economy (Pine & Gilmore, 1997, 1999); total customer experience (Berry, et. al., 2002); co-creating experiences (Prahalad & Ramaswamy, 2004). This view was not new and it was based on the CB and CCT, which started more than 30 years ago (Arnould & Thomson, 2005) and were pioneered by authors such as Levy, Hirschman, Holbrook, Arnould, Thomson and Belk.

In this continuous search for a new perspectives, concepts and frameworks, a new service-dominant logic was introduced, which advocates a move from goods and services (plural) towards service, from value-in-exchange towards value-in-use (Vargo & Lusch, 2004, 2006, 2008). This view was packaged initially through eight foundational (FP) premises, (Vargo & Lusch, 2004, 2006) and then later another two (FP9 and FP10) were added (Vargo & Lusch, 2008), and still 11th FP added and transformed into the axioms (Vargo & Lusch, 2016), (Table 2).

Since 1994, Grönroos has expressed the need for a new paradigm based on relationships in order to replace the old one, which was based on the marketing mix. This call was answered by scholars from the NSoM and is mostly known as the view called service logic (SL) and then continued with

customer-dominant logic (CDL) with Heinonen, et al. (2010) with Helkkula, et al. (2012a, 2012b) views on experiences and practices.

However, one thing that is indisputable is the fact that it did (re)initiate the lively conversation about the need for the new logic and about VP, in particular on identifying the paradigm on how it is created and evaluated, in addition to whom and with what resources is creating and/or co creating the value (Achrol & Kotler, 2006; Levy, 2006; Arnould, et al., 2006; Hunt & Madhavaram, 2006a, 2006b; Holbrook 2006a, 2006b; Grönroos 2006a, 2006b, 2007, 2008; Gummesson, 2006, 2007, 2008; Gummesson & Mele, 2010; Kleinaltenkamp, et. al., 2012)

Table 2.Evolution of FPs into Axioms (adapted from V&L, as evolved in 2004, 2008, 2016).

Axiom 1	FP1	Service is the fundamental of exchange.
	FP2	Indirect exchange masks the fundamental basis of exchange.
	FP3	Goods are a distribution mechanisms for service provision.
	FP4	Operant resources are the fundamental source of strategic benefit.
	FP5	All economies are service economies.
Axiom 2	FP6	Value is co-created by multiple actors, always including the beneficiary.
	FP7	Actors cannot deliver value but can participate in the creation and offering of value propositions.
	FP8	A service-cantered view is inherently beneficiary oriented and relational.
Axiom 3	FP9	All social and economic actors are resource integrators.
Axiom 4	FP10	Value is always uniquely and phenomenologically determined by the beneficiary.
Axiom 5	FP11	Value co-creation is coordinated through actor-generated institutions and institutional arrangements.

Even though the V&L (2004) article SD Logic has made a great impact in the academic world, some serious criticism is being made, especially for "promoting it as the single best perspective" (p.785), which according to O'Shaughnessy & O'Shaughnessy (2009) is regressive. On the other

hand, it has not been established that managers (in particular marketing ones) will accept this straightforward new concept, in particular when they have in mind notions such as 'service' and 'services' and 'operand' and 'operant' and if this will have the opposite effect and it will take time to change things. Brown & Patterson (2009) also expressed scepticism by posing questions along the same lines such as, "if the V&L are making a frog out of a prince?", and if, 'It'll take more than a kiss to change things', (p.521). More recently the new CDL is offered by authors who argue that, "even though the SD logic has widened the scope of understanding the function of marketing, the view on SD logic is still very production- and interaction-focused, i.e. service provider-dominant (provider-dominant logic), not customer-dominant (CD)" (Heinonen, et al., 2010 p.532).

With this question in mind and all of above arguments a thesis main aim is to clarify and understand a VP by offering tools, namely a framework, taxonomy and typology to do that, These tools are conceptual in the nature and are crucial issues are crucial, as pointed out by Bennett & Hacker (2003, in O'Shaughnessy and O'Shaughnessy, 2009): "Conceptual questions antecedent matters of truth and falsehood. They are questions concerning our forms of representation, not questions concerning the truth or falsehood of empirical statements ", this conceptual examination is done based on MacInnis (2011) typology on conceptual thinking/ frameworks." (p.785)

Following the thoughts of Drucker (1973) and Schmitt (1999), that the reason for the firm to exist should be to satisfy the customer, and to create customer experience, then it follows that Slater's (1997) statement is apropos that, "...as marketers, we should be committed to the proposition that the creation of customer value must be the reason for the firm's existence and certainly for its success" (emphasis mine) (p.164). Ultimately next section of this chapter is first step towards better understanding a customer value.

3.3 Value Phenomenon

Value Phenomenon as a term is analogous to the term "Value Formation" a term that is used mainly by Nordic School of Marketing and is attributed to Grönroos (2007, p.360) although Korkman (2006) has also used the term. Formation defines the two processes that are intertwined but very

different, namely, "the value creation which refers to the activities that actors engage in, and value construction which refers to practitioners' understandings of value" as seen in Figure 10.

While "formation" is a still a verb, I tried through using the term "Phenomenon" as a "noun" to incorporate the two constituting elements of Value, namely the "creation and evaluation".

Figure 10. Value Formation

Value Creation

Process-Action-Journey

Value Evaluation

Act-Understanding-Destination
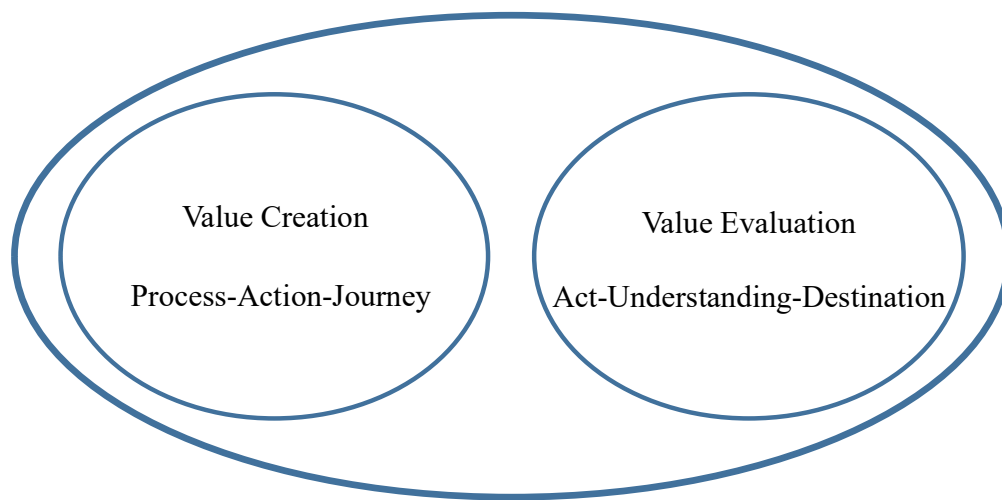
Source: Adapted, as per understanding of Nordic School of Marketing

3.3.1   Importance of Value

Interest in the customer's life practices and experiences outside direct interaction with the provider has, until now, mainly been the field of sociology-based approaches, such as consumer culture theory (Arnould & Thompson, 2005; Sherry & Fischer, 2009). From a service - management viewpoint, these approaches are difficult to relate into practice, since they almost entirely focus on consumption as meaning-creation and ignore the structural fit between service and a customer's life (Heinonen, et al., 2010).

The move from GDL to SDL is actually a conversation about challenging the thought that value is rooted in goods (products) as outputs of the production route, conceptualized through the value-in-exchange concept, into the view that the customer value emerges in customers generating process, that is, value in use (Norman & Ramirez, 1993; Holbrook, 1994; Ravald & Grönroos, 1996; Wikström, 1996; Vargo & Lusch, 2004). The concern of value creation has become a fundamental issue and the debate has become whether or not service logic can offer marketing something new in this direction (Grönroos, 2008).

Since VP is essential to all activities of a firm and all economic actors then how (when, why and what) value is defined in strategy management and marketing literature, which according to Smith & Colgate (2007) has received little attention.

3.3.2   Conceptualization of Value

The concept of value is a notoriously vague notion in marketing and consumer research, frequently considered wholly in the context of a special conceptual discussion (Zeithaml, 1988; Graeber, 2001; Miller, et al., 2008) even though the issue of value definition is debated even as far back as Aristotle (Vargo, et al., 2008)!

Defining customer value is not a simple task (Woodruff, 1997), and value as a concept is probably one of the most overused and misused notions (Leszinski & Marn, 1997). The concept is used in various fields, for example in finance, economics, management, information systems, ethics, aesthetics, justice, social equity and fairness, etc. (Wikström & Normann, 1994; Normann, 2001). The term 'value' is often misinterpreted, partly because of the numerous applications of the word itself (Sánchez-Fernández & Iniesta-Bonilla, 2007; Arvidsson, 2011; Gallarza, et al., 2011; Chang & Dibb, 2012; Karababa & Kjeldgaard, 2013).

There is a substantial difference between a singular *'value'* that transmits a conclusion from consumption practices, evaluating relative worth (Arvidsson, 2011), while in the plural form *'values'* communicate the individual standards that have impact on one's attitudes, behaviours and social practices, those involving the creation and evaluation of value (singular) (Holbrook, 1999,

2006). In addition, value is discussed in many different fields of marketing literature: relationship marketing (Grönroos, 1997); pricing (Leszinski & Marn, 1997) and consumer behaviour literature (Holbrook, 1994, 1999) and strategy (Porter, 1985). However, most of the authors (Zeithaml, 1988; Woodruff & Gardial, 1996; Anderson & Narus, 1998), agree that the customer (Doyle, 1989) is the one who determines the value and not the provider (Webster, Jr., 1994). More recently, through SD Logic discussions, the "value issue" idea is re-initiated (Arnould, et al., 2006; Venkatesh, et al., 2006; Grönroos, 2008,) and Vargo & Lusch (2008) FP10 finally concluded that value is defined as, "always uniquely and phenomenologically determined by the beneficiary" (p.7).

By defining the value as created by the beneficiary (Vargo & Lusch, 2004, 2006), the perspective is in line with the Concept of Consumer Value-CCV (Holbrook, 1999), Consumption Values (Sheth, et al., 1991) or "Value for Customer-VC" (Woodall, 2003), which form the customer-perspective and not customer-worth as related to keeping a customer for a lifetime (Gupta & Lehmann, 2003), or customers seen as value for the firm. Even in some economic dictionaries, then value is simply associated with price. Grönroos (2008) on the other hand states, that value for a customer is, when he/she feels "better off" after interacting with the company than before. Thus, personal perception may be the result of a personal judgment of sacrifices and benefits. In essence this can be seen as utilitarian in nature, which is in line with the Austrian School of Economics mainly identified by scholars such as Ludwig von Mises, Murray Rothbard and Friedrich Hayek who in turn were inspired by Carl Menger, who define value as different for every individual (Woodall, 2003). Many authors (Zeithaml, 1988; Gale, 1994) share the view that value is the customer perception of benefits, sacrifices, quality, quantity and price for achieving their goal in a particular situation (Woodruff, 1997). There are those who argue that value emerges and is accumulated in networks of many actors (Wikström & Norman, 1994; Achrol & Kotler, 1999) and their relationships, which raises the question for the need of "many to many Marketing" (Gummesson, 2006), as new paradigm.

However, arguably the most discussed value description in Marketing and thus consumer behaviour and service research literature with a beneficiary perspective (Vargo & Lusch, 2008), is Holbrook's (1994, 1999, 2005, 2006a, 2006b) view known as "Concept of Consumer Value" (CCV) , described as:

"…an interactive relativistic preference experience. By this, I mean that it involves an interaction between an object (e.g., a product) and a subject (e.g., a consumer). This object–subject interaction is relativistic in at least three senses (comparative, personal, situational) – first, involving a comparison among objects; second, varying from one person to another; and, third, depending on the situation in which the evaluation occurs – so that we can at most claim (say) that George prefers bananas to apples when slicing fruit on his cereal whereas Mary prefers strawberries to oranges as a topping for her ice cream (noticing that these sorts of statement avoid the fallacies of interpersonal utility comparisons and the dangers of generalizing across consumption contexts). Hence, customer value entails subjective hierarchical preferences based on an individual's situation-specific comparisons of one object with another. Such interactive relativistic preferences shape the essence of the consumption experiences that underlie the creation of all customer value in the sense that products perform services that provide the relevant value creating experiences. From this perspective, all products are services so that the distinction between services marketing and other kinds of marketing disappears." Holbrook (2006a, p.715)

Holbrook's (2006a, 2006b) *interactive relativistic preference experience* offers a relativistic account of value, which corresponds to how value is understood in SDL and CCT. He states that value can be relative depending on the comparative, situational, or personal contexts in which they can assign value to goods or services. For example, Holt's study of baseball fans (1995) can be used to explain the characteristics of value in the following ways. From this perspective Holt (1995) has a similar approach to Holbrook (1996, 1999), a concept that is based in Axiology and for some (Smith & Colgate, 2007), "also a bit difficult to understand and apply" (p.8) and some others (Brown, 1999, p.363), "simply cannot swallow… that value resides not in the product purchased but rather in the consumption experience". But, it follows Grönroos, (2008) and Vargo & Lusch (2008) that the consumer is the one who defines value, than Holbrook's CCV is the most precise definitions of value that fits best to the new service-based logic.

Furthermore, the notion of value has been discussed by many scholars, specifically in regard to the relationship between companies and consumers in the value co-creation process: For example, see Wikström (1996); Lawrence & Phillips (2002); Ballantyne & Varey (2006); Etgar (2006); Holbrook (2006a, 2006b); Jaworski & Kohli (2006); Kalaignanam & Varadarajan (2006); Woodruff & Flint (2006); Lusch & Vargo (2006a); Flint, et al. (1997); Payne et al. (2008); Sánchez-Fernández & Iniesta-Bonwello (2007) and note that of these authors argue that the value creation process occurs when a customer consumes, rather than when output is produced through

manufacturing. Goods on other hand are transmitters of value only when they are employed as appliances to fill functional and higher order needs (Vargo & Lusch, 2004, 2008). Marketing should therefore focus on value-creating processes that involve the customer as a co-creator of value. From Vargo & Lusch's (2006) perspective, the work of Hirschman & Holbrook (1982) and Holbrook (2006a, 2006b) demonstrates the characteristics of value and shows that value can emerge through a variety of consumer experiences.

Considering these understandings of value as per Holbrook's work (1996, 1999, 2005, 2006a, 2006b) and Vargo and Lusch's assertion that "value is always uniquely and phenomenologically determined by the beneficiary" (2008, p.7), then value would be defined as 'uniqueness'. It is the definition of value at least less subject to a different perspective. Value can have different meanings and characteristics depending on people, situations, and activities. It is worth noting that 'value' is not only utility value, but also includes the symbolic meaning of value (Lawrence & Phillips, 2002). Some conceptualizations of value are presented in Table 3.

Additionally, in contrast to the perspective on consumption practices (Holt, 1995; Korkman, 2006) and activity chains (Sawhney, et al., 2004) which gives an in-depth view of actual uses of a service, then value can be visualized as also emerging from mental and emotional experiences, for example, when reflecting on a potential or already realized service (Heinonen, et al., 2010). Consequently, value is intensely personal and exists at several different levels. The object and the subject are inextricably connected, and value can be ascribed only at the point of evaluation, or union between the two.

While famous sociologists (e.g. Durkheim, Weber, etc.) saw value as a presentation of individual values by a society and having impact on social behaviour and practices (Balasubramanian & Mahajan, 2001), economists considered value historically either as a result of value-in-exchange (Chang & Dibb, 2012), or the surplus produced from the labour of workers (Zwick, et al., 2008). Business literature influenced by economics saw value as related to return maximization of the firm either through calculating costs in contrast to revenue, or by the proprietary right to the use of rare resources (Arvidsson, 2011). This influence can be noticed also in early marketing literature which sees an economic or utilitarian value as a result of an exchange between firms and customers, thus value in exchange (Bagozzi, 1975).

Understanding value as something, not just as a profitable outcome from exchange of resources (value-in-exchange), is already a norm within the marketing discipline, particularly from the view of CCT, which sees value as perceived by the consumer's social cultural values (Karababa & Kjeldgaard, 2013). SL marketing sees value from the beneficiaries, who evaluate value created (Gummerus, 2013), out of personal experiences and collective practices and institutional arrangements and ecosystems (Grönroos & Vioma, 2012, Vargo & Lusch, 2016).

Table 3. Value definition from different authors

Authors (year)	Definitions of value
Sinha and DeSarbo (1998) and Sweeney and Soutar (2001)	value is a broad multidimensional construct involving perceptions of price, quality, quantity, benefits, and sacrifice
Woodruff (1997)	Customer value is a "customer's perceived preference for and evaluation of those products attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations."
Shillito and DeMarle (1992)	value … is dichotomous, cantered in people and the objects they desire. Value is a potential energy field between us and objects we need
Adam Smith (1776)	the things which have the greatest value in use have frequently little or no value in exchange; and on the contrary, those which have the greatest value in exchange have frequently little or no value in use
Zeithaml (1988)	Perceived value is a customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. From a customer's perspective, customer value is what they "get" (benefits) relative to what they have to "give up.
Gale (1994)	Customer value is market perceived quality adjusted for the relative price of your product. [It is] your customer's opinion of your products (or services) as compared to that of your competitors
Simpson et al., 2001	Any characterization of value must consist of total benefits, including direct and indirect benefits resulting from attributes and consequences, that occur from partner (seller-buyer) activities and behaviours, less total direct and indirect costs, and be determined from the customer perspective

Source: Driton Sahiti (author)

From CCT perspective, which is an overwhelming sociocultural approach), Karababa & Kjeldgaard (2013) established different context-dependent conceptualizations of value, by looking at the abstract level interrelations between economic, social, and semiotic values based on Graeber (2001). According to Karababa & Kjeldgaard (2013) the concept of economic value originated in a Marxian concept of surplus value, seen as the difference between the exchange value and the sum of value used for production, including resources and materials, equipment of production, and labour power. Instead, value-in-use or utility, since it has qualitative features, can only be recognized in the consumption process of the goods used (Karababa & Kjeldgaard, 2013). Furthermore, Karababa & Kjeldgaard (2013) consider that value can have an assigned value; a meaning can be assigned as seen from the Baudrillard, (1993) semiotic view; and cultural significance are referenced to in the course of consumption and continuously re-enacting between many actors and multiple levels (individual, community, cultural), thus making the study of this theme as one of the characteristics of CCT research.

An overview of the literature reveals several approaches to the conceptualization of customer value as a one-dimensional, or a multi-dimensional approach. The one-dimensional approach views customer value is "a single overall concept that can be measured by a self-reported item (or set of items) that evaluate consumer's perception of value" (Sánchez-Fernández & Iniesta-Bonillo, 2007, p. 430). Dodds, et al. (1991) are first to offer a method for measurement of customer value in the one-dimensional approach, by conceptualizing a customer value as "a cognitive trade-off between perceived quality and sacrifice" (p. 316). This description was then used as groundwork for measuring customer value through questionnaires, regarding the total value of the offerings (product or service). Despite the simplicity and ease of execution of the one-dimensional measurement technique (Lin, et al., 2005), many researchers (e.g. Sweeney & Soutar, 2001; Ruiz, et al., 2008) highlighted that the concept of customer value is too multifaceted to be understood by the one-dimensional measurement method. As a response to this account, alleged multi-dimensional approaches have been presented, which regards to customer value as constructed of multiple interconnected elements or dimensions (Sánchez-Fernández & Iniesta-Bonillo, 2007).

A means-end theory as a basis for understanding the multi-dimensional perspective was introduced by Gutman (1982). It suggests customers relate to offerings (products in this case) on three levels:

attributes, consequences, and *desired end-states*. *Attributes* are physical characteristics or features of a good (resource) with which consumers interact, such as size, shape, or on-time delivery and seen as more objective. On the other side, subjective experiences created as a result of interaction between consumer and resources (from product use), such as a decline in lead time or an enjoyable experience, are called *consequences* (Gutman 1982; Woodruff & Gardial, 1996). Finally, *preferred end-states* are the customer's fundamental values, aims, and goals in life and can be formally ordered according to Woodruff (1997), as "centrally held and enduring beliefs about right and wrong, good and bad that cut across situations and products or services" (p. 141). The key principle of means-end theory is that persons are goal-directed and consumer goods for achieving valued states of being for instance happiness, safety, achievement (Gutman, 1982).

Just as there are many definitions and views of customer value, it is the same with the final authoritative accepted conceptualization, framework, or typology of customer value. Let's review the frameworks that exist in the academic market for types of customer value.

3.3.2.1 Exploring some main value streams

Gummerus' (2013) comprehensive literature review on VP identified two main characteristics, not previously highlighted in reviews by Woodall (2003); Khalifa (2004); and Sánchez-Fernández & Iniesta-Bonwello (2007).

Explicitly that of *value evaluation* (perception, assessment) or seeing value as joint moments that are phenomenologically determined, based on FP6 in S-D logic (Vargo & Lusch, 2008) and *that value creation* is seen as a process or as a journey during which moments of evaluation are happening.

A very similar approach to Gummerus (2013), is considered in this literature review, by taking into the account abductive reasoning (Dubois & Gadde, 2002) and continuously going back and forth between literature and the proposed features, constantly inspecting them against each other. This led me to analogical reasoning, since the earlier literature reviews on value, especially that of Gummerus (2013), suggested it as a means of continuously compared my work. Value creation

processes and value outcome determination, where two main advanced literature notions that developed as an outcome throughout classification and modification of this literature review. The reasoning behind separating value into the creation process and evaluation act (or outcome determination) is summarized in Table 3 (as per Gummerus, 2013), while Table 4 is my own classification.

However, the difference from Gummerus (2013) is in the classification contained in this thesis regarding value creation and evaluation. In this thesis classification is based on value creation types: "who creates and who co-creates value", since it starts from actor as a beneficiary Accordingly, in existing literature, there are identified types of value, such as, in-exchange; in-use; in-experience, in-social practice; in-network; in-service ecosystem; etc.

On the other side, the outcome classification also differs from that of Gummerus (2013), who conceptualizes the value outcome as a way for the consumer to achieve an outcome (conclusion), or what are the conditions and modes under which a consumer reaches a decision (means end theory; experience, phenomenological and benefit sacrifice). These types differ in their ontological and epistemological perspectives on how a consumer evaluates a consumption practice or value creating process or act.

Again, a different approach is taken, by considering just the types of value(s) evaluated, not the way the decision is taken, but rather what kind of value type that decision and/or outcome of that value creation process (in that moment) is evaluated. Value evaluation types, such as in the case of Holbrook's CCV, consider eight consumption experiences (i.e. economic, playful, social and altruistic) and each is further divided in two resulting subtypes.

In addition, management literature, e.g. Lepak, et al. (2007, p.181) have also identified a difference between value creation as a process and value capture, which looks at the value not as an outcome but rather as sharing that can capture from the consumer in terms of the whole value created (during an exchange) (Brandenburger & Stuart, 1996).

SDL deals with a value as a creation process and as an evaluation act (outcomes in terms of value-in-use), and in so doing, it may justify merging both. Nevertheless, the correlation among creation as process and evaluation as act is not clearly dealt with by SDL as it is in the NSoM.

Figure 11. Value Theory Categorizations
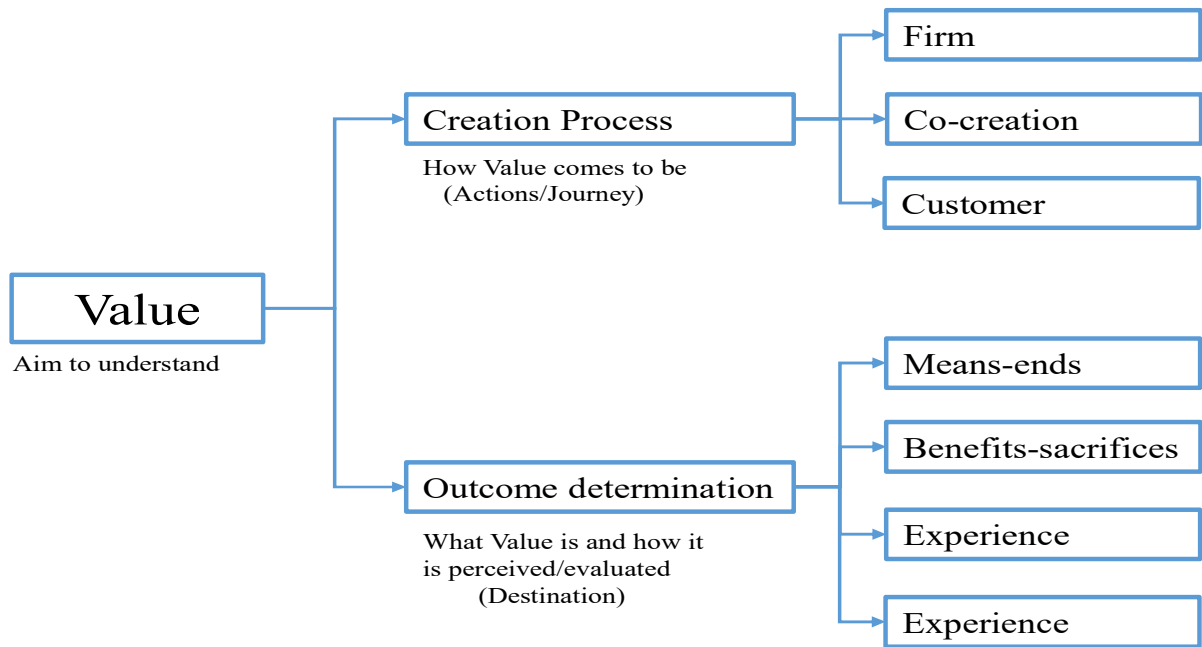
Source: Adapted from Gummerus (2013)

Despite that, some suggestions can be found, in Lusch, et al. (2007, p.7) that 'value is always co-created with and determined by the customer (value-in-use)', V&L (2004, 2006, 2008) do not clearly make a distinction between *value creation* as a process and *value evaluation* as act (outcome determination) (Gummerus, 2013), a fact that could be noticed in most of the SDL discussion.

The revised FPs of S-D logic offers a glimpse as to how they conceptualize value. FP6 proposes that the, 'customer is always a co-creator of value', and FP10 posits that, 'Value is always uniquely and phenomenologically determined by the beneficiary' (Vargo & Lusch, 2008, p.7). In addition, Vargo & Lusch explain that, '[value co-creation] always involves a unique combination of resources and an idiosyncratic determination of value' (2008, p.8). In this line, Cova & Salle

(2008a) highlight that *value evaluation* may exist to some extent within (co)creation as a process: 'by co-creating the function as well as the meaning of its experience, the customer co-constructs value for him'. (p.271). Generally, Vargo & Lusch (2008) highlight the importance of value-in-use by indicating the closeness to value as phenomenological experience as noticed by Gummerus (2013) in her classification of 'Value as experience outcomes'.

Figure 12. Understanding the VP as per existing marketing middle theories literature review
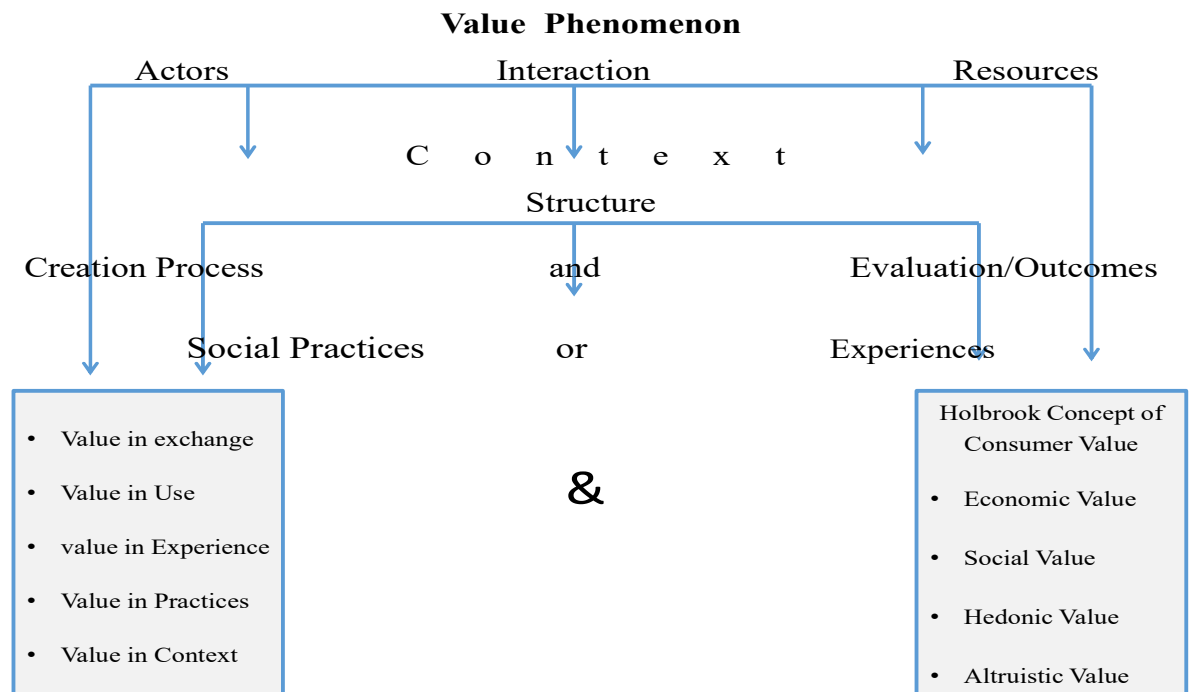
Source: Driton Sahiti (author)

To clarify the relationship between value creation processes and value outcomes, VP in SBL consists of four dimensions as presented in a Fig. 12, which will be further discussed as: *Actors* (multiple vs. single); *activities* (integration/interaction vs. determination by experience); *Resources* (operant vs operand); and *Context* (network vs. embeddedness in lifeworld).

In Figures 12 and 13 and Tables 4 and 5 summarize the overall Literature Review from the different marketing and management streams about value creation, that will be disused in coming chapters (section).

Table 4. Dimensions of Value Creating Types

Theories	Actors	Interactions	Resources	Value Creating process
Five Forces; Value chain RBV; DC Entrepreneurship strategy R-A Theory; Theory of the Firm	Firm and Consumer Static	Point of Exchange (once)	Are sources of value	Exchange
Service Marketing Relationship Marketing, Service Design	Are important in front stage and they create e\relationships	Interactions at touch points and creating relationships Proceses	During the use	Exchange/Use
Service Dominant Logic ; Service Science; Consumer Behavior, CCT Service Logic	Are integrator's of resources	Acts…and integration of resources between Actors	Are transporters of "knowledge and skill" Operant and Operand integrated in they own (actors) lives	Use / Experience/ Context
Customer Dominant Logic Design thinking	Practitioners	Practice	Practices	Practices/ Experiences
IMP Group ; Many to Many Marketing Service Science, SDL	within the networks/ systems/context Positions roles Dynamic, Multiple actors (all actors are providers and beneficiaries of	Between systems and networks in particular context Complex series of mutual servicce for service exhange , Value creating relationships (	Resources depend on Context , integrated between MANY actors (not just two)	Context (Networks, Eco-systems, Serice Systems, etc.)

Source: Driton Sahiti (author)

Table 5. Summary of the Value Creating Types based on Literature Review

Value Creating process	Exchange	Use	Experience	Social practices	Social Context
Theories	Five Forces; Value chain RBV; DC Entrepreneur strategy RATh; Theory of the Firm	Service Mar; Rel Mar, B2BResearh; IMP Group ; SDL; Service Science; *Consumer Behavior, CCT* , Service Dominant Logic SERVICE LOGIC	Consumer behavior Consumer Culture Theories, Service Marketing	**Customer Dominant Logic, Consumer Culture Theories**	**SDL, Service Science, Network Theories, Social Construction theories** Value in cultural context
Articles/authors	Porter, 1985) Barney etc; Penrose, Hunt; Bagozzi 1975 1979 (Bowman and Ambrosiana, 2002	Groneros, Gummesson, Hakasson, Ford, Arnould, Vargo, Lush, Edvadsson, Sphorer etc (Normann and Ramírez, 1993), Grönroos, 2008; Grönroos & Ravald, 2011; Grönroos & Helle, 2010; Grönroos & Voima, 2013	Holbrook 1999, 2005, 2006 , Arnould, et all 2006; , Grönroos, 2008; Grönroos & Ravald, 2011; Grönroos & Helle, 2010; Grönroos & Voima, 2013	(Korkman 2006) (Shau et al2009) (Voima, et al., 2010). Heinonen et al Schatzki Giddens Reckwitz, A. (2002), Schatzki, T.R. (2006), Pouliot, (2007) Schau, et al.'s (2009) Rihanna et al. (2013) Ellway and Dean (2016) Korkman et al. (2010). McColl-Kennedy et al. (2012) Warde, 2005; Show et al., 2009)	(Gummesson and Mele. 2010) Edvardsson et all 2011 Akaka, et al., 2013; Lusch, et al., 2016), (Frow, et al., 2014) (Gummesson, 2002). Quero, et al. (2017) by Akaka, et al. (2015) (Penaloza and Mish, 2011)
Creation logic	Firm	Consumer	Consumer	Consumer /Society	Society
Temporal dimensions (Woodall,2003)	Moment of exchange	During the Use	Time of interaction	During life time Practices	In particular :time, space, system networks
Value Propostion	Form of postioning development by marketing department VP Offered by the firm and then delivered	VP provider can not predifine can not predifine relised ofering The can make apropostion of potential resources pariticipan in co creation....	....In his subjective world	...in his life world as part of his/their dailly social practices	....must be offerd in context and customers must offer and integrate also their resources
Theoretical assumption	Value resides in object	Value is Phenomenological/ experimental Or/ and Value is Utility emerging out of use	Environmental and consumer inputs interact when the customer responses to inputs with cognition, affect and behavior	Customer value embedded in practices, it is neither objective nor subjective, it is formed in practice, is enhanced through intervention (Korkman, p.47)	Value is created by social forces, social structurel structure, that is shemas and resources
View on Customer (Actors)	Information processing value maximizing	Consumer as experiencing and determining value Customer as a Co creator (2008) and an operant resource (i. knowledge skills) Vargo, 200)	A consumer centric who is fantasizing feeling and seeking for fun instead of rational. *Individuals make sense of their value experiences in relation to other individuals in a social context*	Customer as a holistic being, living his live *Collective value creating practices may be changed at the individual level*	As Networks, Systems, Ecosystems , Multiple actors (all actors are providers and beneiciaries of
Value Conceptualization	Benefits/sacrifices ratio ;output vs input: **a perceptual state.**	Idiosyncratic, experimental, contextual and meaning laden ; emerges as the customer uses the offering. is an interactive and processual phenomenon, not a perceptual state.	"interactive relativistic experience" out of which results several types of value NON LINEAR	Sociological phenomenon that is constructed in the combination of people, people and material, and culturally embedded rules, images etc (Korkman 2006;167) LINEARPractices are Resource Integrators (Korkman, Storbacka and Harald 2010) Practices drive one another and — work together as a process of collective value Creation (Schau et al. 2009)	"set of unique actors with unique reciprocal links among them" (Vargo and Chandler, 2011)
Value locus	Value creation from the firm perspective (value chain)	Usefulness of the Product during the consumption	Fun or pleasure derived from consumption , based on subject- object interaction; Intersubjective (halekule,2012); co creation	Identification of consumer practices, eg social networking, community engagement, brand use and impression management (Schau et al.2009)	
Objective /Subjective	Objectively evaluative in terms of price	Objectively evaluated in terms of products material properties	Both objective and subjective ?!!! (intrasubjective)	Neither objective or subjective =**"sobjective"**	Subjective and objective (Intersubjective)
Offering (value propositions) is	Evaluated ratio output/input in terms of cash	usefulness	Enabling an experience	Means (part) of the social practices	Socially constructed
Unit of analysis	Exchange situation	Use situation	Personal Experiences (interaction points between object and subject	Social Practices	Overall Social Context
Value arises from	Price and desire for a product	Product properties and their fitness to task	Interaction between user and product	Meanings, materials, schemas, people	Social and Cultural systems, networks and Context

Source: Driton Sahiti (author)

Figure 13. Value Phenomenon and the related marketing theories
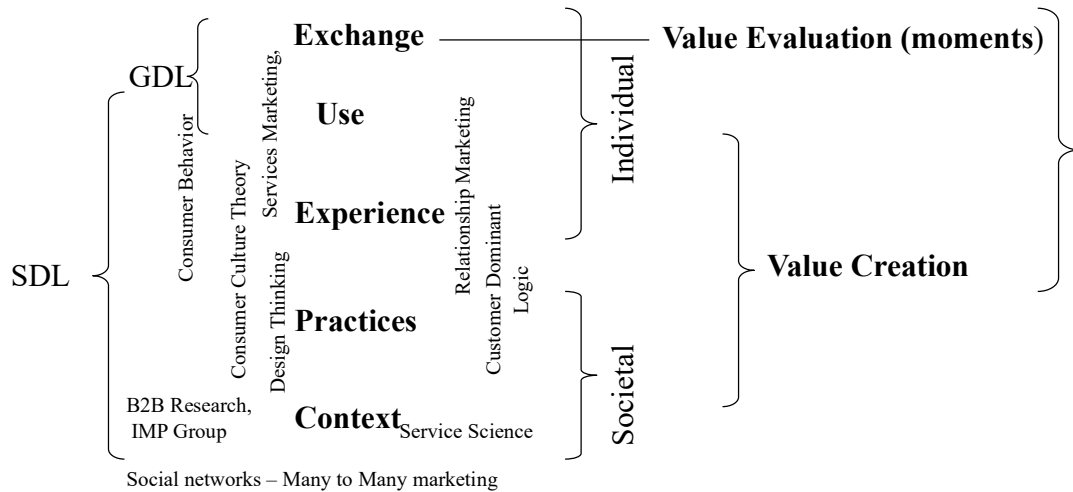
Source: Driton Sahiti (author)

3.3.3   Value Evaluation

This section deals with a clarification and conceptualization of *value evaluation*. The notion of value evaluation / outcome / perceived / capture / judged / destination will be used in most of the cases interchangeably. In addition, different typologies and dimensionalities of the value evaluation moments will be considered.

3.3.3.1   Customer-perceived value

A consumer's perceived value has been defined as ''the consumer's overall assessment of the utility of a product, based on perceptions of what is received and what is given'' (Zeithaml, 1988, p.14). Zeithaml (1988) discusses the concepts of perceived value, perceived quality, and perceived price, in order to understand the trade-off at the perceptual level. She claims that product information is stored in the consumer's mind at different levels.

Economic value is not a single evaluation as seen in value in exchange concept, it has many dimensions, such as social, cultural, physical as per Arnould, et al. (2006). The expressions

'perceived value' and 'consumer value' in marketing are seen as being similar (Gallarza et al., 2011); named as customer-perceived value for common understanding (Chang & Dibb, 2012). Pioneering work from Zeithaml's (1988) on consumer preferences, in particular consumption types, emphasizes the experiential characteristics of consumer value and highlights that what is perceived as value by one consumer is not necessary seen as a value by other actor (consumer).

The concept of perceived value in VP is considered as an evaluation act (outcome) of the market interaction process in which the consumer exchanges something with other actors and is perceived of superior value to him (Holbrook, 1999). Conceptualizing value as highly individual for each consumer is self-explanatory in the concept of perceived value, since the consumer, thus beneficiary, is the one who evaluates the process in which he/she is involved.

3.3.3.2 Customer value evaluation (perception) frameworks

Following on the conceptualization of perceived value as a multi-dimensional construct, I will further discuss some different models, frameworks and typologies.

Considering further Zeithaml's (1988) notion of perceived value is impactful and cited to emphasise the complexity of consumers' perceptions of value (Karababa & Kjeldgaard, 2014), ultimately leading to understanding a consumer value as multi-dimensional (Sánchez-Fernández & Iniesta-Bonilla, 2007). In the same vein, Sheth, Newman & Gross (1991) developed and tested a multi-dimensional model of consumer evaluative types of value, including five value dimension types. Sheth et.al, (1991) recognise *affective types* of value (emotional and social) in addition to more *utilitarian forms* (functional, epistemic, and conditional). Their work initiated considerable studies on consumer value (de Ruyter, et al., 1997; Holbrook, 1999b; Sánchez, et al., 2006).

Typologies of consumer-perceived value in the literature consider: utility-based value which is experienced during use (product or service) that exceeds expectations, and affective-based value, experienced experientially; namely, as emotions, feelings such as joy or pleasure (Holbrook and Hirschman, 1988; de Ruyter et al., 1997; Sánchez et al., 2006; Sheth et al., 1991); and, social value as identified by an individual with particular social group (Sánchez et al., 2006; Sheth et al., 1991,

Holbrook, 1999, 2005); and, a rational form of value calculated by the consumer as a cost/benefit trade-off (Zeithaml, 1988; de Ruyter, et al., 1997; Sánchez, et al., 2006).

One of the earliest conceptualizations of consumer needs, Park, et al. (1986) portrays three fundamental consumer needs that reflect value dimensions-functional, symbolic and experiential. In addition, by trying to identify "why we buy, what we buy", Sheth, et al. (1991) based on a review of 650 articles created a consumption value framework with five perceived forms of value: (a) *functional (b) emotional (c) social (d) epistemic, and (e) conditional.* These forms are very similar with "eight generic product benefits" created by Lai (1995): *functional, social, affective, epistemic, aesthetic, hedonic, situational, and holistic.*

Similarly, we can find a Typology of consumer value (Table. 6) created by Holbrook's (1999; 2005; 2006) an axiology based definition of *concept of consumer value* (CCV). He reflects on the cause of motivation that follows a value judgment (*intrinsic or extrinsic*), the orientation of the value assessment (*self- or other-oriented*), and the nature of the value assessment (*active or reactive*). Holbrook identifies eight types of value—*efficiency, excellence, status, esteem, play, aesthetics, ethics, and spirituality*.

Ulaga (2003) takes a Business to Business relationships approach and identifies eight categories of value: product quality, delivery, time to market, direct product costs (price), process costs, personal interaction, supplier know-how, and service support. In addition, Woodall (2003) recognizes five key forms of *value for the customer* (VC); net VC (balance of benefits and sacrifices), derived VC (use/experience outcomes), marketing VC (perceived product attributes), sale VC (value as a reduction in sacrifice or cost), and rational VC (assessment of fairness in the benefit–sacrifice relative comparison).

One of the latest frameworks is created by Smith and Colgate (2007) which identifies four major types of value that can be created by organizations *functional/instrumental, experiential/hedonic, symbolic/expressive, and cost/sacrifice.* These frameworks represent different views and additional consumption-oriented (Sheth, et al., 1991, Holbrook, 1999, 2005) and some are business relationship-oriented (Ulaga, 2003) while some are more balanced (Woodall, 2003, Smith and Colgate, 2007).

However, like the account of perceived value, Holbrook's Typology is the most adoptable one and as such, it entails all of other types of value. Still though, there remains some criticism that Holbrook's Typology as it may not apply in a Business to Business context (Smith and Colgate, 2007).

Table 6. Concept of Consumer Value (CCV)

			Extrinsic	**Intrinsic**
Self Oriented	*Active*	Economic Value	Efficiency (output/input, convenience)	Play (fun)
	Reactive		Excellence (Quality)	Aesthetics (beuty)
Other Oriented	*Active*	Social Value	Status (Success, impression management)	Ethics (Virtue, justice, morality)
	Reactive		Esteem (reputation, materialism, possessions)	Spirituality (faith, ecstasy, rapture, sacredness, magic)

Note: Hedonic Value and Altruistic Value are the column labels for the Intrinsic items.

Source: Holbrook (1999)

Starting with Holbrook's CCV, based on a foundation of consumption experience, It will be further continued from that perspective of CCT, and Arnould's (2007) call on researchers to produce more practical reasoning; namely, to find answers for quetions which are important for managers:

"First, how do marketers manage to create 'value' consumers recognize as such? And, where does 'value' come from and what makes that 'value' worth coproducing?" (p.26)

To start with such typologies, as noted, Holbrook's (CCV) is considered "the most comprehensive approach to the value construct because it captures more potential sources of value than do other conceptualizations" (Sánchez-Fernández, et al., 2009, p. 97), since it encompasses other dimensions proposed in the literature. For example, the Perceived Value (PERVAL) scale recommended by Sweeney & Soutar (2001) and the Experience Value Scale (EVS) put forward by Mathwick, et al. (2001) are value typologies that emerge or fit within Holbrook's (1999) CCV typology.

Holbrook (1999) typology is unique, not just for the way in which the eight types are introduced, but also for the fact that it allows co-existence in the same consumption experience. Some of the types are difficult to operationalize and some such as *esteem and status* can be seen often as one category (Holbrook, 1999); because "the active nature of status and the reactive nature of esteem tend to blur together in ways that render the two hard to distinguish" (Holbrook 1999, p.188). Therefore, some combine status and esteem in an overarching category called *social value* (Sweeney & Soutar, 2001; Gallarza & Saura, 2006; Sánchez-Fernández, et al., 2009). *Social value* occurs when consumer consumption experience acts to influence the reactions of others (Holbrook 2006). Equally, under the type of *altruistic value* two other subtypes, *ethics and spirituality,* can be united, as "both lie outside the sphere of ordinary marketplace exchanges" (Sánchez-Fernández, et al. 2009, p. 101). One can characterize *altruistic value* as, "a concern for how my own consumption behaviour affects others where this experience is viewed as a self-justifying end-in-itself" (Holbrook, 2006a, p. 716). To summarize, the conceptualizations of Dodds, et al. (1991), Gale (1994), Woodruff & Gardial (1996) are considered partly while Holbrook's (1999) CCV influence is crucial in this thesis.

Holbrook's typology (1999), although famous still has its detractors. Richens, (1999) argue that it does not consider all types of value experienced by consumers and that a few value types are too limited. She further argues that the types of value discovered in her own empirical research, such as 'personal growth' and 'freedom', do not find a place easy in Holbrook's Typology of CCV.

Regardless of criticism, Holbrook's typology (1999) is considered the most inclusive, it embraces functional, social, affective and rational types of value and in this thesis is taken in to the account further as value evaluation type(s).

3.3.4 Value Creation

Starting from the premise that consumer value is a central topic in current management and marketing discourse and has been made more relevant through important current research, than contributions that highlight different aspects of the value concept need to be investigated. Contributions include those of Vargo & Lusch (2004, 2008) and Grönroos (2008, 2011) within the SDL and more recently by Heinonen, et al., (2010, 2013) and Anker, et al. (2015) within a CDL and by Andreu et al. (2010) from a management perspective. One commonality, throughout these contributions, is the lack of a clear depiction of the process involved in and empirical evidence. Grönroos & Voima, (2013) and Coates' (2013) claim that value creation is still an emerging concept. Intertwined with this lacuna are firms' efforts to ensure support for consumers' value creation, either individually or collectively, in practice (Payne, et al., 2008) and in theory (Prahalad & Ramaswamy, 2004). Despite these important conceptual contributions, the entire value creation process has not been studied in depth. Limited theoretical knowledge and almost no practical examples exist, aside from the furniture sector illustration by Andreu, et al. (2010) involving how consumers act to create value, which is commonly taken in the literature to mean "value-in-use" (Vargo & Lusch, 2004, 2008; Grönroos, 2011; Grönroos and Voima, 2013).

Another empirical contribution is Mencarelli & Lombart's study (2017) demonstrating the payoff of creating consumer value by stating that perceived value is a more accurate predictor of attitudinal and behavioural loyalty than is satisfaction. An example is also Payne, et al.'s (2008) a map at the meso level, on how consumers are involved in value creation through processes and practices but do not identify the inherent steps in value creation "engagement" itself.

Different notions of value such as use, exchange, aesthetic, identity, instrumental, economic, social, shareholder, symbolic, functional, utilitarian, hedonic, perceived, community, emotional, expected value, and brand value are just some illustrations which are often used. In addition there is value in experience, social practice, social context, in networks, service systems, eco systems, life practices, etc.

Those multiple notions and understandings of value are due to the concept being influenced and viewed from different sciences and philosophical stances. Here are considered just the value

creation types as per Service Based Logic (SDL, SL, CDL, Service Research), CCT, consumer research and branding research that have additionally pointed out that there is necessity for an understanding of all-encompassing perspective, which will theoretically consider those different conceptualizations of value (e.g. Holbrook, 1999; Arvidsson, 2006; Vargo, et al., 2008; Penaloza & Mish, 2011; Grönroos, 2012; Domegan, et al., 2013; Gummerus, 2013;).

Advancing from the concept of consumer perceived-value and the particular types identified, and analysed considerable times within recent years (Sánchez-Fernández & Iniesta-Bonilla, 2007; Gallarza et al., 2011; Chang & Dibb, 2012; Karababa & Kjeldgaard, 2014), this thesis now considers the process of creating value, and specifically identifying the same as in perceived value, the different types of value creation practices.

Marketing schools of thoughts, in particular SL, have moved from the traditional GDL concept of value created by provider that is distributed to consumers through offerings (goods and services) in a process known as value in exchange, to the understanding that value can only be created through interaction and integration of all actor's resources in a particular context and experienced as "Value -in use' (e.g. Grönroos, 2006, 2007; Mele & Gummesson, 2010). Meaning that, a provider communicates value propositions and a consumer acknowledges those value propositions and enters in interactions in order to create value (Vargo & Lusch, 2004, 2008). Despite the concept that a consumer's contribution to provider initiated and controlled processes is not actually a novelty (von Hippel, 2005), relationship between value generating actors (firms and customers) today is also facilitated by different technological possibilities and creates new possibilities of partnership unrestricted by time and space (Benkler, 2006; Tapscott & Williams, 2006).

The idea that providers and their consumers (co)create value jointly is present in the latest marketing and management literature (Prahalad & Ramaswamy, 2004; Benkler, 2006; Arvidsson, 2011; Cova, Dalli, & Zwick, 2011; Grönroos, 2011). The primary work cited in the SDL discussion, considers the process of value creation from the provider's perspective. Also the research that involves the integration of actors, not just dyadic interaction, is focused on how the provider's firm can best facilitate this integration to achieve optimal result for the beneficiary (Payne, et al., 2008; Smith & Ng, 2012, McColl-Kennedy, et al., 2012).

3.3.4.1 Value (co)creation: The consumer perspective

Previous review of value literature highlights the fact that consumer perceived value is a complex, highly individualized, multi-dimensional construct, which leads us to the conclusion that, from that perspective, the process of co-creation of value is also highly individualized.

More precisely, Grönroos (2011) clarifies that "value creation cannot mean anything other than the customer's, or any other users', experiential perception of the value-in-use that emerges from usage or possession of resources, or even from mental states." (p.11). Within SDL, Gallarza, et al., 2011 (2004) convey the view of "potential" value from a product that also includes service elements. However, when juxtaposed with Grönroos' (2011) claim that producers in fact generate potential value that would only be realized, and therefore created, during consumer usage, then potential value is created at the moment a product is used. To that end, value-in-use has become the common understanding of what constitutes consumer value (Wikström, 1996; Grönroos & Voima, 2013).

One implication of this logic is that there is no certainty as to who leads value creation (Grönroos, 2011). A central theme in value discussions is where and by whom value is created. In spite of the many definitions of value and value-in-use, little is known about how value is created (Vargo, et al., 2008) and how different components of value contribute to value creation as researched by Woodruff (1997). Various consumers co-create value and have different habits depending not only on context but on their own socio-cultural contexts which are reflected in their attitudes, values and preferences (Marandi, Little, & Hughes, 2010). A well-cited study conducted within a healthcare context, has found out "what customers actually do when they co-create value" (McColl-Kennedy, et al., 2012, p. 371).

Despite being crucial and widely accepted concept, a recent SDL research has disapproved the *co-creation* notion for being metaphorical and deficient explicit theorization (Grönroos, 2012). This has required an all-encompassing conceptualization by joining together the multi-faceted concepts of value evaluation and value creation processes (Gummerus, 2013). There is also a perspective of value as co-creation of the meaning, which is further advanced from SDL and CCT research, suggesting a balanced customer–supplier centricity in understanding value and meaning creation (Penaloza, 2001; Vargo & Lusch, 2004; Gummesson, 2008). In particular, CCT research has been

driven, by the idea that cultural meanings or semiotic value are mediated through consumption and continuously co-created among many actors involved in interaction of cultural and social resources in a particular context (e.g. Levy, 1959; McCracken, 1986), and not that value creation appears only in context of exchange (Holbrook & Hirschman, 1982; McCracken, 1986; Penaloza, 2001; Vargo & Lusch, 2004).

In addition, CCT research is attempting to set up a conversation between these various understandings of the concept of value. They have confronted, in cross-cultural CCT research, the statement of the generalization of social values by proving that social values (e.g. materialism) have various meanings in various contexts (Wallendorf & Arnould, 1988, Venkatesh, 1995; Ger & Belk, 1996).

Research in the SDL and CCT also recommend the employment of the conception of institutions, social ecosystems, and networks, in addition to social practices, which contains the interaction and integration of social and economic actors' resources that exchange service offerings and (co)creating "value as meaning" (Gummesson, 2008; Schau, et al., 2009; Lusch et al., 2010).

One such example, that has been cited heavily, is Schau et al. (2009) article that defines the creation of brand value within brand communities through the practices of networked firm-facing actors. That is, the concept of value creation is shifting from a *linear* value chain viewpoint toward a view of value co-creation throughout the *nonlinear* interactions of a multiplicity of actors' resources in context.

3.4 Actors

Starting from the definition of value creation as interaction and integration of resources of actors involved in a context (Mele & Gummesson, 2010); meaning that there are many actors involved and not only two. As stated by Vargo & Lusch (2008, p.5), 'value creation takes place within and between systems at various levels of aggregation'.

The actors have different approaches in value creation processes, and differ in evaluating the process of engagement (Gummerus, 2013). Although generally this thesis considers value creation consisted of multiple actors and views, the focus in this chapter will be on the micro (dyad) perspective, (i.e. between two main actors, a firm and the consumer).

Value evaluation action is determined by an individual distinct actor, since capturing the value (by firm) and conclusive value types are evaluated by beneficiary uniquely, thus the consumer (V&L, 2006, 2008). This perspective is the characteristic of the all SBL discussion about the creation process and evaluation moments between actors, which is important, since it notes that there are different actors on different levels (micro, meso and macro) of context (Akaka, et al., 2014; Beirão, et al., 2017), but always one actor who evaluates the value creation process as a single subjective act in multiple moments of evaluation.

As noted, the main approach in this thesis is a micro level, thus a dyad interaction, in order to evaluate and better understand the actors' (firm and consumer) creation processes and evaluation acts, leading to the conclusion. How firm and a consumer capture thus evaluate value will be further discussed.

3.4.1 Firm Value Capture

Sheth & Uslay (2007) claim that value is created when two individuals/institutions connect with complementary resources. A further extension of the understanding of value creation process as defined by Holbrook (1999, 2005, 2006a, 2006b) is that value is created in interaction between object and subject.

The view that can be reinforced, by taking into consideration the fundamental premises FP1, FP3, FP4, FP7 and FP10 from the SDL, that value is implanted straight in the co-creation experience and operant rather than operand resources, can/should develop value-creating experiences for/with its customers (Vargo & Lusch, 2008). This supports the view that role of firm is not restricted to production and commercialization, but it rather expands to facilitating consumption during the

entire period of customer-object or consumer–service interaction (Prahalad & Ramaswamy, 2004; Grönroos, 2008; Vargo & Lusch, 2008; Gurău & Ranchhod, 2009).

Not only does value change in a linear manner, but also;

> "…perception of value is formed through all the experiences a customer has throughout a product's life-cycle. These experiences start with pre-sales literature, continue through ordering, receiving, and installing, to learning, using, supporting and finally disposing." (Goodwin & Ball, 1999, p. 27)

Suggesting that value creation generally involves resources beyond a two-party system, often involving a firm, its customers, suppliers, employees, stockholders, other network partners (Normann & Ramirez, 1993; Lusch & Vargo, 2006) and 'economic actors, that go beyond goods and money (Michele, et al, 2008). The co-creation of value, within complex constellations of integrated resources, is part of service science study as well (Spohrer, et al., 2007).

Seen from service logic, firm's output is a process that integrates resources and applies competencies between provider and beneficiaries (Vargo, et al., 2008).

3.4.2 Consumer Value Evaluation

It has been observed as part of the SDL discussion in the process of value co-creation, that consumers (as well as firms) can be partners (Deighton & Narayandas, 2004), acting as resource integrators (Arnould, et al., 2006; V&L 2006), and that value emerges from consumer experiences that they co-create (Prahalad & Ramaswamy, 2004).

Arnould, et al. (2006), claim that plenty of support confirms that throughout the use of consumer operant resources, consumers connect brands and organizations to co-create value in interactive and occasionally unexpected behaviours. They claim that, "Consumers' imaginative transposition of schema, reinterpretation of resources in terms of alternate schema, and unexpected accumulations of resources enliven and alter firms' value proposition." (Arnould, et al., 2006. p.95) and recommend a method to imagine the value-creation process from a resource interaction perspective as presented in Figure 14.

Figure 14. Firm and Consumer Resource Interaction
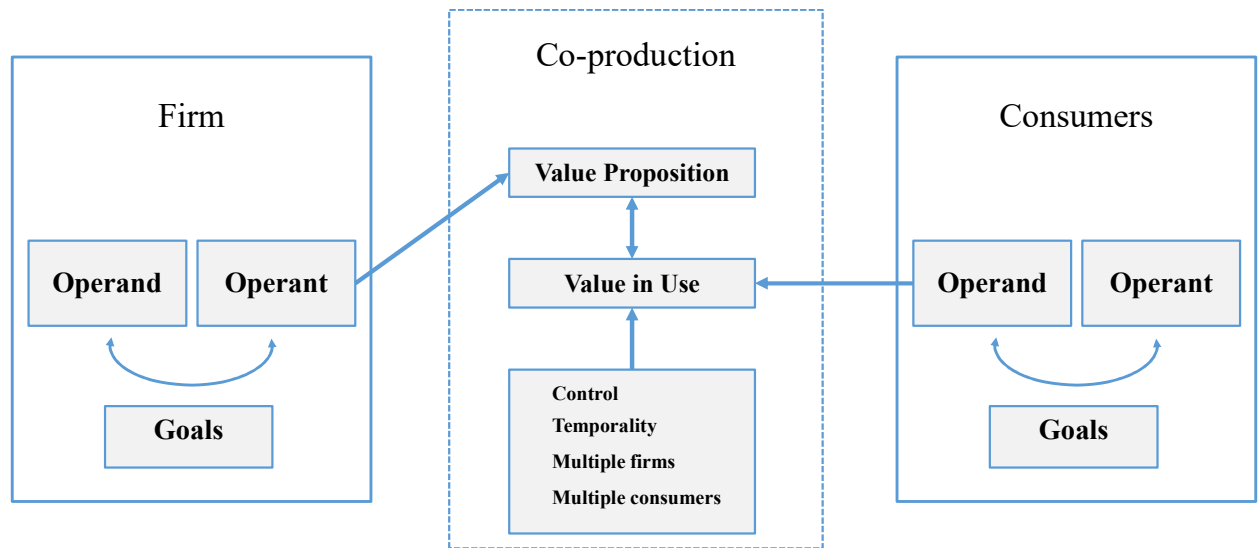
Source: Adapted from Arnould, et al. (2006)

Consumers can and do play the role of resource integrators. The term resource-integration is often used (Arnould, et al., 2006)) to express the capability of consumers to utilize their resources, individually, or collectively as co-consumers, to establish and improve their own consumption experiences (Baron & Harris, 2008). Consumers, similar to firms, have operant and operand resources, which according to the CCT (Arnould, et al., 2006) are, "Social (family relationships, brand communities, consumer tribes, commercial relationships), Cultural (specialized knowledge and skills, Life expectancies and history imagination), Physical (Sensory-motor endowment energy, emotions, strength) and Economic (material objects and Physical spaces). See Figure 15.

Drawing upon the CCT view of Consumer Resources and the characterization that consumers are resource-integrators, it means that the customer also has a "back stage", which Vargo (2008) defines as, "…supply chain" a network of public, private, and market-facing service providers, in which the focal firm is only one actor" (p.213). This statement is in agreement with Gummesson's (2006) view of the need for "many to many marketing".

CCT has created insights into consumers' value creative competencies, which were "under-conceptualized" Arnould, et al. (2006, p.101). CCT claims that consumer' and firm's operand and

operant a resources interact with each other in order to achieve their goals (Arnould, et al., 2006). See Figure 14.

Figure 15. The Consumer's Operant and Operand Resources
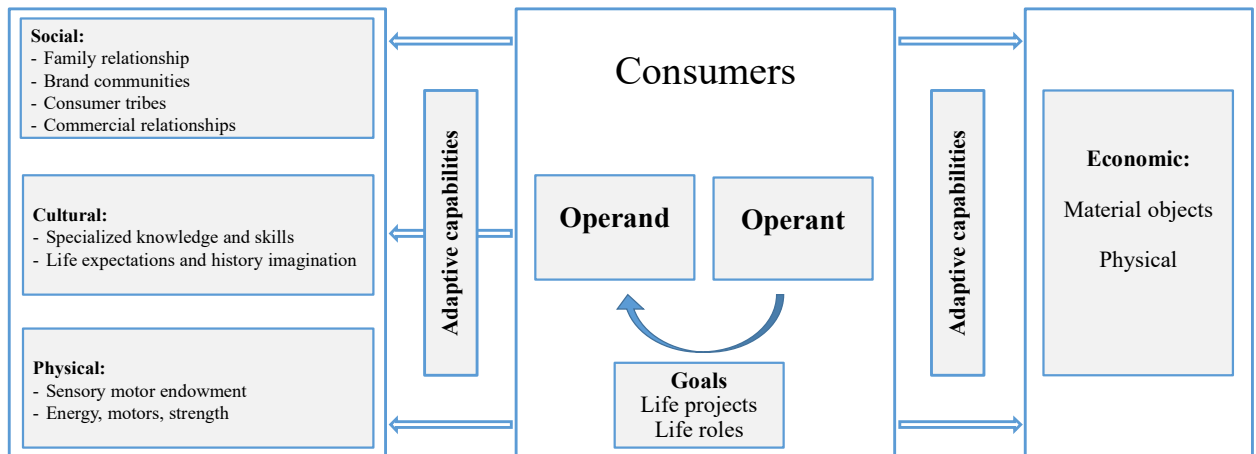
Source: Adopted from Arnould, et al. (2006)

Berthon & John (2006) recommend that interactions are foundations of the new dominant logic and that the total value in an offering is exclusively:

> "…determined by the interaction between the customer and the firm... It is through interactions that services are co-designed, co-created, and consumed; it is through interactions that information is exchanged and knowledge is generated; and it is through interactions that markets and marketing relationships are built and sustained" (p.206)

It has been identified that interactions of resources happen through "sources of value", "Experience providers' or Marketing mix-7Ps as identified earlier in literature. I embrace the existing concepts that the consumer is the one who creates value (Grönroos & Voima, 2013) and that firms are the facilitators of consumers' value creation (V&L, 2004, 2008). Assuming that consumer value creation is always dependent on interactions and exchanges between firms and consumers, be they direct or indirect. Furthermore, this approach helps capture both firm- and consumer-led activities by which the process of consumer value creation is revealed.

There are three spheres (consumer, provider and point of interaction) see Figure 16, where value creation seen as value in use is happening through direct and indirect interactions with providers (Grönroos & Voima, 2013). According to these authors there is no evidence or obvious evidence about the process of how actors impact consumers' evaluation (perceptions) of value in use. Thus, how actors act in various spheres and stages of this process. Grönroos (2011) is very outspoken about his view: "… we know very little about the process of value creation, when it starts, what it includes, when it ends." (p.282).

Figure 16. Consumer –Provider Sphere Interaction
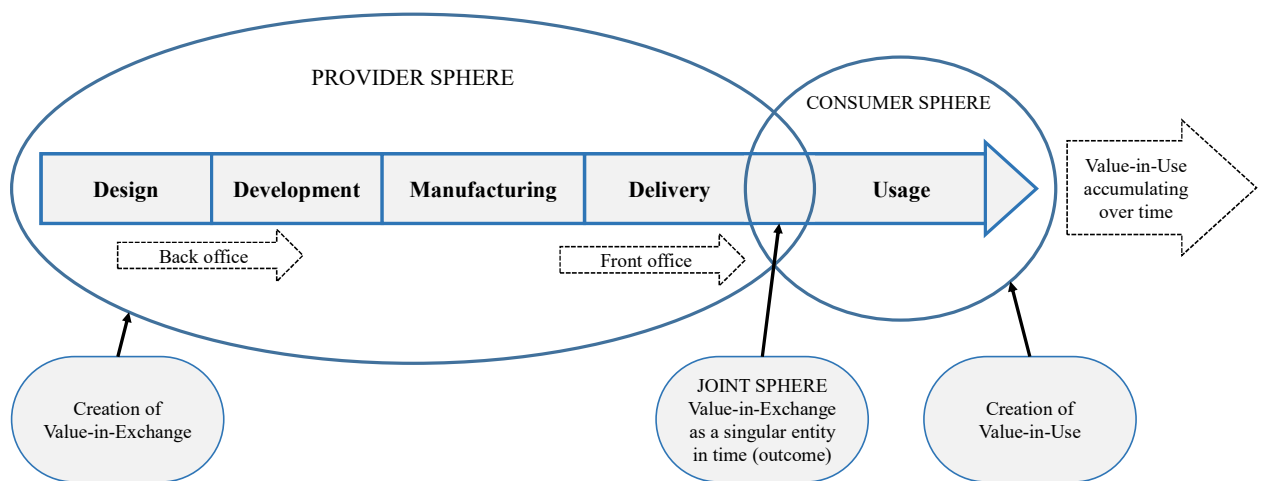
Source: Adapted from Grönroos & Voima (2013)

The view brought by Heinonen, et al. (2013) regarding value creation as a process that "emerges through customers' behavioural and mental processes," (p.109), is in line with the above statement, especially with CCT scholars. That's why the three spheres of concept presented by Grönroos & Voima (2013) is the most accurate conceptualization of value creation process as a value in use between two actors, defining who creates and co creates the value, as per the latest SL discussion. Furthermore, research done by Andreu, et al. (2010), Payne, et al. (2008) confirms the importance of value as destination (result of the value evaluation, thus outcome) and goals (Grönroos, 2008) as a direction in supporting consumers in their evaluative process (Edvardsson, al., 2006), thus value in exchange (moments).

Consequently, to reveal in detail the mechanisms in the value creation process, we need to first significantly review the implication of the way firms initiate value (proposition), thus value initiators, who transform the provider's resources into the value proposition during the value creation journey (process of continuous interaction) in order for the actors to achieve their destination (goals), namely those value-in exchange evaluative moments during that journey.

The approach in this thesis is mainly between two actors, without forgetting the importance of the context and integration of actors in network, the social ecosystem approach in the study, particularly the roles played by social and economic actors as resource integrators (Vargo & Luch, 2008, 2010; Edvardsson, et al., 2011) in the three levels of context (micro, meso, macro), which will be elaborated in other chapters.

3.5 Interaction

Interaction is a core for action and the actors' interpretation of the context around their reality (Berger & Luckmann 1991). It is a driver of co-creation and a "generator of experience and value" for the whole network (Ballantyne & Varey 2006). By interacting individuals transform their subjective meanings into objects and give meaning to the social world and a conversation (involvement) is open, and knowledge and other resources start to integrate and exchange takes place. As many-to-many marketing and SBL proposes these interactions happen not simply in dyads, but through a network of relationships between multiple actors and contacts in different levels of context. (Ballantyne & Varey 2006; Vargo & Lusch, 2008a)

Triggered by a request for recognizing interaction more thoroughly (Ballantyne & Varey, 2006), Vargo & Lusch (2008a) adjusted the value proposition as an interactive process between suppliers and customers. This later focus on interaction has also resulted in two new premises of SDL, which recognize value is phenomenologically determined (through input from Penaloza & Venkatesh, 2006; Arnould, 2006), and all actors are resource integrators (Vargo & Lusch, 2008a).

The premise FP9 is adjusted from an organization-focused view, resource application, towards an actor perspective, resource integration (Vargo & Lusch, 2008a). It now stresses that "all social and

economic actors are resource integrators," which, according to the authors, means that "the context of value creation is networks of networks" (p. 7).

It can be concluded that interaction is a key dimension that integrates different resources and contexts out of which individual constructs such as experiences and social practices are formed.

3.5.1 Interaction as starting point of value creation

The recent literature concerning the SDL and value-in use places a special emphasis on company-customer interactions as a source of CV. Although interactions have already been acknowledged as a source of value by other frameworks (e.g. Smith & Colgate 2007, Grönroos & Vioma, 2011).

Emphasizing interactions as a crucial concept from an SL perspective, Grönroos & Ravald (2011, p.12) define interactions as "… a mutual or reciprocal action where two or more parties have an effect upon each other". In this context, it is argued that through interactive processes, companies can get actively involved in creating experiential value. Other contributions confirm this by seeing interactions as having the ability to promote experiential and phenomenological value (Ballantyne & Varey 2006). Similarly, scholars assess that interactions provide the basis for forming the customers' preferences (Mathwick, 2002).

The importance of the provider-customer interaction is underlined by the ability to facilitate value and to influence CV perceptions. As a result, it is broadly accepted that the customers' creation of value is catalysed through interactions (Grönroos, 2009; Tynan, et al., 2010; Grönroos & Ravald, 2011). Even though the difference between services and goods environments is still discussed, it appears that it is an accepted concept that interactions are especially important in a service-context. From the companies' perspective, this is due to the multitude of opportunities for co-creating value with the customer when acting within the customer's sphere (Grönroos 2008, Grönroos & Vioma, 2011).

One other issue that comes into play is the superior ability to sense the customers' needs during interactions (Tynan, et al., 2010). Interactions in themselves are especially important considering

the knowledge about the customer and his/her life, which is further emphasized by the C-D logic. More information can be generated, and as a result, companies can develop better insights about their customers. This issue's importance is underscored by the C-D logic; therefore, I also argue that from a C-D logic point of view company customer interactions are highly relevant.

3.5.2 How firms (create) initiate a value (proposition)

Firms have the resources (operant and operand) based upon how they initiate a value proposition (Grönroos, 2008) in addition to the value initiating contributors (provider). Firms' value initiators interact with Consumer Resources (Arnould, 2006) through consumers' experiential modules in order to create value, and after the interaction, both actors (the consumer and the firm) evaluate respectively and capture value for themselves.

The points where the resources interact with each other are "touch points" or "moments of truth" (Carlzon, 1987) which are very well highlighted in service marketing, through service blueprinting, first introduced by Shostock (1984) and further popularized by Bitner, et al. (2008). Additionally, this tool is very powerful for creating Service strategic orientation or for adopting a service logic as presented by Shostock (1987), for identifying innovative possibilities in service and lately also to identify marketing resource that help co-create customer value (Ceric, at al., 2016).

Not forgetting that, goods are a service-delivery medium for transporting knowledge and skills as key resources for competitive advantage (Johnson, et al., 2005), and firms communicate not just with Products (goods) and Processes (services) but also with the other Ps (Promotion, Physical evidence, Price, Place, Price, People) that are primary tools for interacting directly with customers in touch points, and which can correspond analogically as Experiential modules (Schmitt, 1999), experience provider (Schmitt, 1999, 2008; Brakus, 2008) or as "source of value" (Smith & Colgate, 2007) from the customer side. In this thesis they are introduced as "value initiators" based on the fact that firms can only initiate value for consumer.

Keeping in mind that the marketing mix means of translating marketing planning into practice (Bennett, 1997), then "Experience providers" or "sources of value" can be seen as transformers for evaluating the value proposition offered by the firm through the 'value initiators".

From the firm's perspective, these tools (sources of value or value initiators, as I will be calling them) are created by a variety of "value chain" processes and activities within and between organizations (e.g., Porter 1985), which are categorized in Information; Products; Interaction (with employees and Systems); Environment (purchase and consumption); and ownership/possession transfer. While Experience Providers are classified in: Communications; Identities; Products; Co-branding; Environment; Websites; and People (Brakus, 2008).

3.5.3   Consumer Value Initiators / contributors

Schmitt's (1999, 2008) highly regarded Strategic Experimental Modules (SEMs): senses (sensory experiences), feelings (affective experiences), thinking (cognitive experiences), acts (Physical experiences behaviours and lifestyle and the related social identity experiences); capture the experiential dimensions of value. Similar to Schmitt's SEMs, Brakus (2008), based on Dewey's (1922, 1925) human experiences and Pinker's (1997) modular structure of mind, propose "five modules that are particularly relevant to describe and explain marketing phenomena" (p.151).

In the same vein Fornerino, et al. (2006) investigate the case of an immersive consumption experience and identify five distinct dimensions: sensorial-perceptual; affective and physical-behavioural (components) and social and cognitive (facets); which is followed by Gentile, et al. (2007), based on Schmitt (1999) and partly on Fornerino, et al. (2006) identified other dimensions, namely Sensory (jointly the physical part and the sensorial dimension), Emotional, Cognitive, Pragmatic (which takes into account the aspects related to the human-objects interaction) and Lifestyle.

Value initiators from both sides, provider and consumer, have been identified. Now let's present some interaction concepts between these two.

3.5.4 Various Interaction Frameworks

As already mentioned, Arnould, et al. (2006) demonstrates that consumers interact with a Firm in order to achieve their goals (Figure. 14.) The more detailed picture of this interaction between provider and the consumer, has been presented by Brakus (2008), through the Strategic Consumer Experience Matrix in Table 7, which is a combination of SEMs on the rows and Experience Providers in columns (communication, identities, products, Co-branding, environment, websites, People), which is based on Schmitt's (1999) experiential modules. Schmitt, (1999), offered five types of experience interaction forms, known as "strategic experiential modules (SEM): "sense," "feel," "think," "act," and "relate." Schmitt, argues that companies can interact with the SEMs by appealing to consumers' senses (sight, sound, touch, taste, and smell), feelings and emotions, intellect (by creating cognitive, problem-solving experiences that engage customers creatively), physical behaviours and lastly interactions that create experiences which consider a consumer's aspiration to be part of a bigger social group (similar to Holbrook's Social Value Types).

Table 7. Strategic Consumer experiences Matrix (as per Brakus, 2008)

Experience providers

Strategic Experiential Modules	Communications	Identities	Products	Co-branding	Environment	Websites	People
Sensory							
Affective							
Intellectual							
Bodily							
Social							

Based on Schmitt's (1999) SEMs, Zarantonello & Schmitt (2010) created the Brand Experience Scale to pinpoint personal preferences. Through cluster analysis, five clusters appeared: "hedonistic consumers", "action-oriented consumers", "holistic consumers", "inner-directed

consumers" and "utilitarian consumers". This would enable them to offer more personalized experiences.

Dubé & Le Bel (2003) have identified four "pleasure dimensions" — emotional, intellectual, physical, and social pleasures which are similar to four of Schmitt's SEM's.

Furthermore, Gentile, et al., (2007), based on the existing theories on value (co)creation (in particular Holbrook, 1999; and Addis & Holbrook, 2001), have also proposed a conceptual framework named, "The General Framework", where the concepts of Customer Experience and exchanged value are summarized and their reciprocal dealings and the inter-relations with the main entities (the company and the consumer) are charted. Gentile et al. (2007) distinguished the following six experiential components: Sensorial, Emotional, Cognitive, Pragmatic, Lifestyle and Relational.

It can be concluded that from the consumer's side, there is an agreement among scholars from the experience and experiential literature, that it is advantageous to conceptualize experiences along several experience dimensions. These experience dimensions include: contain sensory-affective, cognitive intellectual, and behaviour and action-oriented components.

During the creation experience, interaction between Object and Subject, consumer construct (Hedonic and Economic) their own value (Holbrook, 1999; Addis & Holbrook, 2001); while, on the side of the provider, the value created from the same experience would be on market share, sales, profitability (more tangible and traditional performance measures) and on brand equity and customer equity (a set of intangible assets) (Ferraresi & Schmitt, 2006 in Gentile, et al., 2007).

The Interaction frameworks enable actors to integrate resources, a construct that will be further discussed.

3.6   Resources

From the SBL literature, resources and their interaction and integration represent an essential concept. Madhavaram & Hunt (2008), conceptualization of resources, consider a resource-advantage theory to portray resources as the tangible and intangible units of interaction of the firm in the value creation process. They classify operand resources as normally physical and operant resources as usually human, organizational, informational and relational.

It has been declared that interaction between actors is a precondition for resources to be integrated, subsequently creating experiences out of which value emerges. According to Andreu, et al. (2010), actors first assess accessible and probable resources so they can understand "what are the possibilities that value can be created and captured?"

Resource integration then is the merger of many actors' resources into the processes of value (co) creation. This process happens in harmony with their goals, plans, capacities and capabilities and it involves a social and cultural integration of an actor to become a constituent of a value creating network. Thus, making firms continuously attempt to find a better fit inside these processes (Mele, 2009; Grönroos & Helle, 2010) which is the focal point of resource integration in order to exploit potential value as pointed out as well by Andreu, et al. (2010).

Value propositions offered by one actor (Firm) in order to co-create and evaluate value as benefits for other actors (beneficiary) and for themselves (value-in-use, value-in-experience, or with an inclusive term value-in context) happens when resources become valuable when they are accordingly harmonized and situated through resource-based value creation networks and ecosystems (Gummesson & Mele,2010). Integrating resources properly is thus a key objective in order to enter into the value creation process (Mele & Polese, 2010).

As Gummesson & Mele (2010) declare:

> "Each actor contributes to value creation by integrating available resources through which they get benefits. In the many-to-many network conceptualization, the value is not only in the customer's sphere but it is the concern of each actor who performs a role in the network" (p.192)

It implies that integration of resources is idiosyncratic to each single actor and each firm contributes to the network of actors in a unique manner. Each actor is trying to offer, interact and integrate unique resources in the network (process) of value creation actors (Mele, 2009), thus making the harmonization of resources the focal point in defining the role members have in the network.

Actors must deploy resources and harmonize them within a network; they must have dynamic capabilities (Teece, et al, 1997). This attitude is in line with Di Gregorio (2013) who contends that it is not resources alone that create value but rather (inter)actions of individuals and firms markets, dynamic capability theory (e.g. Teece, et al., 1997; Eisenhardt & Martin, 2000) argues that particular interactions and processes that continuously transform the tangible resources are a focal point in creating value. This continuous re-arrangement of resources into accepted evaluated value (i.e. utility) need time; therefore, creating, accepting and evaluating value is more a process, and not a one-time occurrence (Di Gregorio, 2013).

Akaka, et al. (2013) evaluate the resources importance, from the International Marketing perspective, which is driven by the exchange of service through the application of (especially) operant resources (e.g. knowledge, skills) to create value (Constantin & Lusch, 1994). According to Akaka, et al. (2013), a service ecosystems view arguably provides a more encompassing framework for understanding how value is created in a global economy by focusing on the primacy of dynamic (operant), rather than static (operand), resources in exchange.

The service ecosystem highlights more of a macro view on value co-creation and the resource integration view emphasizes the integration of skills to develop new knowledge (i.e. learning) (Lusch, et al., 2010) to apply (use) resources in a more effective, efficient, and sustainable manner. The ecosystem perspective and resource integration is also promoted by Edvardsson, et al. (2011) who highlights the importance of the social context during the resources assessment. Edvardsson et al, (2013) further suggest that, in designing the best service systems for service exchange, it is therefore necessary to pay attention to the actors' positions, roles and social interactions within social structures when designing resource constellations to realize value propositions.

3.6.1 Conceptualizing resources and resource integration from different perspectives

From Sociologically developed and multi-faceted representation, Arnould (2008) advocates for the expansion of additional inter-agent resource exchange, which recognizes numerous views to recognize resources such as: (1) the resource-based view of the firm, (2) organization ecology (3) cluster theory (4) interpersonal resource exchange theory and (5) the development of social and cultural capital.

Continuing with the sociological line Hakansson, et al. (2009) argue that resources are on one side of the discussion; on the other the objects that are transformed and integrated through interaction with other resources and change and develop during the time thus being implanted in a multiple situational context.

This dynamic view of resources was initially shared by Zimermann (1951) who refers to them as the process of, "they become" during interaction with other entities in context. This is a similar view to Vargo, et al. (2010), but they add non-physical aspects of resources, such as laws, weather, etc. that are external and not controllable by individuals. Löbler (2013) goes further by indicating that some resources can even come to an end as such when they aren't part of the process of the creation of value. This fact is particularly relevant for services that can be conceptualized as the resources integrating practices created through interaction between actors' operant resources, especially knowledge and skills (Berghman, et al., 2006; Golfetto & Gibbert, 2006; Ngo & O'Cass, 2009; Vargo & Lusch, 2004, 2008, 2011).

In this thesis, resources are conceptualized in a dynamic way, through interaction and integration in the value creation process, of institutions and resources in particular context as per Huotari & Vargo (2016). Hence, conceptualizing the resources from the socio-constructive paradigm will be additionally considered in the following chapters.

3.6.2 Firms' Resources

As early as 1959, Edith Penrose stated that, "It is never resources themselves that are the 'inputs' to the production process, but only the services that the resources can render" (Penrose, 1959, pp.24-25; in Vargo & Lusch, 2008), and this thought can be further developed, by claiming that resources are rendering the experiences that create value.

In value (co)creation, a process in which multiple parties interact, access, and make use of one another's resources to create value together (Spohrer & Maglio, 2010), then (operant) resources are the fundamental source of competitive advantage as represented in the FP4, while GDL concentrates more on operand resources (Vargo & Lusch, 2004, 2008).

Madhavaram & Hunt (2008), describes the operand and operant resources in this way:

> "That is, differentiating between operand resources (those on which an act or operation is performed) and operant resources (those that act on other resources), marketing should focus on specialized skills and knowledge as operant resources that provide competitive advantage." (p.67)

As to exemplars of operand and operant resources, while operand resources are typically physical (e.g., raw materials), operant resources are typically human (e.g., the skills and knowledge of individual employees), organizational (e.g., controls, routines, cultures, competences), informational (e.g., knowledge about market segments, competitors, and technology), and relational (e.g., relationships with competitors, suppliers, and customers) (Hunt, 2004, p.67). It is documented by many authors (Barney, 1991; Hunt & Madhavaram 2006a, 2006b; Arnould, et. al., 2009), that resources are more than material entities, and these facts have been highlighted in a 'resource-based theory' (RBTh) and resource-advantage theory (RATh).

Hence, the resource-based view of the firm provided input to the resource-advantage (R-A) theory of competition (Hunt 2000a, 2000b; Hunt & Morgan 1995). R-A defines resources as the "tangible and intangible entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segment(s)" (Hunt 2000b, p.138). Thus, resources need to be exchanged in order to create value in use, and then the role of the provider needs to be defined. Consequently, the provider's task becomes basically to "facilitate value creation, and

therefore they take part in the value-creating process as value facilitators". (Grönroos, 2008, p.305). Ngo & O'Cass (2009) by describing the creation of value offerings via Operant Resource-Based Capabilities', note that in moving from performance to value creation, the mechanisms for creating value for customers depend on a firm's capabilities, thus operant resources. Slater & Narver (1994) proposed that the emphasis today has shifted to capabilities that enable firms to consistently create superior value for their customers.

Indeed, competitive advantage is obtained when firms possess resources or skills that are valuable, unique, imperfectly imitable, and non-substitutable (Barney, 1991). Upon further consideration, firms obtain competitive advantage when they possess capabilities that can be converted into value for customers (Slater, 1997). Thus, following the Grönroos (2008) then the significance of focusing on capability to facilitate value creation is important and meaningful on both theoretical and managerial grounds.

3.6.2.1   Operant resource-based capabilities

The role of resources and capabilities are of primary importance when creating exclusive value for the customer, as well as creating a competitive advantage (Wernerfelt, 1984; Prahalad & Hamel, 1990; Barney, 1991; Peteraf, 1993; Slater & Narver, 1994). Resources and capabilities are central to the resource-based view (RBV), which emerged in the 1980s as a major shift from the industrial structure view (Mason, 1939; Porter, 1980), which emphasizes the importance of external environmental factors, and does not provide an explanation as to why firms in an industry, facing identical conditions, outperform others (Hawawini, et al., 2003). As the RBV emphasizes, resources and capabilities are necessary to understand the idea of competitive advantage and of increased profitability (e.g. Amit & Schoemaker, 1993; Day, 1994).

According to Vargo & Lusch (2004), operand resources refer to resources (e.g. physical resources such as facilities, raw materials, and land) on which an operation is performed to produce an effect; whereas operant resources (e.g. intangibles such as competences, and organizational processes) refer to those that operate on operand resources to produce effects. A more in-depth look at the literature on operant resources shows that different kinds of resources that are classified as operant

including skills, knowledge, mental competence, core competence, technology, organizational processes, relationships with competitors, suppliers, and customers (Hunt, 2004; Vargo and Lusch, 2004). Given the nature of these resources, as companies seek to create outstanding value for potential customers, they will have as many processes as needed to transform their (operand and operant) resources into valuable outputs based on functional activities (Day, 1994; Vorhies & Morgan, 2005). Capabilities show themselves in typical business activities (Day, 1994) and prove to be conditions beyond resources.

While resources are assets possessed by the firm, capabilities are the glue that combines, develops, and transforms the resources to create value offerings (Grant, 1991; Day, 1994; Teece, et al. 1997; Morgan, et. al, 2004). As such, capabilities are built upon the processes developed by firms, by bringing people and resources together (Vorhies, et al, 1999). For these reasons, firm capabilities may be categorized as operant resource-based capabilities. Having considered the resource-based view in relation to SBL, I conceptualize an operant resource-based capability as one that has three facets; possession of, application of, and full utilization of resources as per Smith, (2013).

Within the context of the above conceptualization the available literature has addressed a theoretical contention that value offering is created by operant resource-based capabilities (core value-creating capabilities) which exist throughout the entire organization (Slater & Narver, 1994).

Particularly, innovation based, marketing-based, and production-based capabilities are deemed essential, "core value-creating capabilities", and enable a firm to consistently create superior value (Slater & Narver, 1994). A broader look at this view reveals that certain types of operant resource-based capabilities should correspond to the core processes for creating economic value (Day, 1994). In the search for value offering, business practices inspire multiple operant resource-based capabilities that provide platforms for value creation. In this way, operant resource-based capabilities that lead directly to value offerings for customers are classified in a way that matches the core operational functions of the firm such as innovation, marketing, and production. Moller & Svahn (2006) argue that competitive intensity and the expanding scale of business operations press firms to specialize in a narrowing set of core value-creating capabilities.

Drawing on these insights, I categorize operant resource-based capabilities into innovation-based, marketing-based, and production-based capabilities. Innovation-based capability has been labelled in the literature as either the capacity to innovate (Hurley & Hult, 1998) or as organizational innovation intensity (Weerawardena & O'Cass, 2004).

The former is operationalized as the number of innovations successfully adopted by the firm, while the latter is a subjective measure referring to the extent to which a firm implements its innovations. Both approaches have limited applicability in SDL, in which innovation-based capability is different from innovation intensity and beyond the capacity to innovate. In this study, innovation-based capability is defined as the integrative process of applying the collective knowledge, skills, and resources of the firm to perform innovation activities pertaining to technical innovations (products and/or services, and production process technology) and nontechnical innovations (managerial, market, and marketing). Relatedly, marketing-based capability is defined as the integrative process of applying the collective knowledge, skills, and resources of the firm to perform marketing activities. This definition is in line with the literature on marketing capability, in which marketing capability is argued to enable firms' to add value to their products and services to meet competitive demands (Day, 1994; Vorhies, et al., 1999; Weerawardena & O'Cass, 2004; Vorhies & Morgan, 2005). Within this framework, the whole range of marketing activities including product, pricing, distribution, marketing communication on (Warde, 2005), selling, market intelligence management, marketing planning, and marketing implementation can be theorized to include a broader notion of marketing-based capability.

Resource Advantage Theory (RATh) proposed and initiated by Hunt & Morgan (1994, 1995), is a major contribution to the elevation of marketing midrange theory to a higher level of generality and relevance (Gummesson & Mele, 2010). Their best-known article is on commitment and trust (Morgan & Hunt 1994) but they have also addressed relationship marketing in general and observed its network implications (Hunt, et al., 2006). RATh highlights the resource integration with consumer, which is also a criticism of Hunt, (2002a, 2002b, 2002c) towards RBV as lack of customer consideration. This middle range theory classifies the firm's resources as financial, physical, legal, human, organizational, informational, and relational. It adds "relational resources" that enhances a provider's attractiveness for a firm by creating new relationships with other firms,

consumers, non-profit organizations. RATh is very convenient to considering SBL since it perfectly links business and marketing strategy and can add further aspects to its advancement (Hunt & Madhavaram, 2006a). It is for these reasons that the RATh is a part of our conceptual framework.

3.6.3 Consumer Resources

Arnould, et al. (2006), highlight in their paper the importance of consumer operant and operand resources in SL Marketing. By first classifying the consumers' resources and then describing how operant resources of customers and firms interact to (co)create value, Arnould, et al., (2006) propose the importance that cultural life-worlds of consumers play in the patterns of experiences and meanings.

3.6.3.1 Consumers' Operant and Operand Resources

In Figure 14, Arnould, et al. (2006) advocates a service dominant lens for viewing consumers. Consumer follow a set of life missions or endorse a life (Arnould & Price, 2000), which the consumer uses operant and operand resources. To the right side of the consumer (figures 14, 15) are operand resources which are tangible resources. Of particular importance in this context are economic resources that are culturally based. This view is shared by Arnould, et al. (2006) in line with the Giddens' (1983) social structuration theory, which considers interaction between operant and operand resources also from consumers' life projects and goals (Swindler, 1986, Sewell, 1992).

In this way they demonstrate that the arrangements of operant resources directly affect the use of operand resources and ultimately firms' resources. Thus, making a case for operant resources with which consumers interact during value creation practices, making it possible for firms to concentrate on these operant resources, those project customers' preferred values and facilitate their creation of value in use.

On the other (left) side of consumer in Figure 14 are shown the consumers' physical, social and cultural resources, portrayed as operant. Cultural schemas correspond to a particular type of

operant resource, which is what Giddens (1984) describes as "generalized procedures applied in the enactment of social life" (p. 21) or virtual resources which contain conventions, traditions, recipes, habits of speech and gesture, etc. (Arnould, et al., 2006), which is the basis upon which actors interact with each other. Additionally, these virtual resources or interaction schemas can be seen as habits based on beliefs, values, norms, rules, and laws held by different actors in the market and their particular field of (social, cultural, economic, etc..) capital (Bourdieu, 1986).

Analogous to the concept of core competencies and dynamic capabilities in strategy research (Prahalad & Hammel, 1990, Teece, et al., 1997) a consumer (actor) can use those resources at length or in multiple contexts to rearrange them to new circumstances (Sewell, 1992), in order to achieve their life goals and projects by enacting their everyday life roles (Huffman, et al., 2000). This rearrangement of these schemas into the new situations and new contexts occurs through the analogical reasoning that consumer is considering (Gentner, et al., 2001; Moreau, et al., 2001a; Markman, et al., 2009; Gentner, 2010).

This fact is important since it is exactly through this framework that by transitioning and adapting to a new situation, consumers make sense of the new products, services and value creation practices. During this "sense-making" process it is use and analogical cooperation which at the same time allows an evaluation of the new situation (practices) or one could also compare it to the SERVQUAL Gap Model (Parasuraman, et al., 1988) in order to evaluate quality by identifying the gaps between expected and actual service. The whole process is an evaluative process based on the analogical reasoning that consumer use.

In consumer research, an often ignored group of operant resources is that of physical resources. Consumers differ in their physical and mental possibilities thus ultimately accordingly affecting their life roles and projects (Arnould, 2006). A low level of physical resources and the consequentially different life goals may prompt the consumer to adopt different strategies in employing their own and the firms' operant and operand resources, through understanding customers' operant physical resources, firms can shape their offering.

In addition social operant resources are seen as a second type of operant resources and are according to CCT (Arnould, 2006), relationships of networks and communities with others such

as families, ethnic groups, and social class as well as brand communities, friendship groups, consumer tribes and sub-cultures, over which, according to Giddens (1979), consumers have considerable degrees of control. Thus the experiences that are co-created through firms' offerings are reinforced through the schemas that are continuously and/or rearranged throughout time by using operant resources that are collected by performance by all actors (Sewell, 1992).

A final element of Figure 15 is consumers' cultural operant resources. Consumer culture theorists conceive of cultural operant resources as varying amounts and kinds of knowledge of cultural schemas, including specialized cultural capital, skills, and goals. Holt (1998) systematically explored cultural operant resources' relationship to taste and consumption.

Therefore, by summarizing CCT view, I highlight the fact that the type, quantity and quality that actors' (consumer) operant resources offer to the value creating practice, it influences the value consumers tentative through interacting and integrating with resources during the roles they enact in the creation practice. As the above argumentation advises, understanding consumers from the resource perspective and their application to life goals and projects will also enable firms to understand how their resources and offerings well be integrated and subsequently facilitate (Grönroos, 2011, Grönroos & Vioma, 2013) value creating practices that are directly involved in life goals and projects.

Firms deal with different levels of interaction and the CCT in general. The Arnould, et al.'s (2006) article is a good foundation for considering the micro level, and in particular value in-use, which is driven out of experiences based on the Operant resources perspective, hence, from the social, cultural, economic, etc., perspective and not necessarily from the experiential perspective (emotional, feelings, acting, behaviour).

3.7 Presenting a SVIS Framework – as a conceptual contribution (achieving RO#1)

In this section I will present an SBL based framework as a first contribution, as it was anticipated to achieve RO#1 of this thesis. A framework is called a Strategic Value Innovation Service (SVIS) (see Figure 17, below) and it emerged as result of the above literature review.

Understanding what customers value in different contexts, and which customer value creation strategies are appropriate i, is central to marketing strategy and marketing thought (Holbrook, 1996; Slater, 1997). To understand value has been difficult with existing SBL based frameworks. In addition, new definitions, conceptualizations, frameworks, and typologies on customer value, shed little light on the subject. None fully captures the domain and the construct of value creation and evaluation, and, are not well-suited for either making marketing strategy decisions or for operationalizing those frameworks, based on SBL, and other marketing streams.

SVIS framework attempts to identify, integrate and ultimately extend earlier works in a more comprehensive and useful framework. This framework creates better understanding of customer value creation SBL which can fill gaps in literature and in the same time be applicable in the practice of strategic management and marketing operationalization. In doing so, the service perspective view on value creation is adopted (Edvardsson, et al., 2005), which will help management and marketing managers to understand value creation from the customer perspective, and ultimately see the whole value creation system in different levels (micro, meso, and macro).

SVIS draws upon Holbrook's (1999) view that consumer value is an interactive relativistic preference experience that results from the interaction between firm's resources (object) and consumer's resources (Subject) in a particular context, and as such is defined by the beneficiary (Vargo & Lusch, 2008) who is finally better off (Grönroos, 2008); thus, value for the customer is created during the social practices transformed into the experiences during interaction between firms and customers (Prahalad & Ramaswamy, 2004). This conceptualization also corresponds with Smith's (1987) statement that value (evaluation) is extremely personal and it appears at a number of diverse points (as moments of evaluation). Making it clear that object and subject are

indistinguishably connected, and value can only be recognized at the *moment of evaluation*, or combination between the two.

Figure 17. Strategic Value Innovation Service (SVIS) Framework

Operand & Operant Resources
Financial, Physical, Human, Organizational, Legal, Informational and Relational
(Hunt & Madhavaram, 2006 "The SDL of Marketing, Theoretical Foundations Pedagogy and Resource Advantage Theory" in V&L, SDL DDD)

	Value Initiation Contributors						
			Experiential Modules				
	Product	Promotion	Price	Place	People	Process	Phys. Evid.
Sensory							
Affective							
Intellectual		**Experience Created through**					
Bodily		**Interaction of resources**					
Social							

Firm / Consumer

Operant & Operand Resources
Social, Cultural Physical and Economic
(Arnould, et al., 2006 "Toward a Cultural Resource Based theory of the Customer" In V&L SDL DDD)

Value Creating Contributors
Experiential Modules

Value created from experiences

Consumer Value:

Economic

Social

Hedonic

Altruistic

Value Created From Experiences
Firm Value:
Brand, Sales, Market Share, Customer Equity, etc.

Source: Driton Sahiti (author)

SVIS moves from the old industrial paradigm, where value emerges in products and services, towards adopting a new Logic (Prahalad, 2004), where VP (creation and evaluation) is an emergent part of experiences, and is also an initial point for firms for adopting a new logic (Prahalad & Betis, 1995; Betis & Prahalad, 1986) for innovation and adopting new strategies (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004). Consequently, it is Holbrook's concept of consumer value considered as a form of evaluative types. His conceptualization best encompasses the value from social constructionist and fits perfectly with the SBL view that value is determined by the beneficiary and phenomenologically assessed (Vargo & Lusch, 2004; Lusch & Vargo, 2006a).

The Holbrook's conceptualization, as presented in Table. 6, is further considered in SVIS framework.

3.7.1 Strategic Value Innovation SERVICE – Framework

SVIS framework is founded upon the logic that value is created and evaluated as per SDL, which is elaborated in literature review. SVIS framework is combined with key frameworks chosen from the ones described earlier, by combining their strength and eliminating their weaknesses (frameworks, theories, logic) using special conceptual goals as advised by MacInnis (2011) e.g. *identifying revisioning, summarising and integrating* in order to come to new conceptual contribution.

From the literature it is obvious that the SVIS starting points are service based logics thus: SDL (Vargo & Lusch, 2004, 2008, 2016), Service Logic (Grönroos, 2006a, 2008, 2011), CDL (Heinonen, et al., 2010, 2011, 2013); influenced by CCT (Arnould & Thompson, 2005; Arnould 2006, etc.) and RATh (Hunt & Madhavaram, 2006a; Hunt, 2010). Holbrook (2006a) acknowledges the need for a new framework "the cope and poker of Vargo & Lusch's conceptualization and presentation… the force of their argument might have surfaced even more clearly had Vargo and Lusch provided some sort of Diagram, picture, or other visual aid to organize the key components of their service-centred perspective," (p.210). Although Holbrook (2006a) has stated the need and given a "diagrammatic representation" (see Figure 18) it was presumably not his intention to make it "managerial friendly"; however he has evoked an idea for creating such a diagram that could eventually be academic contribution, but would be considered practically as well (Brown & Patterson, 2009).

SVIS's main goal is to provide that needed diagram for a new SBL that integrates efficiently components from the service centre perspective's schools of thought. In this way SVIS will not only make it easier to understand the new logic but also expand the existing one into an all-encompassing Service Based Logic (SBL), named SVIS Logic. For this reason I will refer in the future, to the SBL and SBL, also as a SVIS Logic.

Figure 18. Holbrook's ROSPEKICECIVECI Schema for a SDL
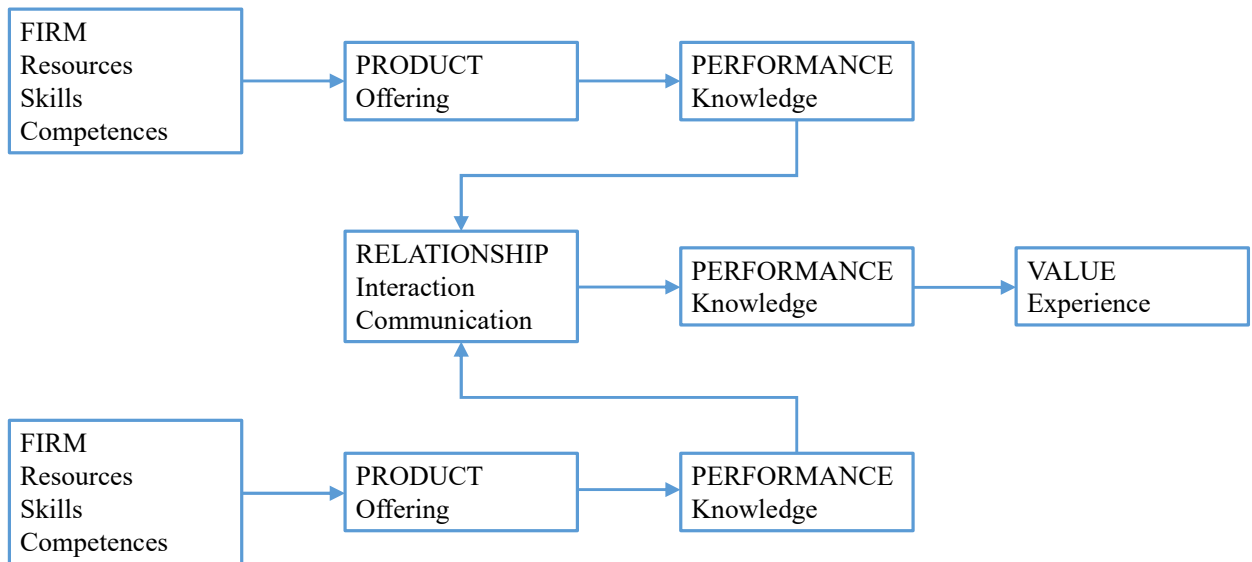
Source: Adopted from Holbrook (2006)

Considering the challenges that today's managers' face in strategic and operational issues as well as the pressure of, "how to continuously innovate?" (Paton & Karunaratne, 2009) and to stay competitive, SVIS enables actors to better understand VP and provides a road map for addressing challenges. This is important in times when maximizing the effectiveness and efficiency of the activities for creating customer value (Slater, 1997). Furthermore, SVIS is a novel tool for finding uncontested market space, for innovating a new value for customers, (Kim & Mauborgne, 2005).

The crucial fame/recognition of SDL is based upon the presentation of a new logic for creating a value. As such, SVIS considers VP from two integrative notions, those of value creation seen as process (journey, verb) and value evaluation, or determination (or evaluative moments) seen as (value) types.

The value creation process is considered as a starting point by Ballantyne & Varey (2006) and Gummesson & Mele (2010) and is conceptualized as: **actors** co-creating value during **Interaction** (exchanging knowledge) and **Integration** (matching) of **resources**, within a context. During these interactions, there are multiple value creation types such as, 'value-in-exchange' and 'value-in-

use', 'value in experience', 'value in social practice', 'value in ecosystems', 'value in (social) context', etc. This conceptualization involves different constructs, such as experience and practice, out of which value emerges.

Value evaluation types as conceptualized by Holbrook (1999, p.9), are "interactive relativistic preference experience… that the relationship of consumers to products (subjects to objects) operates (depending on relevant comparisons, varying between people, changing among situations) to determine references that lie at the heart of the consumption experience". It is understood that "interactivity" aspect is the most suitable for considering Holbrook's (1999) conceptualization within SD Logic as it offers a solution for designing marketing strategy (Holbrook, 1999). SVIS framework is based upon Holbrook's Typology of Concept of Consumer Value (CCV) (Holbrook, 1999) as described in Table 6, despite Smith & Colgate's (2007) criticism towards CCV for being not suitable in business contexts. Nonetheless, a main reason for considering Holbrook' CCV is the fact that any other types of value from the other early presented frameworks could equally be sorted into one of the four main types of Holbrook's CCV.

On the provider side, SVIS framework contemplates the operant and operand resources as described by the RATh (Hunt & Madhavaram, 2006a). The RATh is chosen as it is based on a Resource Based (Theory) View; it integrates business and marketing strategy; it demonstrates how the micromarketing subjects fit into the broader macro-marketing topic of competition; and it also provides a foundation for SDL (Hunt & Madhavaram, 2006a; 2006b), and, as such, it is decisive to the SVIS framework.

Keeping that in mind, creation of value happens through the interaction of resources between actors in a particular context (firm-object and consumer-subject) and ultimately providers' resource transportation occurs through "tools' such as: Experience providers (Schmitt, 1999) or "sources of value" (Smith & Colgate, 2007) and the 7Ps frameworks, known as (services) marketing mix, than, taking in to the consideration the 7P's into account for SVIS framework is best way for a number of reasons.

Firstly, all the above-presented concepts have no clear conceptualization as the 7Ps; Secondly, individually, any of the elements, either from "Experience providers" or "Sources of Value", can

be categorized under the 7Ps; finally, 7Ps are more "consumer friendly", and are well-known and well-used marketing concepts. Indeed, they can be used as a "bridge" for all kinds of product and service companies for moving from the old to new paradigms in Marketing. As Levy (2006) confirms, "people still manage, work with, and study commodities, institutions, functions, and the marketing mix" (p.456). Nevertheless, SVIS is flexible enough, and allows freedom to choose other "value initiators" that could be more suitable to a firm or situation.

From the consumer side, CCT has, especially from the consumer resources perspective, provided foundations for SDL propositions (Arnould et al., 2006), and it is strongly related to consumer research, which in turn is the basis for Holbrook's CCV definition. CCT work is stimulated by social, cultural, physical and economic relationships in society. Consumers' operant and operand resources emerge from these fields which are also foundations for identifying and initiating the particular consumer value, and consequently of marketing strategy. (Arnould et al., 2006; Arnould & Thomson, 2005). As already conceptualized, experiences are constructed out of an interaction between providers (object) and subjects (consumers), which means that consumers also initiate and subsequently define the value, and not the provider, which can actually facilitate the consumer's value creation and, in some cases, eventually co-creating but not creating in advance (Grönroos and Vioma, 2013).

SVIS considers Gentile, et al.'s (2007) dimensions of customer experience (Figure 19), because they are the outcome of SEMs (Schmitt, 1999; Brakus et al., 2009) and Forninos, et al.'s (2006) dimensions of customer experience.

As stated under the concept of "value initiators" from the consumer side, they are as follows: Sensory (jointly the physical part and the sensorial dimension), Emotional, Cognitive, and Pragmatic (which takes into account the aspects related to the human-objects interaction), and Lifestyle (Schmitt, 1999; Fornisnos, et al., 2006; Gentile, et. al., 2007; Brakus, et al., 2009). Finally, it has been summarized from the concepts chosen above into the SVIS.

Considering that value results from experiences (Prahalad & Ramaswamy, 2004, Helkkula, 2011, Helkkula, et al., 2012a, Jaakkola, et al., 2015), and value is defined by the customer (Grönroos, 2006a, 2008; Vargo & Lusch, 2008), the first issue considered is that provider and consumer do

not stand *apart*, but *next* to each other. This SVIS element is based on the strategic experience matrix introduced by Brakus (2009), with inputs from Gentile, et al. (2007) "the general framework" (Fig. 19). In addition, the goals and life projects of actors (firm and consumer) are considered during the interaction of resources, as presented in Arnould et al., (2006). These goals from the consumer side are classified as the types of value that consumers (Holbrook's CCV) evaluate and want to achieve during interaction.

Figure 19. Firm – Consumer Interaction
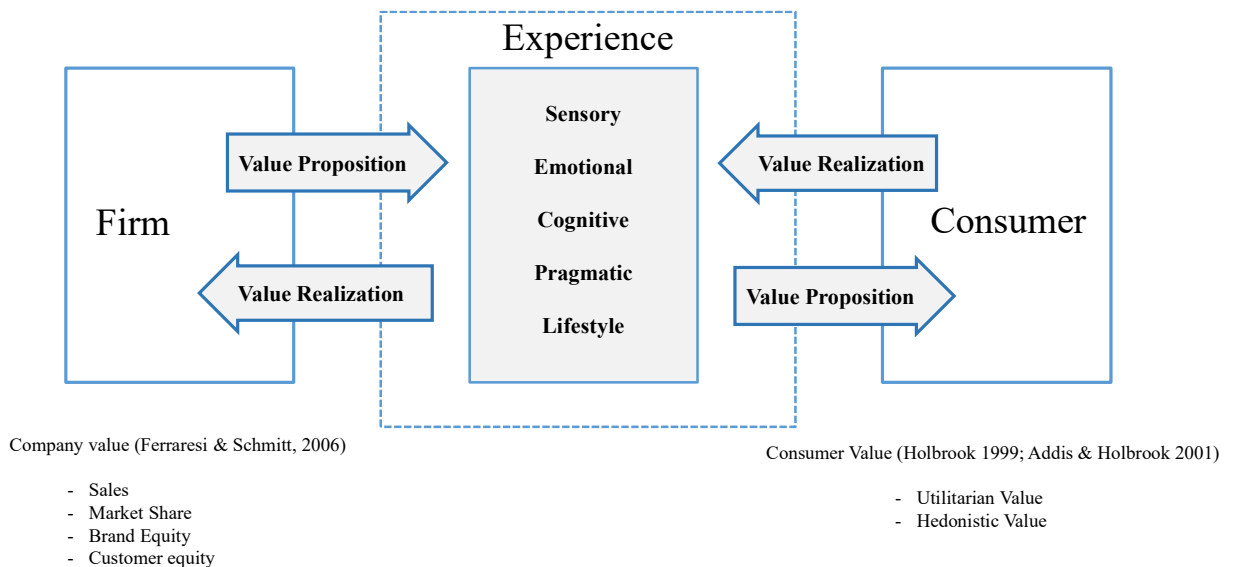
Source: Adapted from Gentile, et al. (2007)

From the firm-perspective goals, firms want to capture value during the interaction and integration of resources with the consumer, which are actually value types based upon the Schmitt's (2003) framework such as: stock price, profitability, customer live time value, brand value, sales, market share, customer equity, and non-economic strategies outcomes.

In this chapter it is demonstrated how the first phased of the Hermeneutic Cycle of Understanding (Figure 4), namely *creating of understanding* (Figure 9) has happened. As a result of this phase of understanding the SVIS framework that incorporates the key concepts from different marketing streams has been presented.

On the upper side from the firm side, SVIS Framework considers the 7Ps as tools for transporting operand and operant resources and to initiate value, hence as value initiators (since firms can just initiate a value but not create), in interaction. On the left side of the framework, there are consumer value initiators or eventually can be called a value contributors. Consumers are seen in many cases as reactive and they contribute with their resources in value emerging experiences and social practices. From the consumer side, analogous to 7Ps, experience models are taken into the account, namely Sensory, Emotional, Cognitive, Pragmatic and Lifestyle are considered as a consumer tools (for initiating value) for transporting their operand and operant resources. Finally, the interaction of the resources between these two actors, in particular context, creates experiences and special practices, out of which value emerges. The value that emerges is known as value that is evaluated by actors, whereas consumer evaluation type is considered Holbrook' eight types of the CCV, in provider's side there are usual rather objective types such as Stock prices, profitability brand value, etc.

The first phase has shown that Value is not only perceived (evaluated) in many types, but also created in different levels of contexts that leads us to continue to *advance the understanding* that will be done in the next chapter.

Chapter 4 – Advancing Understanding – Taxonomy of Value Creation Types

Continuing the pursuit of "Understating the value", the research objective of the second part of the Literature Review is to provide the foundation through *Advancing Understanding* (Figure 20) for a *Taxonomy of value;* this will be the second major contribution of this thesis, building upon the SVIS discussed and developed in Chapter 3.

The starting point is the interactions of value creation in Service Based Logic (SBL) namely value in: exchange, use, experience, social practice, social ecosystems, networks, social context. The

Chapter concludes with a two dimensional (individual and contextual) taxonomy, involving two key constructs, experience and social practice, out of which value emerges.

Figure 20. Advancing Understanding

Hermeneutic circle of the research

Advancing understanding
2010-2014

| Literature Review as DATA – Middle Theories | Involving |
| Services Marketing SL, SDL, CDL, CCT, RATh, Holbrook's CCV, SS | Macro and Meta Theories Social Constructionists Theory |

identifying concept(s)
Analogical reasoning
Osbeck 2014

Analysis
- Returning to the literature continuously

Sensemaking
Theorizing
Step#3 Develop on/several Concepts
Step#4 Push Further – perhaps develop a metaphor, an analogy,
a typology a classification
Swedberg 2012, 2016

Context of Discovery
The form in which thinking process are subjectively performed
(Reichenbach, 1938)

Integrating harmonize and synthesize compare (MacInnis, 2011, 2014)

inference to best possible explanation) –
Abductive Reasoning
Osbeck 2014

Theory
Swendberg 2012, 2016

- Conceptualizing the theoretical approach
- Identifying Value creation types
-
- **Presenting a Taxonomy of Value Creating Types**

Context of Justification
The form in which thinking processes are communicated to other persons
(Reichenbach, 1938)

Research Objective #2:

To identify and develop the Taxonomy of the relationship between Value Creation Types

Source: Driton Sahiti (author)

4.1 Interaction as starting point of value creation

Understanding how value is created has been a key research objective and topic of discussion for many years. Original efforts focused on the marketer's perspective rather than the interaction between markets and buyers, and contained very little behavioural perspective (Sheth, et al., 1988). The logic was that value was produced by providers and consumed by customers. Later, the view developed to consider human behaviour, interactions (Alderson, 1965), however value was still considered to be embedded in the purchased goods.

During the 1970s, 1980s, and 1990s, service marketing literature maintained that services and goods differ, and services are often defined in relation to goods. This thought has evolved during the 1990s, a new opinion emerged in which, from the perspective of consumption and value creation, fundamental differences between goods and services were raised (Grönroos, 1994). Vargo & Lusch (2004, 2006, 2008) and Grönroos (2004, 2005, 2006) reinitiated the debate, and later defined value as being something the customer creates in a subjective process, something that has been eagerly discussed within research in service marketing since the 80's, particularly by Nordica School. The interactive process between firm and customer has been dynamically discussed over the past decade (Grönroos, 2008; Vargo, et al., 2008; Heinonen, et al., 2010; Edvardsson, et al., 2011).

The literature review on the value creation concept in this thesis explores how different schools of thought have conceptualized how value is created for the customer. This will enable a better understanding of value co-creation.

Generally acknowledged is the move from value-in-exchange to value-in-use (e.g., Holbrook 1994; Ravald & Grönroos 1996; Ballantyne & Varey 2006). SDL and SL in parallel expanded the concept of value-in-use, and this expansion is purposefully highlighted by both logics.

However, novel perspectives of value creation have emerged, mainly initiated and influenced from a Nordic School of thought, like the SL and CDL: value-in-context and value-in-social practice (life) (Vargo, et al., 2008; Voima, et al., 2010; Edvardsson, et al., 2011) followed by Helkkula et al. (2012a) with value-in-experience.

Numerous definitions and categories of value have been proposed, but three perspectives emerge: *value-in-exchange* is the earliest and most widespread view, customers perceive value in the exchange of a product for the price they paid (Zeithaml, 1988); *value-in-possession*, when customers perceive value in the public and private meanings of possessions (Richens, 1994a, 1994b); and *value-in-use* when customers perceive value through the use or consumption of a product or service (Woodruff, 1997).

Additionally, other concepts include value-in-service systems (IBM initiated Service System approach). Value-in-Service Ecosystem (Vargo, et al., 2014; Lusch, et al., 2016) and value created by institutions and institutional arrangements (Vargo & Lusch, 2016) are an extension of SDL. In particular, SDL, SL, and CDL essentially highlight different philosophical perspectives on value evaluation and value creation.

Why and how is *customer value phenomenon*, hence *creation and evaluation*, involved in this novel perspective for value creation?

Despite a customer VP logic conversation, it is worth noting the roles that different actors (provider, consumer, etc.) have during the value evaluation act and especially in the value creation process.

4.1.1 Interaction Context

According to (Vargo & Lusch, 2008) 'value creation is interactional' (p.7) and it takes place between the beneficiaries and network actors (co-creation/exchange of resources), then the interaction context is a focal point in the beneficiaries' experience, although interaction may not be necessary (Gummerus, 2013).

Many *value creation practices* exist behind the scenes of the customer's thought processes (Caru & Cova, 2003) where the firm doesn't have access and cannot interact with the consumer (Grönroos, 2008; Heinonen, et al., 2010, 2014). As such, some evaluation acts of VP are the result of direct interaction, while others may be as result of the prior, and after the direct experiences

based on the phenomenological approach (e.g. example, when consumers try to report their personal experience).

For that reason the *interaction context* is important in order to identify the space and interplay between different *levels of context* (micro, meso and macro), which are the result of dualities (interplay) between different concept dimensions and elements, such as *structure and agency, interaction and resources, experience,* and *social practices*. These subjects and specially *actions and actors* and the *duality between agent and structure* and *micro and macro* are a focal point during the major reconsideration of social theory by authors as diverse as, Pierre Bourdieu, Michel de Certeau, Anthony Giddens, Margaret Archer, Luc Boltanski and Laurent Thévenot.

While, Bourdieu (1972/1977) launched the notion of the *habitus* to allocate space for preference and individual distinction, while De Certeau (1984) concluded that tacitly determined short term choices. Most of all, sociologists have considered the two notions of *agency and structure* (Reed, 2003). While some Emirbayer & Mische (1998) and Giddens (1979, 1984) see the interplay between *agency and structure* as possible, on the other side Archer (1988) considers interplay as impossible and culture offers individuals the opportunity of legitimate choice; followed by Boltanski & Thévenot (1999) who stand for social order which needs to be preserved by subjectively acknowledged and consequential propositions of justification.

The interaction between *structure and agency* is analogous to the interplay between the *micro and macro* relations which result also in the intertwining between *experience and social practice* and thus of different *value creation types*. Subsequently, it is important to conceptualize different levels of interaction between actors' resources in a context that will be done next.

4.1.1.1 Context-specific facet

Following the notion of multiple relationships, interplay and dualities, the literature acknowledges the important role of the customer's external and social context in the assessment of CV (Voima, et al., 2010; Edvardsson, et al., 2011). In doing so, the idea of the customer, just like the company, being embedded in a system of other actors is expressed (Vargo & Lusch, 2004).

In this complex system, the customer acts as a *resource integrator*, simultaneously combining various resources for value creation, implies that the customer uses his/her own resources (i.e., knowledge and skills) and the resources of other actors (Akaka & Chandler, 2011; Akaka, et al., 2012; Edvardsson, et al., 2014). Hence, *consumer value* (CV) is dependent on a different network of competences and resources.

While the previous literature has recognized CV's reliance on the context, SDL and CDL have emphasized and further developed this idea. One of the first influential conceptual articles was put forth by Edvardsson, et al. (2011) it applied *social construction theories* to point out the significance of the social context for value creation under the SDL. Within this SCTh grounds, four propositions are defined by Edvardsson, et al. (2011), two of which hugely underline the position of the social dimension of value, namely, (1) that, "...[V]alue has a collective and intersubjective dimension and should be understood as value-in-social context" (p.333) and (2) "… the way in which resources are assessed depends on the social context" (p.334): the social context as an important dimension for creating and evaluating value.

CCT and lately CDL argue in a similar manner, stating that the dyadic approach that was historically used is not enough to display the complex construct of CV (e.g. Voima et al. 2010). Hence, this logic also highlights that the customer is socially-embedded, interacting with other groups, such as other customers. Compared to SDL, the CDL more strongly emphasizes customers within his/her specific context, thus ecosystem. In summary, while the social context gets emphasized by both logics, the CDL fully takes in the customer's perspective (Voima et al. 2010).

4.1.1.2 Different level of context

One of the key areas where the importance of context is highlighted in Akaka et al., (2013); here the emphasis is placed on the dynamics and the complexity of social context, by looking through the service ecosystem lenses, it is suggested that defining value creation and exchange (Chandler and Vargo, 2011) is subject to: the multiplicity of resources, (2) the group of institutions, and (3) the performance of the remaining practices in a particular context. The diversity of resources is subject to different levels of interactional context:

(1) *At a micro level* – actors are individuals (employees) that interact and integrate, thus exchanging resources with other actors and during this process expand their operant resources, (knowledge and skills) by creating value which emerges out of *experiences*.

(2) *At a meso level* – actors are firms (or group of firms) that are seen as a bonding of the networks of operant (and operand) resources (Akaka, et al., 2013), and the *societal capabilities of individuals and communities*. At this level value is created during the integration of (operant and operand) resources among *firms and industries* that they belong, as well as individuals and their appropriate *communities*.

(3) *At a macro level* – bigger *networks, ecosystems and social systems* are at the center of focus, similarities to countries that are exchanging rare resources and are seen as opportunities to search for operant resources which can further enlarge states' joint knowledge and skills.

In addition, Akaka et al. (2013) highlights the importance of *multiplicity of Institutions* (<u>beliefs, values, attitudes, norms</u> and their relationships); as does Edvardsson, et al. (2011) and Vargo & Lusch (2011) who were motivated by SCTh. Social ecosystems, networks, institutions are not explicit and static but interactive and value co-creation is happening through the integration of resources (Vargo and Akaka, 2012). By concluding that characteristics such as the multiplicity and relationship of actors, institutions (social structures) and subsequent social networks and ecosystems (Sewell, 1992), have impact on the complexity of context. Those are further synchronized by signs and symbols belonging to those common institutions inside social systems that are initiated by the service exchange (Venkatesh, et. al., 2006).

Impact of the Institution in global international markets has been accepted by a variety of researchers (Peng, et al., 2008). Probably the most known influence of this kind is Hofstede's (1980) recognition of national cultures on manager's actions. His culture consideration of five dimensions: *individualism, uncertainty avoidance, masculinity, power distance,* and *long-term orientation;* is used frequently for analysing the consequences that institution's produce on attitudes and behaviour (Griffith, 2010). Hofstede et al.'s (2002, p. 200) conceptualization on institution is that, "institutions are the crystallizations of culture, and culture is the substratum of institutional arrangements." He further elaborates that, institutions are formed from national

culture and are not separate or distorted as they are "patterns of thinking, feeling and acting that differentiate one country from another and continue to be transferred from generation to generation" (p.200).

This *multiplicity of levels of context* is outlining the value co-creation in meso and macro exchange which is an expansion of the focus from micro level value co-creation, represented for example in international marketing research, as presented in Figure 21.

Figure 21. Embeddedness of Interactions in Service Ecosystem
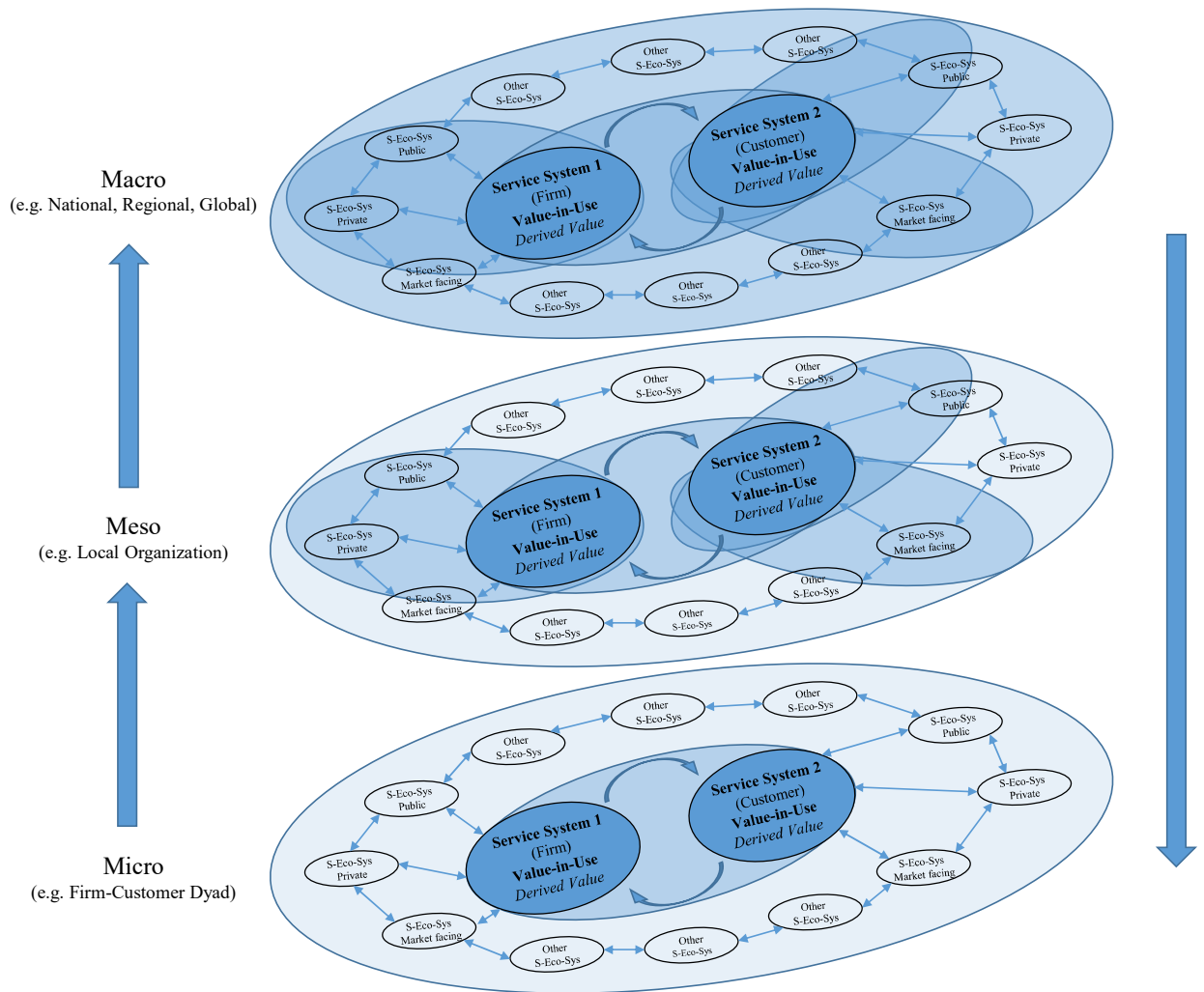
Source: Adapted from Vargo & Lusch (2012)

Figure 21 illustrates the vital roles of *institutions and practices* in constituting *social contexts* when actors integrate and (re)create (i.e. innovate) diverse resources in their tentative to create value.

In summary, taking a *service ecosystems* viewpoint is to consider micro, meso, and macro level implications of institutions of interaction, in addition to a meta level (Chandler & Vargo, 2011), that offers a view on the advancement and relation of those interactions. Thus making it clear that similar, crossover and conflicting institutions are a foundation of complexity of context and necessarily the stable differences (laws, currencies language) among national states and cultures (Hofstede, 1980).

Moving up to the next level, the unit of analysis is the firmand/or community of consumers (e.g. brand community); directed by institutional rules to create a value out of a particular value proposition offered by a firm. Both can be seen at the meso level interacting.

Finally, the market can be seen at a macro level. Vargo & Lusch (2016) conceptualize markets with influence by the Institutional Theory seen as institutional arrangements between multiple actors, a conceptualization based on concept *multiple market practices* (Kjellberg & Helgesson, 2007). They even move towards the meta level and treat society as macro-service provision institutions as noticed by Frow, et al. (2014).

This approach considers VP activity between actors in service ecosystems that mainly arise throughout three levels:

At a <u>micro-context</u> or a "focal factor" (Frow, et al., 2014, p.332), here activity (process of creation and act of evaluation) emerges in "the classic dyad" Gummesson (2008, p.45), a binary interaction, where a direct service-for-service exchange takes place (Barney et al. 2001; Madhavaram & Hunt 2008; Chandler & Vargo, 2011). While on the other hand, when indirect *service-for-service exchange* happens throughout a triad, then it is a <u>meso-context</u>. Meaning that, apart from direct interaction between actors there is also indirect interaction with other actors involved as a "stakeholder system" (Frow, et al., 2014, p.332), in value activity (Gummesson, 2006; Grönroos, 2006; Chandler & Vargo, 2011). Finally, when the interaction and integration of actors' resources create *value networks in a context* where they operate, then there is a talk about

the *macro-context* (Gummesson, 2006a, 2006b, 2008), thus of the "service ecosystem" Frow, et al. (2014, p.332). The emergence of value out of this complex network is the result of the impactful interaction of micro and meso levels on the macro levels and respective direct and indirect *service for service exchanges* (Achrol & Kotler, 1999, 2012; Felzenstein & Gimmon, 2009). This sets the scene for the exploration of VCT in the following sections and Chapters.

4.1.2   How does Value creation and evaluation happen in different contexts?

The question that triggers the value creation process is: what the relationship between value in exchange, value-in-use, value-in-experience, and value-in-practice and value-in-social (eco) system? These types of value creation will be considered on the individual and social levels (realms), thus identifying the relationship of level of context with the constructs such as social practice and experience and the dimensions of those constructs; interactions, actors, resources and context; and finally the total relationship between the value creation types. This will be achieved by continuously zooming in and out.

The process of zooming-in at the individual (micro) level of context and zooming-out at the meso and macro to the social level of context recognizes that the value creation journey takes place both individually and in a *social ecosystem* (Leroy, et al., 2013; Lusch & Vargo, 2017;). Thus the individual aspects of value creation are studied through the *experience* perspective by involving phenomenology as macro theory and *hermeneutic cycle* as conducted by Helkkula, et al. (2012); Kelleher & Peppard (2011). In addition, many scholars have taken into the consideration an analysis of context, mainly through *practice-focused* research (Korkman, 2006; McColl-Kennedy, et al., 2012; Ellway & Dean, 2016)

Leroy, et al. (2013) suggest that zooming-out on the macro level of value creation has been done continuously by Vargo (2008, 2009) and what the value creation process needs is a move towards zooming-in, in order to investigate and appreciate the complexity of VP at the micro level of analysis. For that reason, in order to better understand VP, I consider that the micro, meso and macro approach should be applied together, by synchronizing the lenses on *ecosystem (macro), practice (meso) and experience (micro)* level. This will result in another question: "how can I, at

the same time, zoom-in and zoom-out to identify the individual and contextual influences within the interlinking of *ecosystem(s), practice(s) and experience(s)* in the value creation journey?" The answer will be given through the taxonomy of value creating types.

Summing up, the intertwinement of three levels of context and featured constructs of *ecosystem, practice and experience* is widely uncovered in SBL, for example, Helkkula, et al., (2012b) clarifies that our understanding of value emergence from the micro level (experience) is strictly connected with the meso level (practice) context. Akaka, et al. (2015) highlight the importance of the macro context, thus cultural ecosystems, in the value creation journey.

To act in response to this difficulty and to follow my aim, in the following section, I further consider seven types of value creation, which are most often used in the literature in order to uncover and then extend the characteristics of different constructs and value creating journeys through these constructs and consequent contexts. The elaboration of those concepts will help achieve RO#2 by the end of this chapter.

4.2 Value Creation Types (VCT)

Several definitions referring to value creation exist. For example, Grönroos & Helle (2010) argue that not much is known about the process of value creation. Based on the literature review, several authors (Vargo & Lusch, 2004, 2008, Vargo, et al., 2008; Grönroos, 2008, 2011; Voima, et al., 2010; Edvardsson, et al., 2011) have debated value creation, and different definitions for value creation are used depending on the perspective adopted. In this study, the word "perspective" is used to describe the different views represented by the different logics in service research, especially SDL, SL, and CDL in addition to CCT, CB, etc.

The literature review on value creation reveals that the enthusiastic discussion about it over the past decade has largely stayed on the theoretical level and perhaps has led more to confusion than clarity. The study of value creation indicates the different schools of thought represent their own perspectives on value creation with different, preferred definitions such as: value-in-exchange, value-in-use, value-in-context, and value-in-social-context, value-in- social practice, value-in-

experience, etc. These definitions are presented in Table 5 (see subtitle 3.3.2 above) and further discussed in the following section.

4.2.1 Value-in-exchange

The exchange paradigm, defines the systems of value exchanges between diverse actors (individuals, firms, networks, etc.) (Bagozzi, 1975). That is evident especially on the supplier side as seen by who treats the pricing as key to the economic value which they want to capture (Bowman & Ambrosini, 2002), thus making price important at the special *moment of exchange*, where the provider gets money as *value capture*, as a compensation for costs of production and profit. In investigating the proposition of exchange theory for marketing, Bagozzi (1979,) emphasizes the totality of exchange in all appearances of human interaction:

> "Nearly every behavioural science studies exchange as an accepted domain of its respective discipline. Well-developed ideas on exchange exist in economics, sociology, psychology, and anthropology" (p.431).

A provider starts by analysing the market and customer needs and wants, and accordingly tries to design an offering (product or services), then it is up to customer if he or she wants to accept (or has a choice) or not as advocated by neoclassical strategic management (Porter, 1981; Barney, 1991). Value from this point of view is added to the offering during the production process and is often known as the "value chain" (Porter, 1980). This perspective is known as Goods Dominant Logic (GDL) (Vargo & Lusch, 2004, 2008) and leaves customers outside of the value chain-adding activity, given that value is already inherent in the offering. In this way they are treated as a unit which is separated from the market and as passive beneficiaries of value. Value is captured at the end of the value chain by exchanging money, therefore it is called value-in-exchange (Normann, 2001; Prahalad & Ramaswamy, 2004; Lusch & Vargo, 2006b; Vargo & Akaka, 2012). At this point it is important to reemphasize the advantages of SVIS as it places the customer and provider together rather than in opposition.

GDL considers value as being implanted in goods that are exchanged (Grönroos, 2006a), and that first and foremost is related with a physical product and its price. As a result, "services" then differ

from goods, by being characterized as *intangible, perishable, heterogeneous, and inseparable* of production and consumption (Zeithaml, et al., 1985). Since the 1970s, "services" marketing research was focused on identifying distinctions among the "services" and the "goods" (Rust, 1998; Grönroos, 2008), though this distinction is not as evident as initially assumed (Lovelock & Gummesson, 2004). However, this view is also characterized by expressions such as "distribution", "targeting", "producer", "consumer", "productivity", etc. in both "goods" and "services" settings, those implying GDL (Vargo & Lusch, 2006, p.52).

According to Normann (2001, p.97) calling a customer a "consumer" entails the thought that they consume the value, use it-up, wastes it, and hence are a destroyer of value (Vargo & Akaka 2009;). When seen from the value-in-exchange perspective that customer is (operand) a resource upon whom it is to be acted on and an honest relationship among actors (customers and provider) cannot be expected; value is embedded in the firm's offerings (Prahalad & Ramaswamy 2004, p.40; Vargo & Akaka 2009). The essential conception of value-in-exchange can be defined as a "market to" orientation (Lusch, et al., 2007).

4.2.2 Value-in-use

Value-in-use communicates the idea that value is created during the use of an offering (product or service), as opposed to the perspective that value is inherited through producing the product or service (e.g. Vargo & Lusch, 2004; Lusch, et al., 2007), thus, representing one key assumption of the SDL (Edvardsson, et al., 2011).

The interest on understanding value creation as a value-in-use, has come forward with a greater importance (Heinonen, et al., 2010) particularly since the introduction of SDL, despite the fact that analogous concepts have previously come into view in earlier studies (Alderson, 1957; Levitt, 1986). SBL researchers advocate the view that goods are employed by consumers as a service offering; service value is determined at the occurrence of its use, as value-in-use (Vargo & Lusch, 2004, 2006, 2008, 2010; Grönroos, 2004, 2007, 2009). Value-in-use derives from the *service experience* created through actors' interaction of their resources in a particular context (Arnould,

et al., 2006; Askengaard & Linnet, 2011; Akaka & Chandler, 2011; Akaka, et al., 2013; Akaka, et al., 2015).

Ballantyne & Varey (2006) further argue VP to be a construct evaluated in two (time-place) contextual situations; firstly "… exchange value is one kind of judgment of desirability and preference; and secondly, because a 'product' is a store of potential value, judging value-in-use is its confirmation" (p.339). This perspective brings another question, that is, where is value creating interactions defined, since the customer value assessment from the SDL point of view is far further than the point of exchange, namely to value-in-use and is based on reciprocal value propositions (Ballantyne & Varey, 2006). Since the provider can barely offer value propositions (offerings) while the customer is the one who assesses value and (co)creates it, a view firmly presented by Grönroos and colleagues, (Grönroos 2006a, 2006b, 2007, 2008, 2009). By adopting this view, that is, an interpretative perspective that assumes that value is subjectively created and evaluated, then goods cannot have an implanted value and they have value only as long as they serve our requirements. Thus, the evaluation of the VP of goods will change according to the needs of the beneficiary (Vargo & Lush, 2008) and the context (Holbrook, 1999).

Drawing from SDL, Vargo & Lusch (2004, 2006 and 2008) describe the service-centred view of marketing as a process of doing things in interaction with the customer, who is a co-producer, thus co-creator of value in *service for service exchange*. According to these authors, value is perceived (evaluated) and judged by the customer when using a product or a service (value-in-use), consequently the customer is always a co-creator of value. Enterprises can only offer their applied resources as value proposition; and then through resource interaction and integration the customer creates value (Value & Lusch, 2008). As a result, SDL and SL, consider value as perceived and determined by the customer on the basis of value-in-use, and the customer determines whether value has emerged.

Following the Nordic School's SL, Grönroos (2008) argues customer service logic relates to how customers create value for themselves and how they recognize value during consumption. According to Grönroos and colleagues (Grönroos, 2008; Grönroos & Ravald, 2011; Grönroos & Helle, 2010; Grönroos & Voima, 2013), customers are more interested in what they can do with goods (value-in-use) than in what they buy and consume (*value-in-exchange*). In practice, goods

and services may have exchange value in the short term, but in the long run, no (or low) value-in-use means no (or low) value-in-exchange; hence, value-in-use is the concept to build upon, both theoretically and managerially (Grönroos, 2008). Value-in-use is created in the customers' value-generating processes, since customers consume services, regardless of whether they buy goods or services. This again means customers create value for themselves, and firms should focus on understanding their customers' every day *practices* and value-generating processes. By adopting SL, creating interactions, and taking an active role in the customers' value-generating processes, a firm extents its role in value creation and become a co-creator of value, instead of having only the role of value *facilitator* (Grönroos, 2008; Grönroos, 2008; Grönroos & Ravald, 2011; Grönroos & Helle, 2010; Grönroos & Voima, 2013).

Customers are increasingly better informed and this erodes any notion of historical passivity (Prahalad & Ramaswamy, 2004). Those practices have influenced the concept that "value creation" should be considered as a "value-in-use"; thus, customers are active co-creators and sole evaluators of the value (Normann & Ramírez, 1993; Prahalad & Ramaswamy 2000). So value is only then proposed and it also exists as a possibility to be evaluated by a consumer as such until it is a potential resource that can be integrated into the value creating process (Grönroos, 2006a).

Customers use resources offered by the provider and add their own resources and skills (Heinonen, et al., 2010). The value prospective of the resources is then transformed into value-in-use. Then, in actors' (customer-firm) interactions and integration of resources in social *life practices*, a situational context is happening and co-creation and evaluation of value is then achieved in *practice* (Arnould, et al., 2006; Heinonen & Strandvik, 2009; Heinonen, et al., 2010; Helkkula & Kelleher, 2010). This view is represented mainly by CDL and CCT. As a result, value is created at the line of interaction among provider and a customer over time (Wikström, 1996; Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004, 2008; Lusch & Vargo, 2006b; Grönroos, 2006a; 2007, 2008; Lusch, et al., 2007;). Actually, it is generally not easy to recognize when value creation starts and when it finishes (Grönroos, 2006b).

The philosophical position of SBL is founded upon the concept of service as a viewpoint on value creation (Edvardsson, et al., 2005; Grönroos, 2008), thus placing a value-in-use concept at the centre of the debate. In this perspective is involved also CCT that considers customer operant

resources to be integrated in customer life practices life goals and projects in multiplex contexts (Arnould, et al., 2006). In this multiple context and customer practice value creation and evaluation processes is happening and that is where firms needs to engage, instead of selling "products" or "services" (Grönroos, 2007, p.28). Applying SBL perspectives implies that providers need to acquire continuously new competences and capabilities (Madhavaram & Hunt, 2008) that are necessary in order to offer value propositions so the customer can appreciate them as a value-in-use.

4.2.3 Value-in-Experience

Numerous scholars have discussed experience in service contexts (Pine & Gilmore, 1999; Firat & Dholakia, 1998; Addis & Holbrook, 2001; Sandstrom, et al., 2008), and the concept of experience has been characterized in many ways (Caru and Cova, 2003; Klaus & Maklan, 2012). Value is seen to come more from the relationship and co-creation process between a supplier and a customer (Prahalad & Ramaswamy, 2004, p.4) Customers can be involved in product and service development processes in different ways. In this context the talk is about *co-creation of value* or *co-creation of experience.*

The notion of *experience* entered the field of consumption with Holbrook & Hirschman's pioneering article of 1982, since then the conceptualization of *consumption experience* has gained more attention (Carù & Cova, 2007). Bourgeon, et al. (2006) and more recently Akaka, et al. (2015); Askengaard & Linnet (2011); Ellway & Dean (2016) and Helkkula & Kelleher (2010)) adopt this relational approach to value, and underline that value is inherent in the *consumption experience* itself.

First, *experience* has been characterized as being process based, which entails an understanding of service as a process consisting of different phases or elements that may be linked to experiential learning (Kolb, 1984; Edvardsson, et al., 2005). Second, *experience* has been characterized as outcome based, that is, as one element in models linking a number of variables or attributes to various outcomes (Flanagan, et al., 2005; Galetzka, et al., 2006; Menon & Bansal, 2007). Third, *experience* has been characterized as a *phenomenological experience*, which relates to the value

discussion in SDL, CCT and interpretative consumer research (Arnould & Price, 1993: Carú & Cova, 2005; Meyer & Schwager, 2007; Holbrook & Hirschman, 1982; McColl-Kennedy, et al., 2015).

The category of *phenomenological experience* is topical in SDL discourse, as its tenth foundational premise identifies value as being phenomenological (experiential) and meaning laden (V&L, 2008). While the concept of *phenomenological value experience* focuses on externally observable behaviour, it also incorporates imagined experience or behaviour (Helkkula, et al., 2012b). In their foundational premises, Value & Lusch (2008) preferred to use the word phenomenological instead of experiential, as *experiential* strongly connotes *hedonic experience*. Even if the focus on experience research has been on hedonic (extraordinary) experiences, such as river rafting (Arnould & Price, 1993) brand experience (Brakus, et al., 2009) Atmospheric experience (Babin & Attaway, 2000) music as experience (Carú & Cova, 2005) nostalgia and pictures as experience (Holbrook, 2006a) and how to offer a perfect experience (Frow & Payne, 2007).

Phenomenologists seek to uncover and describe how individuals experience and interpret their world (Reckwitz, 2002). The form of knowing associated with *phenomenological experience* involves the interpretation of individual subjective experiences. This relates to Husserlian phenomenology (Husserl, 1931/1967, 1936/1970), which focuses on individual subjective experience and how people make sense of it (Smith, 2007). In phenomenology, subjectivity and shared meanings are viewed as mental constructs of the conscious and unconscious mind (Reckwitz, 2002). When *subjectivity* is prioritized as a form of knowing, an individual's internal experiences, and how he or she makes sense of them, can be considered as data (Goulding, 2005; Langdridge, 2007). Smith (2007) characterized various types of *first-person experiences* including, for example, perception, imagination, thought, emotion, desire, volition and action. These forms of experience represent the range of access to different pathways for interpreting value experiences. Phenomenologists describe different methods for studying experience, namely describing individual lived experience, interpreting an experience by relating it to its context (hermeneutics) and analysing different types of experience (Smith, 2007). In addition, as value-in-experience(s) may sometimes involve indirect encounters with the service, they may be imaginary and illuminate individuals' preferences or latent needs (Matthing, et al., 2004; Helkkula, et al.,

2012b). Accordingly, *phenomenological experience* may not always be externally observable, and cannot be considered as evidence of what really happened. Thus, data relating to experiences can, but does not have to, provide an external replica of a practice that takes place (Valberg, 1992).

During value creating *practices*, consumers as carriers of those *practices* also have individual "*erlebenis*" (experience as verb) which they also interpret and evaluate phenomenologically. Individuals also have "*Erfahrung*" (experience as a noun), namely experiencing something and as a result to gain "knowledge and skills from it". In this study, *experience* is as verb *(erlebnis)* as per Heidegger (1962) and Husserl (1931) thus *experiencing the value creating practice*, and interpreting practices through a personal life world phenomenologically (hermeneutics). This perspective, illustrates experience as tacit, and subjective, and is the starting point of value creation out of experience, known as a, value-in-experience (Helkkula, 2011), which was initiated by Holbrook & Hirschman (1982) by emphasizing that fantasies, feelings, and fun are experiential aspects of the phenomenological experience of subjective consumption.

More recently, many authors (Akaka, et al., 2015; Helkkula, 2011; Ramaswamy, 2011), see experiences as interlinked and are influenced, and influence, different levels of micro, meso, and macro levels of individual and collective socio-cultural context. Hence, consistent with other service researchers, here a phenomenological approach to experience is adopted that is defined as individual's unique and context-bound, phenomenological interpretation of the value creation activity. It is directly implicated in whether value is instrumentally created or whether it emerges during value in-use (Grönroos & Gummerus, 2014).

Vargo & Lusch (2004), Holbrook (2006a, 2006b), Woodruff & Flint (2006), and Payne, et al. (2008), argue that value emerges at the point of consumption and that consumers perceive value through the consumption experience. Value as a complex and multi-dimensional concept (Sánchez-Fernández & Iniesta-Bonillo 2007; Sánchez-Fernández, et al., 2009; Askengaard & Linnet, 2011) which is created during value-in-use as a customer's functional outcome, purpose or objective that is directly served through the product/service of experience of consumption, Woodruff (1997) and Woodruff & Flint (2006), phenomenologically defined by beneficiary Vargo & Lusch (2004, 2008) is seen as emerging from experience, thus value-in-experience, which is best described by Holbrook (1996, 1999, 2005, 2006).

Holbrook, (2006b) deepens the link between value and experience: "value resides not in an object, a product or a possession but rather in and only in a consumption experience" (p.213). More generally, in experiential consumption research and consumer culture theory, value is not the object of consumption but in the consumption experience itself. Customer value is defined as "an interactive relativistic preference experience" (Holbrook, 2006b, p.212).

The notion of experience inside the SD Logic conversation is highlighted clearly by Vargo & Lusch (2008) who declare that value is phenomenologically determined by the beneficiary since it is value-in-use considered it is given experiential as well as social context, thus value-in-context, a concept related to the value that emerges out of experience (Vargo & Lusch, 2008; Akaka, et al., 2015).

Helkkula and colleagues (Helkkula & Kelleher, 2010; Helkkula, et al., 2012a; 2012b) postulate that value emerges out of experience, thus, value-in-experience, which is *inter-subjective* within groups of individuals, *intra-subjective* in individuals and is based on individually *sense-making* in a social context (Helkkula, et al., 2012a). Namely, value evaluation happens out of imaginary experiences in addition to *pre and during experiences* and the intertwining between those time difference moments (events).

Heinonen & Strandvik (2009) offer a theoretical model for exploring value created out of experience. This model proposed is four-dimensional in order to explore a perceived value, which is actually based on Heinonen (2004) work and is another contribution to NSoM. In addition, Voima, et al. (2011) expands the concept of value as generated as a result of experience, but they expand the locus of creation to the life of the consumer and his total experience.

That value is both *intra and inter-subjectively* evaluated as the outcome of *individual experiences* as well as *social practices* dependent on given contexts, created during activities that involve multiple actors is understood by many authors, such as Helkkula, et al. (2012a), McColl-Kennedy, et al. (2012), Heinonen & Strandvik (2015), and Ellway & Dean (2016).

Helkkula, et al. (2012a) note, value is a multi-dimensional construct that originates in a lived and imagined past, current and future experiences, and is both *individually and socially constructed*.

They further argue in another article (Helkkula, et al., 2012b) that "our sense making in relation to value experiences from a phenomenological perspective cannot (and should not) be divorced from the experience of value-creation practice itself. At a conscious and unconscious level, I experience ourselves and indeed others partaking and engaging in value co-creation practices" (p.563). Additionally, Heinonen, et al. (2013), see value as formed in "customers' behavioural and mental processes when customers interpret experiences and reconstruct an accumulated customer reality" (p. 109) and it reveals the experiential/hedonic of value creation. Sensory, behavioural, emotional, and relational and social are dimension of experiences that are identified in research done about luxury car consumption (Tynan, et al., 2014).

In order to understand value creation from the *phenomenological consumer experience*, Kelleher & Peppard (2011) proposed an integrative framework which will improve operationalization of the concept from a longitudinal perspective, which incorporates previous and future anticipated experiences in an existing one. Further contribution by Kelleher & Peppard (2011) is that this framework offers a better understanding of value creation from individual and social contexts by recognizing the influence of Addis & Holbrook (2001) who claim that a consumer "…is not isolated from the rest of the world …and is related to consumer whole world" (p.62) and Penaloza & Venkatesh (2006, p.311) call for "re-centring on consumers in the context of their life…". By doing that the organization's role as facilitator inside the interaction with consumers to co-create value (Prahalad & Ramaswamy, 2003) will improve by understanding *past, present and expected* individual and social consum*er experiences* and the 'totality of the human-being-in-the-world' Heidegger's (1962 [orig. 1927]) vocabulary.

As a result of this mainly conceptual article, Helkkula, et al. (2012b) defined a ''value-in-experience'' based on the phenomenological approach by focusing ontologically on subjective experience in a social context and proposing "that service customers make sense of and experience value in an iterative way, based on their previous experiences or understanding (i.e., preunderstanding)" (p.556), thus conceptualizing value-in-experience with four propositions which define value as created in experiencing the value within their phenomenological lifeworld contexts.

4.2.4 Value-in-Social Practice

Social theories consider *social practices* as key social unit of research for understanding other social constructs, such as *actors, interactions, resources, systems, structures, and institutions* (Bourdieu, 1972/1977; Giddens, 1984). In particular, Social Practice Theory(ies) deals with questions such as how social structures are produced and reproduced by agent activities, thus, interactions (Goffman, 1959; Bourdieu, 1972/1977, Giddens, 1984), while also recognizing the reverse impact that structure has on the individual body and activity (e.g. the notions of power and *habitus*).

One of the first to consider a practice-based approach in Service Research was Korkman (2006) in his PhD Thesis, as a representative of the NSoM. Customers' *value creation practices* are part of daily social life practices and the value is inherent in them. He sees value as being neither subjective nor objective since a customer is a carrier of the prevailing social practice and as such he is part of the total construct and cannot evaluate the value independently. This practice-based approach is in line with **"sobjective"** view by Pouliot (2007) who has taken a constructivist approach in his international politics study.

Value appears, as Korkman (2006) further argues, in interaction between subject and object in routinized doings (Warde, 2005). Interestingly enough, in opposition to Holbrook (1999, 2005) who treats this interaction between subject and object as a personal experience which is fully and subjectively created and evaluated, Korkman (2006) considers a more neutral view, and treats the customer evaluation neither completely individually nor fully socially independent, it is rather interdependent in the dynamic constellation of the practice. Korkman (2006) recognized 21 co-creation practices in his ethnography study of ship cruising, classifying them as per the carrier (subject) of the practices (i.e. family; parents; children) that has individual as well as collective value such as, "playing with each other" 'taking time off', family 'fine dining rituals' and children's 'looking for new actions'.

In addition, another contribution to the value creation conversation comes from Holttinen (2010) which combines SDL, Practice Theory and CCT in order to explore the value creation process in social practices. Holttinen's (2010) approach is similar to Korkman (2006), since she also

considers a *practice* as a main unit of analysis and as such is not offering but value creating practices where offering is part of those units and not a separate construct to be studied. She identifies that consumers can be fragmented based on the value creating practices in segments and can switch between those segments.

The discussed about value-in-practice is not just about the individual but also about collective (social) value-in-practice. For example, Schau, et al.'s (2009) study about brand communities exposed social networking and community activities as two significant types emerging Customer to Customer value, thus consumers' social (collective) value-creating practices. While Rihanna, et al. (2013) have looked at the *value creation practices* by music festival visitors as a group.

Interesting research based on Bourdieu's (1972/1977) practice theory, conducted by Ellway & Dean (2016) explains the intertwining between *experience and practice*. They identified how individuals, when they are engaged with their operand and operant resources in *practice*, are capable of expressing the value evaluation in experience placed in a social context. Despite that, the line between *experience and practice* is vague and expressing the value in the routinized and unconscious "doings" (Warde, 2005) thus practice is tricky, since the *experience* is rooted tacitly inside the *practice* and evaluation process is dependent on sense-making between past, current and imaginary events (Ellway & Dean, 2016). Ellway & Dean (2016) define practice as "what customers 'do' using service offerings and personal resources, including mental activities, to create value in their everyday lives." (p.303).

Value creation research in SBL is based upon Bourdieu (1987), Giddens (1984), Reckwitz (2002), and Warde (2005) studies. And the most used conceptualization is that of Reckwitz (2002), who defines practice as: "routinized behaviour, consisting of several interconnected and essential elements: bodily activities, mental activities, "things" and their use, background knowledge and understanding, know-how, and states of emotion and motivation" (p.250). This conceptualization is also in line with Warde's (2005) perspective that sees practice as entailing mental processes in the routine "doing" which is founded on the past. In addition, Schatzki (2001) defines social practices as "embodied, materially mediated arrays of human activity centrally organized around shared practical understanding" (p.11), is also considered in SBL discussion.

Korkman, et al. (2010) argue that practice theory offers theoretical lenses to examine how resources are integrated and value is created. Furthermore, they argue that value is created through actors' engagement in contextually-implanted practices (doings) and integration of socio-cultural resources and firms' interaction is motivated by offering value propositions which entail resources that consumers can integrate into their value creation practices. Fewer studies consider value creation from this perspective according to Korkman, et al. (2010). Notable research is found in McColl-Kennedy, et al. (2012) who identified customer value co-creation as a value in practice by using a social practice theory as a conceptual framework. These authors identified a number of potential aspects linking typical practices, normalizing practices and integrating practices, thus containing mental practices, physical actions and interactions.

An interesting view on practice is the interlinking compering and intertwining between *consumption and practice* which some authors (Warde, 2005; Show, et al., 2009) have studied. For example Warde (2005) consumption is not itself a practice but is, rather, a <u>moment in almost every practice that can probably be reflected as circulated practice</u>, one that emerges repeatedly and during different situations, however it is not an integrated practice. Since according to Warde (2005) consumption happens without noticing during other activities such as driving, eating, or playing and is unavoidable, temporary, and happens habitually completely tacitly. In this way Warde (2005) is trying to answer the sociological questions related to practices such as, "…Why do people do what they do?", and "How do they do those things in the way that they do?..., which will necessarily be historical and institutional" (p.140) and is based on theories of practice which underline processes such as habits, routines, practices, consciousness, tacit knowledge, tradition, etc. So, theories of practice emphasize processes such as habituation, routine, practical consciousness, tacit knowledge, tradition, and so forth. Performance in a familiar practice is often neither fully conscious nor reflective.

In this line, Askengaard & Linnet (2011) argue that it is vital to reflect consumption as a practice and to consider theoreticians of practice such as Giddens (1979) and in particular the conceptualization of Bourdieu (1972/1977, 1984), as appropriate for this adjustment of our epistemological tool.

Once again, Reckwitz's theory of practice is being relevant in this discussion, when he states that, "the social world is first and foremost populated by diverse social practices which are carried by agents" (p.254). On the roles that individuals have in practice, he further adds:

> "As carriers of practices, they [agents] are neither autonomous nor the judgmental dopes who conform to norms: They understand the world and themselves, and use know-how and motivational knowledge, according to the particular practice. There is a very precise place for the 'individual' – as distinguished from the agent . . .: As there are diverse social practices and as every agent carries out a multitude of different social practices, the individual is the unique crossing point of practices, of bodily-mental routines" (Reckwitz, 2002, p.256).

One can conclude from Reckwitz's (2002) statement that an individual's configurations of consumption are the totality of the moments of consumption which occur as the sum of his or her practices.

4.2.5 Value in-social-ecosystem

In their expansion of the SDL, Vargo & Lusch (2011) launched another notion, that of the *service ecosystem*. A *service ecosystem* view offers a fresh take on the value (co)creation concept, since it considers interaction between multiple actors and their resources (Akaka, et al., 2013; Lusch, et al., 2016), and the consequences of mutual reliance, modification, and development (Frow, et al., 2014) as the core of the phenomena of study.

Service ecosystems (Vargo & Lusch, 2011; Frow, et al. 2014) can be argued that initially were seen as "service systems" (Maglio & Spohrer, 2008) are constructs where actors create value through networks are conceptualized by Vargo & Lusch (2011) as follows,

> "A service ecosystem is a spontaneously sensing and responding spatial and temporal structure of largely loosely-coupled, value-proposing social and economic actors interacting through institutions, technology and language to (1) co-produce service offerings (2) engage in service provision, and (3) co-create value". (p.185)

In opposition with the conventional observation on dyadic transactions between customers and providers, a service ecosystem view highlights many-to-many interactions and integrations of

resources between multiple actors (Gummesson, 2007). Service ecosystems is conceptualized as per SDL by Vargo & Akaka (2012), which is relatively self-regulative, adaptable systems of value creating actors participate in service for service market exchange through established norms and rules.

By taking the SDL standpoint, service ecosystems are viewed as entities with multiple actors who interact in both full view of the front-stage and back-stage in the institutional and structural contexts of value creation practices. Those interactions and practices are performed by institutions as a key role in service ecosystem's continuous adaptation (Edvardsson, et al., 2014; Vargo & Lusch, 2016), which are influenced by actors' capability to enter, adjust, and integrate resources in a given context in order to create value. (Edvardsson, et al., 2011; Akaka, et al., 2012; Pinho, et al., 2014).

Vargo & Lusch (2016) have shown that value creation employs resource interaction and integration of actors through lived experiences in embedded and inter-related *service ecosystems* within a given context, by highlighting the role of *institutions* (rules, norms, meanings, symbols, practices) and institutional arrangements (interdependent assemblages of institutions), as main concepts that drive value creation practices (Vargo & Akaka, 2012; Edvardsson, et al., 2014). They are key influencers of a mutual context for value creation as well as evaluation of multiple actors and their ecosystems. This is noticed in particular at a macro level, where it uncovers *belief, values, norms, rules, laws, systems* (considered as institutions) that impact (enlarges and limits) and is effected at the meso and micro levels of actors (Vargo & Lusch, 2014). In the study of symbols in *service ecosystems*, Akaka, et al., (2014) provide important insights to understanding value co-creation from the perspective that service is value co-creation, suggesting that customers are part of the value creation process (Spohrer & Maglio, 2010).

Through the macro level perspective Vargo & Lusch (2011) highlighted the significance of *institutions* seen as the "rules of game" (Williamson, 2000). Institutions dictate and drive interaction and integration between actors in order to create value and are seen as social norms accepted as *institutional(ized)* logics (Friedland & Alford, 1991; Thornton & Ocasio, 1999, 2008). From a *service ecosystems* view, *institutions*, and more specifically *institutional logics*, are a central aspect to value co-creation because they enable and constrain the actions and interactions

of actors. Thus, the consideration of *institutions* in value co-creation is important for conceptualizing *the social context through which value is co-created and evaluated* (Edvardsson, et al., 2011). It is important to note that *institutions* not only influence the interactions that guide value co-creation but also influence the evaluation and determination of value that emerges out of the integration and exchange of resources. Accordingly, Chandler & Vargo (2011) view *service ecosystems* as composed by multiple sub-ecosystems that intersect and overlap through micro, meso, and macro forms of social interaction comprising the inter-institutional system (Thornton, et al., 2012).

Each of these nested levels of interaction is guided by varying sets of institutions and institutional logics and, thus, value co-creation is driven by multiple levels of interaction as well as varying institutional logics. For that reason, understanding a value creation process within service ecosystems it did happen by extending SBL through a social constructivist view, since it offers a philosophical stance as a basis for it and extra research is needed to understand the VP that emerges out of service ecosystems (Akaka, et al., 2012; Edvardsson, et al., 2012) at various levels of context (micro, meso, and macro) (Chandler & Vargo, 2011). This research stream puts forward the importance of context in interaction and integration of actors' resources, since it directly influences (and is influenced) the three levels of interaction, and social constructs where VP is happening (Akaka, et al. 2015).

The crucial point in applying a service ecosystem approach is that different levels of interaction are interlinked, namely that the macro and meso levels result from micro level interactions. Interaction and integration of actors and resources in a meso and macro context and the value that emerges (creation and evaluation) on those levels are directly influenced by dyadic interaction in micro level, as are those of provider and consumer (Chandler & Vargo, 2011). This contradiction between actors' service ecosystems happens since each actor is related to multiple networks in multiple contexts (such culture, nation, tribe, family) with particular roles to be performed inside social practices where VP emerges. Value creation and evaluation is interlinked with the integration of actors' resources within a context (Akaka & Chandler 2011) and rely on the institutions that conduct them (Vargo & Lusch 2011b).

Finally, it can be concluded that through resource integration service is offered and *value is co-created between actors* and the *service ecosystem* best brings forward this lively and multi-level nature of the social context where the value phenomenon is occurring.

4.2.6 Value-in-Networks

A network approach that is often interchangeable with an ecosystem approach, focusing on the importance of the relationship of three groups of actors with their inter-linked value creating practices (activities). This approach is defined as the interaction of a cluster of actors with their resources engaged in a joint goal to form *practices* that each actor in that *network* will create and evaluate as value (Grönroos, 2011). These kinds of activities and configuration of actors enables much better exploration of such relationships of those actors in the market **(**Gummesson, 2002).

However, present theories are not explicit about whether such interaction is direct or indirect. Instead, it is stressed that the connection is requisite for treating the complete network together and to explore the path of relationships and interdependence (Achrol, 1997). Synchronization and incorporation between constituent actors encouraged efficiency and value creation (Payne, et al., 2008; Lusch, et al., 2010) thus making the joint sphere between direct and indirect interaction as a unclear area as advocated by Grönroos & Voima (2013). This kind of *network* enables the agent and the *network* at the same time to aim for their goals (Latour, 2005).

Although the co-creation of value has been largely studied in the context of the firm–customer dyad, S-D logic provides a broader, more *networked and systemic* view of interaction and value creation (Akaka, et al., 2012; Vargo & Lusch, 2008). This view of value co-creation focuses on interaction, rather than production, and underscores the phenomenological and contextual nature of value. Multiple actors (such as firms, customer, and suppliers) contribute to an interactive and vibrant value co-creation context where integration of resources is happening. Thus, helping us understand that, "neither the firm nor the customer has adequate resources to create value, either independently or interactively, in isolation" (Vargo & Akaka 2009, p.38) and should be viewed as, "a network-within-network conceptualization of relationships that converge on value creation through a web of resource integration" (Vargo & Akaka 2009, p.38).

According to Quero, et al. (2017), service ecosystems or *value (in) networks* are constructs where VP activity (process and act) is happening between many actors on multiple levels. Thus, *individual experiences, social practices, and networks* are all intertwined (through person, dyads, triads and networks) through constant integration and generation of resources (Lusch, et al. 2010; Chandler & Vargo 2011).

This new form of VP activities is seen as necessary and as a new philosophical stance (paradigm) by Achrol & Kotler (2012) who state:

> "…the field of phenomenal marketing is complex and is shifting. Hierarchies have given way to marketing networks. The theories of exchange that served marketing well for 40 years are giving way to relational concepts. Networks and more recently service ecosystems are inverting many aspects of traditional marketing processes" (p. 37).

In their article, Vargo, et al. (2017) focus on four central perspective modifications representing initially different views to understanding phenomena – *systems thinking* – and open the debate regarding paradigm modifications on the future exploration of markets. System thinking requires varying the way markets are thought of by steering our attention from parts to wholes, from objects to relationships, from structures to processes and from measuring to mapping (Vargo, et al., 2017).

By using SDL lenses, a new perspective is brought to the study of larger and multiple exchange systems. This multi-level view of value creation expands on the IMP group of research that was concentrated on differences *among contexts and networks* (local, national regional global domestic and foreign).

4.2.7 Value-in-(Social)-Context

A significant contribution to the further *advancement of the understanding* of value creation within SDL, is achieved by calling upon an explicitly *social construction theories*. In particular, immersion of Gidden's (1984) Structuration Theory into SDL done by Edvardsson, et al. (2011) has value-in-social-context.

Edvardsson, et al. (2011) put forward the notion of value-in-social-context by adding to the conceptualization of value the importance and impact of *social context*, and open the door to further zoom-out from the SDL towards a social-dominant logic theory. They also propose *four fundamental propositions* for applying key concepts from social construction theories to SDL. In particular Proposition (1): "Value has a collective and intersubjective dimension and should be understood as value-in-social-context" (p.331), is a call for replacing the concept of value-in-use with value-in-context. Subsequently, SDL will expand the scope of the value interplay by considering *social structures systems* and all other relevant units and actors that constitute the context in which value is created (Edvardsson, et al., 2011).

The *social constructionist* view (Edvardsson, et al., 2011) implies that value-in- context is a comprehensive phenomenon that is distinctively and socially constructed among those social forces and actors during the integration of resources in a given context anticipating that value evaluation will happen. This means that value evaluation doesn't depend only on the individual context during the value-in-use, but is related to the brighter social consensus, as demonstrated also by Deighton & Grayson (1995), who involved social construction theories in their study. For that reason, Edvardsson, et al. (2011) proposed the move from value-in-context towards value-in-social-context.

Value-in-social-context allows for a deeper understanding of VP by considering structural dimensions in *social systems* (meaning, control and moral rules) and other actors in the surrounding social system. Since these aspects both form and are formed from social context which are important dimensions of individual experiences and social practices out of which value creation and evaluation emerges. Edvardsson, et al. (2011) further argue that:

> "… societal norms, values and habits should be considered in order to understand what is shaping various actors' value perceptions as a basis for developing and managing value propositions, resource configuration as Well as S-D logic informed marketing decisions" (p.335)

Elaborating further on this topic, Edvardsson, et al. (2011) highlighted the role of social context in the customer's life by extending an understanding of *customer value phenomenon* through

consideration of social construction theories into the SDL, similar to how Gummesson (2008) used *network* (complexity) theory as a theoretical reinforcement for further extension.

In this line CDL proposes a new perspective by underlining the importance of customer's greatly active and multi-contextual reality and life as a result of the customer's service context including pre, during, and imaginative (future) experiences, which has much in common with the CCT (Arnould & Thomson, 2005) approach. Subsequently, Voima et al. (2010) introduced the concept of value-in-(social) life, which is as proposed a notion very similar to the value-in-social context.

According to social construction theories, value phenomenon (creation and evaluation) happens further than the individual and subjective context but is also influenced and influences in a collective social context, those moving from "value-in-use" towards "value-in social-context," and extending the SDL conceptualization of the value co-creation process with many actors.

Along these lines there is also a concept of value-in-context, which is similar to the value-in-social-context, even though they differ in approach that is going to be addressed next.

4.2.7.1 Value-in-context

After the move from "value-in-exchange" to "value-in-use", by Vargo & Lusch (2004), they have continuously zoomed-out towards a more macro approach, even going so far as to state that SDL is moving towards a theory of society (Vargo & Lusch, 2017). Throughout this extension of the SD Logic, Vargo & Lusch (2008) also extend the concept of value creation; namely, from value in use to "value-in-context" (Vargo & Lusch, 2008). A term that highlights the fact that there are multiple economic and social actors who interact and integrate resources in a particular context, creating personal experiences out of which value is co-created and evaluated by each beneficiary personally (Vargo & Lusch, 2008b). This new term is more comprehensive and descriptive while value-in-use has intrinsic GDL meaning (Vargo, 2008). Shifting the conceptualization of value creation as a value-in-use towards value-in-context is academic foundation for (SDL) marketing middle theory. The concept of value-in-context offers the ability to zoom-in and out between different levels of contexts, and to identify value creation in micro, meso, and macro levels, in

addition to the meta-level as perspectives of evolution of these interactions in time (Chandler & Vargo, 2011).

The broader, contextual, network-to-network perspective is underscored, with value creation being understood in the context of a larger value configuration (Vargo, 2008). In addition there are connections with *service science and service systems* according to Vargo, et al. (2008) who claim that *Service Science* and SDL framework shifts the focus on value-in-use and value-in-context, and suggests service systems create value for themselves and others for mutual benefit. V&L (2009) further suggests that value is phenomenologically evaluated by beneficiaries who integrate resources in a particular context by stating that, "Value cannot be created independent of the beneficiary and then delivered." (p. 39) and extending value creation onto a larger platform than just an interaction line between firm and customer is imperative.

Grönroos (2011a) on the other hand criticizes that value-in-context is problematic both as a concept and expression since context is a static concept, whereas usage is a dynamic process. He (Grönroos, 2011a) further argues that the context of value creation is important, and if the context changes, the flow and outcome of the value-creation process may also change by suggesting that the theoretically exact expression should be value-in-use dependent on the context, which is abbreviated value-in-use.

To summarize, the integration of actors' resources, which continuously changes, is built upon their roles, relationships and institutions in order to create and evaluate value within different micro, meso, and macro level contexts (Chandler & Vargo 2011; Edvardsson, Tronvoll, & Gruber 2011) and the context as such is important dimension of the value creating process.

4.2.7.2 Value-in-cultural context

SD Logic, in addition to the value-in-social-context, is a concept of value creation introduced by the concept of value-in-cultural-context by Akaka, et al. (2015). This concept, which is CCT (Arnould & Thomson, 2005) inspired, goes behind the dyadic interaction line towards the cultural context in order to investigate individual experiences which are the results of interaction among

other individuals and communities of the various levels of subcultures (e.g., Muniz & O'Guinn, 2001)

Value-in-cultural context is a process that considers value co-creation behind a single interaction and moves towards the consideration as lived experiences which include evaluation of them as past, present, and future involvement between actors (Helkkula, et al., 2012). Akaka, et al. (2015) highlighted the fact that personal experiences are developed through transformation of their roles (Akaka & Chandler 2011) and influenced by any given participant subculture and the understandings between actors is negotiated within that subculture as well as at the market level (Schouten et al., 2007).

The cultural aspect in the value creation process is strongly emphasized in CCT research (Arnould & Thompson, 2005) which brings consumer culture at the forefront, and integrated in SD Logic by Akaka et al. (2013) as a value-in-cultural-context. This concept also involves a social context (Edvardsson, et al. 2013) which highlights the performance of individual practices which mediate and create a same-time VP. Akaka, et al. (2015) highlights constructs of *experience*s; all participants engage in a service-for-service exchange in order to create value with each other. This is done based on evaluation of the experiences, future activities are influenced and influence belief, values, norms and joint meanings (Penaloza and Mish, 2011) by reproducing new value creating possibilities.

In SD Logic this *cultural context of experience* is seen within *a service-ecosystems* standpoint, by considering all social and economic participants' resource integrators. The *context of experience* in SBL Marketing highlights the *phenomenological importance* in value creating and especially evaluating the act as part of the continuous characteristic of lived experiences.

4.3   Towards a Taxonomy of Value Creation Types

The objective of this (literature review) chapter was to *advance understanding (Figures 4 and 20)*, and hence make a conceptual contribution by presenting a taxonomy that clarifies and relates different value creating types.

Figure 22. Two dimensional taxonomy of relationship between VCT – initial version
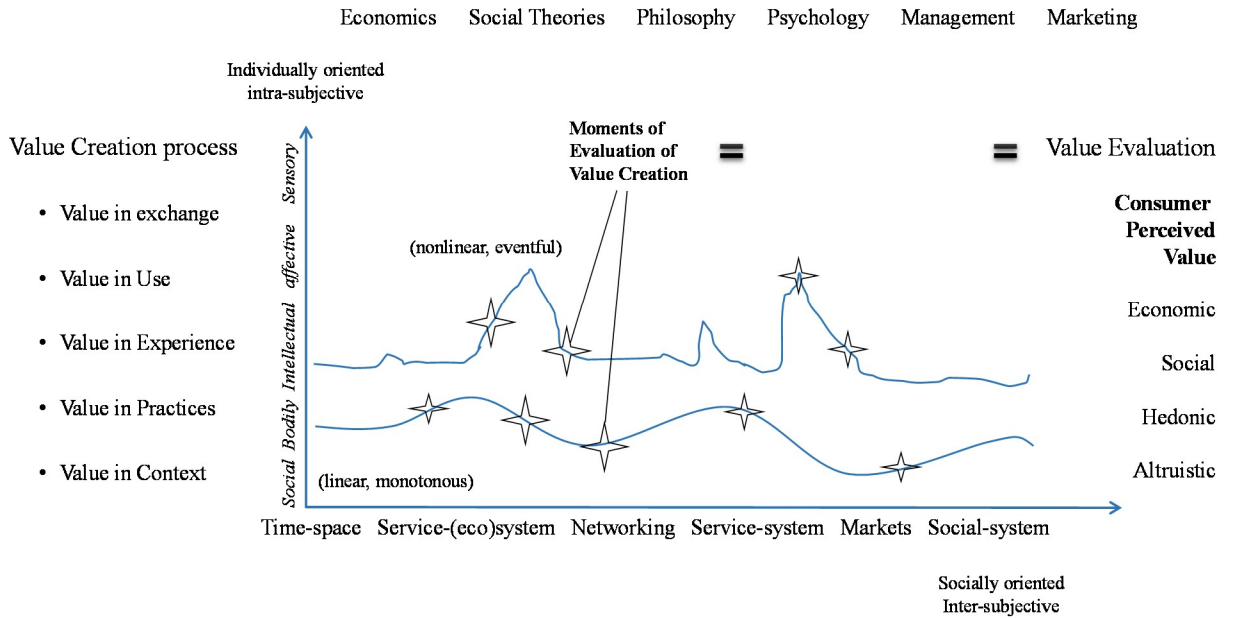
Source: Driton Sahiti (author)

Figure 23. Two dimensional taxonomy of relationship between VCT - final version
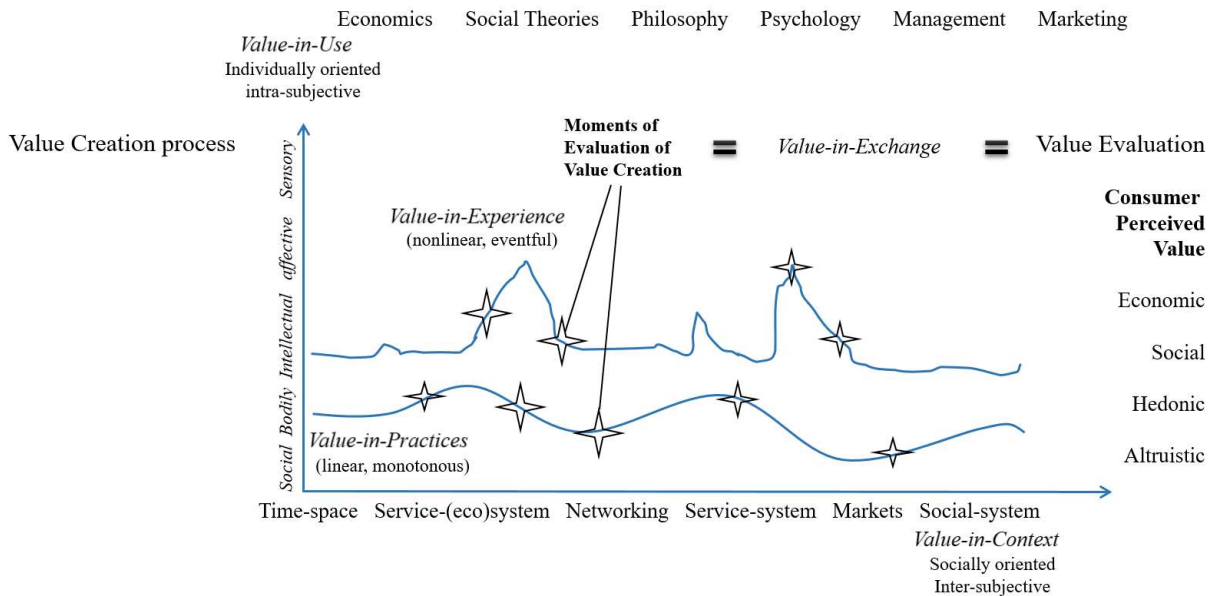
Source: Driton Sahiti (author)

This is done through *explication/delineation* (relating individual and societal dimensions of value creation) and *relating/integrating* (synthesizing the value creation constructs and the dimensions) as advised by MacInnis (2011). Different value creation types involve also different realms and ultimately value creation logics that will be further elaborated through the elaboration of the Taxonomy of Value Creating Types (VCT) as presented in Figure 23 (final version).

In Figure 23 the value-in-use as representative *individual realm* is displayed on vertical axes with the value-in-social-context as representative of the *societal realm* display on the horizontal axes. While the constructs such as *experience and social practice* are placed within the taxonomy, inside which all other types of value creations emerge.

In the vertical axes the *individual realm* is represented through the *value-in-use* concept, since this creation type is conceptualized as individual and creation of value is from the beneficiary point of view (Vargo & Lusch, 2008) It is the customer who creates value (Grönroos & Voima, 2012), and the firm can only facilitate the value for customer.

It is the individual preferable phenomenological experience (Holbrook, 1999, Vargo & Lusch, 2008, Ramaswamy, 2011) out of which value is emerging. The *value-in-use* is created in experiential form through the SEMs as advocated by Schmitt (1999) as well as through the customer operand and in particularly operant resources as advocated by CCT scholars (Arnould, et al., 2006).

In the horizontal axes the *societal realm* is represented by *value-in-social-context* (Edvardsson, et al., 2011) as the broadest form of the *collective value creation*.

Along the *societal axes* are other forms of value creation constructs that represent the multi actors value creation constructs, such as *social (life) practices* (Korkman, 2006, Heinonen et al, 2010, Rihana, 2013), *Institutions* (Vargo & Lusch, 2016), *networks* (Achrol, & Kotler. 1999; Gummesson 2006; Cova, & Salle, 2008; Ford, 2011), *service systems* (Vargo, et al., 2008; Vargo & Lusch, 2011), *service ecosystems* (Akaka, et al., 2013, Frow, et al., 2014), *social systems & markets* (Kjellberg & Helgesson, 2006; Korkman, et al., 2010).

4.3.1 Characteristics of key social constructs of value creation

In this section, I will elaborate the key constructs out of which value phenomenon emerges, namely *experience* and *social practice*.

In order to understand the value phenomenon, one needs to know the characteristics of those constructs and the differences and relationship among them. As Taxonomy looks to accommodate all value creation types, through two, *individual* and *societal realms* (axes), then the key constructs created by those realms need to be clarified. This is done next by going in to the details of each of those constructs.

4.3.1.1 Experience

Experience, from this point of view is individual constructs out of which value emerges.

Placing the *experience* inside the two axes demonstrates that the value creation is not completely individual and that the societal aspect is constitutional aspect and is jointly created (Ramirez, 1999; Prahalad & Ramaswamy, 2002, 2004; Akaka, et al. (2015). Individual *experience* in this thesis literature review has been primarily considered through two different ways, which have different ontological and epistemological backgrounds (Helkkula, et al., 2012).

In one side *experience* has been *experientially* processed, thus, requiring an *understanding of experience* as a process of involving a diverse "touch-points and features such as Schmitt's (1999) SEMs (sensing, touching, acting, smelling, thinking) Meyer & Schwager (2007). From this point of view, *experiences* are (re)evaluated the *consumer experience* is outcome of *experiential* aspects of customer's cognitive, as well as emotional, sensual, thinking, acting and aesthetic response and social behaviour towards resources and societal context, where value is (co)created and individually evaluated in the first place (Pine & Gilmore, 1998; Schmitt, 1999; Edvardsson, et al., 2005a; Meyer & Schwager, 2007; Gentile, et al., 2007).

Whereas on the other side, the *experience* has been categorized as a *phenomenological experience*, which is in line with SBL. This, perspective is mostly related to CCT school of thought, as well as

interpretative consumer research (Holbrook & Hirschman, 1982, Arnould & Price, 1993: Carù & Cova, 2005; McColl-Kennedy, et al., 2012). By taking this view, experience is seen as created during the integration of actors resources as noted by Arnould, et al. (2006) who categorize customer operant resources as *social* (relationships and community access), *cultural* (knowledge, skills, imagination, experience), and *physical* (energy, emotions, strength), while the operand resources, are *economic* that entail material and physical objects.

The integration of social resources into the *customer experience* is highlighted in customer to customer interaction context, where they draw on each other's resources (Harris & Baron, 2004, Baron & Warnaby, 2011). Accordingly, the *experience construct* is focal to value creation, initially for the individual and micro context, but also a starting point of the societal realm where it involves in zooming out process, to the other border constructs which are less individual constructs.

In the dyadic interaction value is created through the integration of customer and firm resources as value in experience, which needs to be evaluated positively during the *particular moments and exchange* encounter and the value in exchange is happening (Akaka, et al., 2015). These *exchange moments* are also *evaluation moments* of value, such as, <u>qualitative, efficient, status, esteem, playful hedonic, ethic and spiritual,</u> all mentioned earlier in the literature, as defined by Holbrook, (1999, 2005, and 2006).

The *experiences* are rather *momentary and eventfully* and sometimes may also be more **liner** on time and the interaction and integration of resources may last longer (Helkkula et al., 2012). However the longer the *experiences* last they are transformed in to the *usual experiences* and more seen as *habits or daily social practice* (Helkkula, et al., 2012b).

4.3.1.2 Social Practice

The *social practice* in this taxonomy is value creating construct representing the *societal realm;* seen as "sobjective" (Pouliot, 2007) by neither taking micro nor macro perspective.

Social practice, ontologically and epistemologically, differs from the experiences by being characterized as *routine action in everyday social life-world,* as noted by Reckwitz (2002). Vargo & Lusch (2008) by characterizing value as phenomenologically determined in a social context of networks, highlighted the intertwining of the individual *experience* inside *the societal realm*, by being part of *social practices,* then moving towards broader constructs such as *networks, service (eco) systems,* and *social systems* such as markets that are constituted through multiplicity of *market practices* (Kjellberg & Helgesson, 2006, 2007).

Giddens, (1984) and Reckwitz, (2002) view on *practices* are seen as culturally shared templates that guide routinized activities and offer a frame for how to do and understand things. *Social practices* as key social construct of value creation can be understood throughout the other social dimension and constructs such as *interaction, institutions, structures*, (Schatzki, 1996). *They* also have direct impact on the other important value creating construct such as *social systems*, as conceptualized by Giddens, (1984), "…reproduced relation between actors or collectivises, organized as regular social practices" (p.25). Through this interlinking between *social practice and social systems*, Giddens (1984) opens new possibilities for understanding individual interactions, subsequently value creating practices in larger macro-level context. The possibility to expand the value creation knowledge upon reference to Giddens (1984), was most notably used by Edvardsson, et al. (2011), who developed the value creation process from value in-use into value-in-social-context", as a brightest form of the *value creation of societal realm*.

In relation to the *community of practice* perspective, *(practice) theory* suggests that social order derives through *practices*, so that the specific social order of a specific (online) community is achieved through practices, as continuous doings and sayings, that is, online community practices (Hartmann, et al., 2015). Conceptually, one deals with *practices*, but empirically one deals with their localized performance. Understanding how *practice* performances work is crucial to elucidating how they create value. For example, in the performance of the community practice of empathizing (Schau, et. al., 2009), different teleoaffective experiences can result from offering support, receiving support, or observing how someone else receives support.

In the rest of the section I draw on these traditions, all these theories are joined in the belief that: *practices* establish the perspective within which all discursive and material actions have potential

to gain meaning, thus, making them as intrinsically conditional, materially facilitated, and in order to understand practice, one must refer to specific historical, place and time contexts as argued by Engeström (2000); Schatzki (2002, 2005); Latour (2005), etc.

Individual/actor, as talented maintainer and carrier of practice is not a practitioner of one *practice* but in simultaneously more socio-material practices (Reckwitz, 2002).

In addition, studying practice is also study of the evolvement of *power*, due to their diverse and imbalanced social and material positions that they carry (Ortner, 1984). Lately Warde (2005) constitutes a *practice* as understandings, procedures and engagements, interprets the platforms of interconnection into components; similarly, Reckwitz (2002) relates the concept of elements in his definition of practices. Here, a practice becomes a set of intersected diverse components, and objects are encompassed as components in the composition of practices.

4.3.2   Summary of Taxonomy of value creation types

Summarizing these conceptualizations, it could be concluded that the *social practices* are defined by level of context where actors create value (Chandler & Vargo, 2011), namely, from *experience (micro construct), social practice (meso-macro construct)* and moving towards more *macro* and *meta-context* such as *networks, service eco-systems,* and *social systems*. It leads to conclusion that value creation has multiple constructs whose nature depends on the multiplicity of contexts and the level of analysis. Therefore, we can talk about "multiplicity of value creation practices". This conceptualization of *value creation practice* as multiple construct corresponds with Sewell's (1992) analysis of Giddens' (1984) concept of "duality of the agency and structure" that suggests on the "duality and multiplicity of value creation" as a way of *advancing understanding* (RO#2) of the nexus of multiple and overlapping constructs such *as experiences, social practices, social eco systems, institutions in different social context*. So, the continuous journey of value creation process from one level of context to another and from one construct to another is where value is created and evaluated.

At this point, it is important to highlight the importance of *value evaluation* and the interlinking of that concept with other value *creating types* as presented in the *Taxonomy*. The evaluation process occurs at the *moments of truth* (Norman, 1984), actually *moments "of exchange"*, among *actors' operand and operant resources* that happen during social interaction. Actors through language interact with one another to create value, and the *exchange of thoughts, ideas and concepts* is integration and *exchange of the schemas* which are continuously compared and transformed into social constructs *(experiences, social practices, institutions, service systems, ecosystems, markets)*. The *ideas exchanged* are judged based on their *congruity of existing schema*s held, either from *past* individual *experiences, imaginative experiences or from the societal institutionalized (general) schema* (Mandler, 1982). According to Mandler (1982), these *schemas* are built and are building different constructs in the process of interaction and integration between actors within the different levels of social environment and representing "organized experience ranging from discrete features to general categories" (p.7). Building on this stance, it can be advocated that through interaction the integration of resources, actually the *exchange of the schemas* is happening and by doing so actors (e.g. customer and provider) perception of the social reality is continuously changing through the schema adoptability that makes them continuously evaluate and create value.

This *Taxonomy can play a significant role* in answering a question "who creates and co-creates the value" (Grönroos, 2008), by identifying how value is created and evaluated within those multiple constructs, and by stressing the role of actors and the weight of individual and societal realms on those constructs. Hence, with this *taxonomy* of value creating types, the *advanced understanding (RO#2)* of the value phenomenon has been achieved.

In pursuit to understand value, which is also the RO#1 – to *create understanding, (Figures 4 and 9)* is achieved *by* presenting an ***original*** *SVIS framework* (Figure 17), as an outcome of that part of journey. By expending on SVIS, I have continued to *advance understanding (Figures 4 and 20) and achieve RO#2,* by offering a ***novel*** *taxonomy of value creation practices (Figures 22 and 23).*

Next the *journey of understanding* will follow with intention to achieve RO#3, namely *to deepen understanding* (Figures 4 and 24) and by further developing a *taxonomy* into a unique *typology of value creating practices.*

Chapter 5 – Deepening Understanding - Typology of Value Creation Practices

The third research objective, to *deepen understanding (Figure 24)* through a *Typology of value creating practices* will be addressed here; an interpretative meta-theoretical approach is used, as per Helkkula, et al. (2012) and Löbler (2013), in order to identify four types of paradigms. In conjunction, social construction theories are used to *deepen understanding* of the value created types identified in the previous chapter. Equipped with this knowledge, I develop four-dimensional matrix-type taxonomy of value creation practices.

Figure 24. Deepening Understanding

(Theorizing process and the types of reasoning used to deepen understanding)

Hermeneutic circle of the research

Deepening Understanding

2010-2014

As per EXTENDED CASE METHOD (Burawoy, 1998, 2001) Involving
Macro and Meta Theories
Social Constructionists Theory

as per EXTENDED CASE METHOD (Burawoy, 1998, 2001) Empirical setting
Explorative Case

identifying concept(s)
Analogical reasoning
Osbeck 2014

Analysis
- Returning to the literature continuously

Sensemaking

Theorizing
Step#4 Push Further – perhaps develop a metaphor, an analogy,
a typology a classification
Step#5 Suggest an explanation
Swedberg, 2012, 2016

Context of Discovery
The form in which thinking process
are subjectively performed
(Reichenbach, 1938)

inference to best possible explanation –
Abductive Reasoning
Osbeck 2014

Integrating harmonize and synthesize compare (MacInnis, 2011, 2014)

Theory
Swendberg 2012, 2016

- **Presenting a four dimensional Typology of Value Creating Practices**
- Involving the Macro and Meta theories

Context of Justification
The form in which thinking
processes are
communicated to other persons
(Reichenbach, 1938)

Research Objective #3:

To advance the understanding of VP by presenting a Typology of the value creation that will extend the S (VIS) Logic of Marketing as a middle theory.

Source: Driton Sahiti (author)

5.1 Involving meta-theories – into the value creating types

Tronvoll, et al. (2011), in light of the emerging SDL debate (Vargo & Lusch, 2004, 2008) and the multidisciplinary service science initiative (Maglio & Sphorer, 2008), have proposed service research paradigms in order to response to the need for better understanding of the value creation.

Based on the most cited service articles, the typology proposed by Tronvoll, et al. (2011) entails two dimensions (nature of relationships, and origin of concepts and problems) that defines the diverse paradigmatic viewpoints within service research into four paradigms, namely positivistic, monologic, dialogic, and hermeneutic. Through this article they advocate a multi-paradigmatic approach be used. Responding to Tronvoll, et al. (2011) call for "… use of multiple paradigms in a research field, similarly can help researchers view a problem from multiple perspectives" (p.77), an attempt will be made to *analyse the VP from multiple perspective, by defining for each type of value creation a paradigm*. Further, efforts will be made to explain and *deepen our understanding* of value creation.

Tadajewski's (2004) comprehensive summary of the different paradigms in marketing and their clarification about incommensurability (2008) is built on the work of Burrell & Morgan (1979). Löbler (2013) developed it further to consider philosophical positions, or "isms" (p7), (Table 8). This thesis in turn builds on Löbler (2013) by elaborating different *value creation types* and related logics, and making it possible to extend SDL through the lenses of meta and macro theories as advocated by ECM.

This chapter takes Löbler's (2013) paradigms and by adding meta-theories improves (deepens) understanding of value creating types. Löbler's (2013) framework is in line with the overall positioning of the thesis, namely, the *interpretative* perspective, and by extension *social constructivist* approach. However, Löber (2013) typology does not clarify all types of value creation; other paradigms are needed, such as Heidegger's phenomenological meta-theory as used by Helkkula, et al. (2012) for conceptualizing value creation as *individually intra-subjective* as well as *collectively intersubjective*. The value creating types are scrutinizing through previously identified *dimensions and constructs*. This is done, by introducing *inter and intra realms* in combination with *objective and subjective* dimensions in order to present four categories; derived from Löber (2013) and Helkkula, Kelleher and Pihlström (2012), namely; *Intra-subjective, Intra-objective, Inter-subjective and Inter-objective* (Table 8 and 9).

It is evident that there is considerable inconsistency among the four meta-theoretical paradigms, as one can look at them through the different lenses. For instance, *interpretivism* as paradigm may be considered *subjective* as well as *intersubjective*. On the other hand, *experiential* aspect (senses,

cognitivism, etc.) may be identified as *objective* as well as *subjective.* Whereas *inter-subjective* view may be considered *intra-objective* or vice versa depending on what type of value and criteria are chosen by different researchers. The following descriptors have already been used in the literature (Weber, 2004): *ontology, epistemology, research object, method, legitimization,* and *self-applicability*. While, the first four descriptors are emphasized by Weber (2004), the other two are added by Löber (2013), and it is up to the reader to explore these articles further as it is presented in Table 9.

Löbler's (2013) typological table accommodates the main meta-theoretical assumption; with the focus on interpretative view. A basic *Interpretative* view will be discussed since it is base of the ECM methodology as well as the *social constructivist* macro theories. This approach will make possible the classification of the ontological and epistemological viewpoints that cover *value creation types*. In this way the extension of the SDL as a middle range theory is possible, as a result of adopting these categorizations, a *deeper understanding* will be developed.

For that reason, Table 9 contains central types that help facilitate theory extension from various ontological and epistemological viewpoints. In addition, Helkkula, et al.'s (2012) characterization of the *Value as an experience* is considered; value creation as a *value-in- experience-use*. Thus, they present a proposition that considers a *Value-in-experience* as *individually intra-subjective and socially intersubjective*, which is in line with Löbler's (2013) typology. Finally, these categorizations of meta-theory that were discussed in this field are further considered to create a table format typology that summarizes each of those different value creation types with respective meta- theory (Table 9).

Table 8. Meta-theoretical assumptions

Meta- Theoretical Assumption	Intra subjective	Inter subjective Or **Intra Objective**	Intra objective Or **Inter Subjective**	Inter objective
Ontology	Individual Experience exists independent from the researcher	Individual Experience is inseparable from researcher's life experience	Social Practices are constructed with / between structure and researcher	Social Practices / Service Systems exist independently of researcher
Epistemology	Theories explain and describe "objective reality " of individual (subjective) behavior	Researcher interprets his experience with reality (hermeneutics, phenomenology)	Researcher establish common understandings (Structuration)	Theories explain and describe objective reality of structure behavior
Research Object	Individual intra subjective experience is measured objectively	Individual inter subjective experience is measured subjectively	Structure intra objective social practice is measured subjectively	Structure inter objective social practice (service systems) is measured objectively
Method / Reasoning	Modeling and empirical investigation (deductively)	Subjective interpretation / narrative inductive (analogical, abductive, inductive)	Objective interpretation of Social Practice can occur quantitatively and qualitatively (inductive, abductive)	Modeling and empirical investigation (deductively)
Representatives	Realism, positivism, radical humanist	Interpretivism / constructivism / relativism	Social constructionism, conventionalism, paracritical rationalism	Realism, positivism, early critical rationalism, empiricism, eventually post humanism
approaches to markets	Neoclassical micro economics Marketing Management ; Consumer Behaviour; GDL; RATh; Services Marketing	Consumer culture Theory, Consumer Behaviour; Industrial Organization theory ; RM,SL, SDL; CDL; Design Thinking	Institutional approaches Social networks Markets as practice; Many to Many Marketing IMP Group; CDL; SDL; Service Design	Markets as networks Marxist Theory ; SDL; Service Science; Service Ecosystems; VSA

Source: Driton Sahiti (author)

Table 9. Typology of VCP in table format

VCT Dimension	Value in Use **Experiential**	Value in Use **Experience**	Value in Context **Social Practice**	Value in Context **Social System**
Actor / Agent	Self Oriented /strong Physical Embodied Hedonic / Experiential	Other Oriented/ Strong / holistic / Altruistic	Self Oriented / weak / Physical Embodied Hedonic / Experiential	Other Oriented / Weak / Holistic / Altruistic
Interaction	Tacit /Body Strong / Understanding / Mind weak	Tacit / mind / understanding / / Body Weak vs Mind Strong	Explicit/ Strong/ Action/ Body/ doing	Explicit/ weak/ Action/ Body doing
Resources	Intrinsic/ other oriented Believes and Values/ weak	Intrinsic /other Believes and Values / weak to strong	Extrinsic / norms / rules / weak to Strong	Extrinsic / rules / Laws // strong
Structure	Individual / weak (ties) power	Collective/External / weak ties/ power network	Individual/ Strong/ Ties/Power/network	Collective / External / strong ties / power network
Level	Micro	Mezzo / neutral / higher order Altruistic	Mezzo / in between (Institutional)	Macro
Meta-Theoretical Assumption	Intra subjective	Intra Objective	Inter Subjective	Inter objective

Source: Driton Sahiti

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5.2 Case study as way to explore data in the field

This chapter applies *subjective personal introspection* (SPI), known also as a form of auto-ethnography, for the investigation of my *personal customer experience,* using a collection of photographs from the perspective of the impact of nature of types of customer value creation practices, as discussed in Chapter 2. This follows the advice of ECM to involve the macro and meta-theories described above, in order to understand micro phenomena, namely value phenomenon, and ultimately expand SDL. *Deepening of understanding about value phenomena* (see Figure 24), is done by using the meta and macro theories as lenses to guide the interpretive analysis of photographs from a personal flight journey (PFJ).

Overall, the purpose of this section is twofold.

First, the case is (was) used in *Explorative* manner to identify and analyse the value creation practices identified earlier, and thus further explore those findings through theoretical lenses, by combining theory with data, I have *deepened the understanding* of VP through a *theorizing* process (Swedberg, 2012, 2016). (See Fig. 24)

Second, the case is (was) utilized as an *illustration* (explanation) of different types of VCP, through dimensions and realms that characterize typology as described in the previous chapter. Ultimately, in this form, the further *complete understanding* of value creation and SDL will be achieved in line with the main aim of this thesis.

This exploration will enable a methodological advancement of ECM by involving the Typology of VCP as a form of data analyses framework during SPI, replicating Holbrook (2005, 2006) and Holt (1999). This methodology can be used to identify the value creating types. Case studies are commonly employed in the context of creating a theoretical/conceptual impact, referring to Siggelkow (2007), who states that one of these possibilities is "to employ them as illustration" (p.21). More specifically, this *explorative case study* is used to *illustrate* the developing process of typology, as well as demonstrating the use of the typology, as the prototype (method) for identifying, describing and upgrading the value creating practices.

5.2.1 Illustration: Photographs as archival artefacts from the flight journey

Here I shall illustrate the value types to provide an analysis of my personal flight journey. This will be consisted of photographs taken by me during a flight journey and diary notes written during and after the journey.

I have taken photos during journeys that I have made in the last three years. However, for my illustration of the typology, I will concentrate only on one single journey from the archives (2015-2018) by adding other examples when necessary. In total, there are approximately 200 pictures taken with my Galaxy S7 mobile phone, starting from the airport entrance up until arrival city. I considered touch points that could help me describe my customer experience, putting myself in a customer role. For this role, it wasn't necessary to have behind-the-scenes access as those activities are not visible to a customer. I took my photos to record what is typically visible, showing interaction between the customer's experiences as the journey happened. Subsequently, I took a role of a practitioner and consultant, who advises firms to create a better customer experience. I have also identified other value creation types, which directly and indirectly contribute to the customer's experience. These roles have helped me define customer experiences in more practical manner, moving from the more subjective towards an objective description of the journey, as a form of *social practices*. Social practices are "sobjective" and *linear* and much easier to be described.

Additionally, I have considered the journey from the perspective of a researcher, namely by considering it as an explanatory case, showing a perfect example and illustrating different value creation practices by using flight travel that everyone can relate to. The flight journey is a type of experience that depends on many actors to interact and integrate resources for the *social practice* to happen and to evolve into a (positive) memorable experience. During the last three years I had different flight journeys which were mostly related to conference presentations. Trips were 3-4 days in length.

For this case I considered mainly a flight journey to Napoli, Italy, where I attended a conference in June 2017. I travelled from Tirana, which is approximately 3 hours drive from Prishtina, where I currently work (and live), to Rome, and then boarded a flight to Napoli. The flight time was

around 2 hours with one-hour layover in Rome. I took 776 pictures during the entire round trip. However, in some illustrations I have recalled other trips to reinforce a point.

The pictures represent a flight journey that any passenger would make and are mostly seen from the role of the (typical) customer; making me a participant observant and a researcher. In addition to pictures, I wrote a personal diary during my journey in order to capture feelings, emotions and thoughts. I believe that this self-interview will shed light on the description of the pictures and thus total flight experience. However, when relevant, I may also add any points from other journeys if they can further clarify the theme.

The next step was a classification of the pictures into four main folders. These were: Airplane, Airport, Conference, and the City. I then split each section into the 4 types of value as presented through the typology that is value-in-experiential-use, value-in–experience-use (individual) and value-in-social practice, and value-in-service systems (Societal). Next, I looked at the pictures and classified them according to each value type. However, many pictures transcended more than one type. These pictures bring clarity to the multiple views that exist of one situation and will further identify and clarify multiple types of value. To make the illustration more accurate and not to extend beyond the saturation point, I considered in the end, to present for analysis of "investigation scenes", namely Airport and Airplane. Since I consider that those two scenes are sufficiently complex to illustrate how the typology works.

Tables 8 and 9 describe in tabular form a Typology presented in Figure 26. This typology that classifies the four types of value has taken into a consideration. Löbler's (2011) work initially, who went through the categories to clarify the SDL FPs, and in the same vein then Peters, et al.'s (2013) work have been involved (integrated), who in turn have been motivated by Tadajewski's (2008, 2010) and Burrell & Morgan's (1979) paradigms analysis in organization's marketing respectively. These Table format descriptions has served as guiding principle to identify, analyse and describe the four value creating types in the SPI method.

Using typology as tool for analysing pictures in SPI approach, is analogous to Holbrook's (2005, 2006) use of his typology of Concept Consumer Value.

5.3 Typology as a Theory Extension

O'Shaughnessy and O'Shaughnessy (2011), in their critic of SDL oppose the use of the fundamental propositions in form of rules, without appropriate *theory*. According to them "The goal of science is to track truth through explanatory theory" (p.788) and "… academics who argue that research in marketing should focus on the search for principles or effects application research, or problem orientation research etc., without being concerned with *explanatory theory* may be responding to frustration at the failure to develop substantive theory" (p.789) O'Shaughnessy & O'Shaughnessy (2011).

O'Shaughnessy and O'Shaughnessy (2011) conclude that empirical research is blind without theory and similarly theory is unfilled without the empirical research. By responding to that criticism, I try to offer an (explanatory) *typology* in form of the *explanatory theory* to guide SDL further and develop empirically and theoretically, by outlining the realms dimension and nature of the paradigms of each value creating type. Subsequently, theory was the road map for directing my research process as well as a conclusion of my reasoning process as advised by Gherardi, (2015).

According to Elman (2005), typologies have a well-known past in the (social as well as natural) sciences, and the dialogues about their nature and the applicability has produced much literature. This chapter section focuses on what Elman (2005) will call *explanatory typologies*, by which a multidimensional conceptual classifications based on an explicitly stated (interpretative) meta-interpretative and macro-(social constructionist) theories discussed in this chapter. In order to answer questions like, "What constitutes the type?" and "If my theory is correct? What can I expect to see?", the explanatory typologies involve the descriptive as well as organizing roles through integration of the theories, the descriptive purpose is profoundly adapted by the (pre)existing theories, though extracting the attributes (and variables) from those theories to offer the proper answers (Elman, 2005).

Elman (2005) further advocates that an *explanatory typology* is founded on an obviously declared pre-existing theory and in this form can help scholars to recognize the degree of casual homogeneity between cells, and to engage in *counter-factual* reasoning. In this vein, typologies

are a unique form of theory building and differ from classification systems (Doty & Glick, 1994) and, (Delbridge & Fiss, 2013, p.329): "typologies present a particularly attractive form of theorizing". According to Doty & Glick (1994), typologies, since they are form of a theory, must fulfil some minimal definition of the theory that most scholars agree upon (what theory is):

> "… (a) constructs must be identified, (b) relationships among these constructs must be specified, and (c) these relationships must be falsifiable (cf. Blalock, 1969; Dubin, 1969; Bacharach, 1989; Whetten, 1989)" (p. 233).

These three points are also considered by Kerlinger & Lee, (1999) who state that extending theory must entail three characteristics, namely, *description, explanation and prediction*. While the first two characteristics, description and identification of the constructs, and explanation of the relationship among those constructs typologies were always used (Snow & Ketchen, Jr, 2014), for the third, prediction is possible when the categorizations are constructed of components that are truly interlinked with one another (Tiryakian,1968).

According to Snow & Ketchen, Jr, (2014) typologies, especially in the initial phases of the scientific theory form, an advantage for scholars since "…the systematic ordering of a phenomenon's core elements provides the initial building blocks for theory development" (p.231), which is actually the case with SBL research. Further, Fiss (2011) argues that, by following these kinds of the typologies, multiple relationships can be identified and simplicity of using the concepts and methods can come forward. On the other hand Snow & Ketchen, Jr, (2014) consider that typologies must be backed by a theoretical framework, so the theory can be extended in the future which is in line with ECM (Burawoy, 1998, 2001).

5.4 Presenting a four dimensional matrix-type Typology of Value Creation Practice

In this section the accent is on (typology as) theory as an outcome of *theorizing* phase, as advocated by Swedberg (2012, 2016) who claimed that *theory* is actually a last step of the theorizing process.

5.4.1 Realms of the Typology

Two key realms identified inside the value creating types are the individual and societal. It is in the *Taxonomy (model) of Relationships of value creating types* that I have presented the diagram of *individual and societal realms* being next to each other that define the value creation space where value creation is happening.

In addition to *individual vs societal realms* they are also seen as *Intra vs Inter*.

5.4.1.1 Individual vs Societal

The individual realm is where value creation is seen from the individual point of view, the consumer. In this case we are talking about *value-in-use* as the value creation type that represents the individual (actor) as the value creator. This individual has also a kind of duality between his *self-oriented* and *other oriented* view (Holbrook, 1999), like being more *experiential* and pleasure oriented (Schmitt, 1999) vs. being more *societal cultural, economic, and physical* (Arnould, et al., 2006) oriented, and that guidance for his value creation are the *beliefs and values* that individual represents.

In this thesis, each value creation type is influenced by four dimensions (actor, interaction, resources and structure) and it depends on the lenses that one considers in order to identify the factors and forces that influence the creation of that type. Each of those dimensions is divided into *individual* and *societal realms*, as Tronvoll (2017) has illustrated (Figure 18). While the *societal-focused* realm is characterized by *structure*, in the form of *networks* and *relationship laws*, that are a "regulatory mechanism" (p.2), the individual realm is founded upon the actors knowledgeable and purposive interaction "using his or her cognition through schemas to integrate resource and form practices (e.g., mental models and practices). The schema concept is a general mental model (a set of schemas), which can store individual understanding of value creation and practices that reflect value creation efforts" (p2) (Tronvoll, 2017).

Formed by the four dimensions (value creation), *social practice* is constituted through the *interaction schemas* (individual and societal) that *integrate resources* in a context, which are

influenced and influence *institution and institutional arrangement* continuously in order to create value.

Figure 25. Societal-focused and individual-focused realms influencing the actor
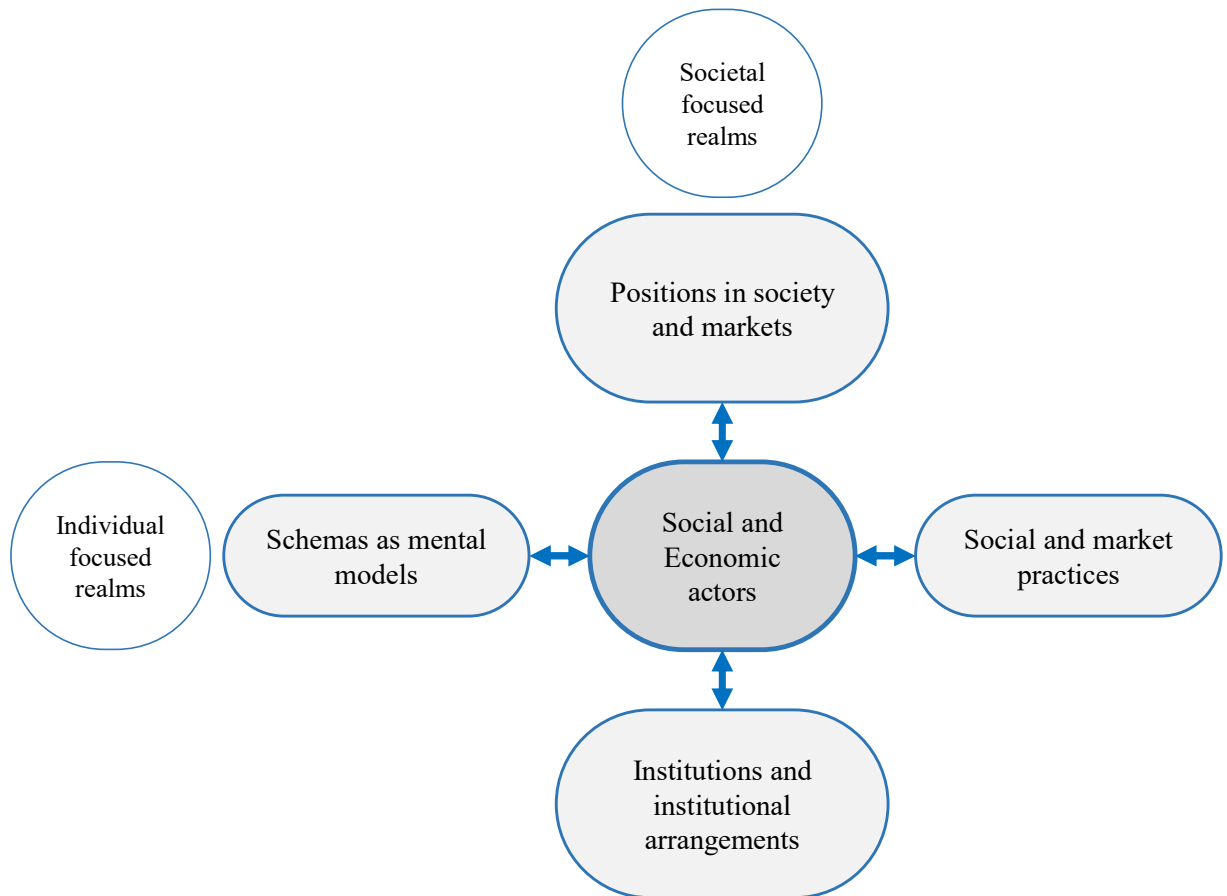
Source: Adapted from Tronvoll (2017).

Social practice is the interaction space of four dimensions, constituted by *multiple social levels* that can be analysed with appropriate lenses (micro, meso, and macro) and seen then either as an/a *experience, practice, or service (eco) system of value creation*.

5.4.1.1.1 Individual (Intra) Realm

Value-in-use (*experiential vs experience*).

Value creating practice involves more than operant resources, such as *individual and personal institutions* which are *beliefs, norms, values, rules, and laws* with an existing script of knowledge and skills to perform that practice.

Along these lines, in the individual value creation practice, the resource is the *self-oriented*, as in ego perspective, is considered as *intrinsically* (Holbrook, 1999) held (personal) beliefs, values, and norms. Since this value creation type is guided by the SEMs (Schmitt, 1999), than orientation is rather *weak* (see Table 8 and 9) in comparing to individual *experiences* that is characterized mainly through the involvement of the *operand resources* such a *beliefs, norms, values* in a form of *institutions* and *institutional* arrangements.

5.4.1.1.2 Societal (Inter) Realm

Value-in-social-context (Social practice vs social system).

By zooming-out into the meso-level context and identifying the value creating practice as performed by a group and member of *community (*seen as agent), the resources are rather *extrinsic* and belong and represent more of the *societal aspect.* Hence, *societal beliefs, values and norms* in the *service system* are driven by a more rigid form of *social resources such as rules, laws and resources*. These rigid *natures of social resources* transform *the* social *practice* into *service systems*.

5.4.1.1.3 Subjective vs Objective perspective

Subjective and objective perspectives are clear. Having in mind that this thesis is based on interpretivist and social constructivist paradigm, the *objectivity* can be seen differently depending on the particular realm or group that one belongs.

5.4.2 Value Creation Realms seen from the Meta-interpretative-theoretical views

In this section the combination between *realms* and perspectives will be presented as a form of *paradigm* for each of the four types of *value creation practices*.

Individual (intra) and Societal *(inter) realms* are combined with the *subjective and objective* perspectives. They create four types of paradigms that are presented through interpretative and social construction theories in detailed form of *ontology and epistemology,* in order to better *understand* how value is created.

5.4.2.1 Intra – Subjective

The individual realm represents the two individual value creation types, such as value-in-experiential-use as *intra-subjective* realm and value-in-experience-use as *intra-objective* realm.

Intra-subjective paradigm views the value-in-use from an *experiential* aspects of the individual (actor), involving SEMs (Schmitt, 1999; Schmitt, 2003; Brakus, et al., 2009; Zarantonello & Schmitt, 2010). The value-in-use here is created subjectively by the individual. However, the paradigm shows how the beneficiary is creating the value and how the researcher is approaching this type of value creation by beneficiary (may) differ. Within this paradigm, the point of the research is as the "objective stream or object oriented" as defined by Löbler (2013). So, the relation of the researcher here is distanced from the object, which is the positivist view, as primarily advocated by Hunt (1976), in order to look for law-like generalizations of those *experiential* aspects, as a key source of value creation by the individual (consumer). This kind of approach is very much related to taking a positivist (objective) view to studying the behaviour of the consumer (Arndt, 1985a). So, the individual intra-subjectivity is actually measured objectively by the researcher, by taking a distance view from the subject of study.

The intra-subjective view can also be seen through the lenses of constructivist theories, in particular the work on cognitive psychology conducted by Piaget (1970), who advocated that individual knowledge is acquired actively and not passively through the cognitive and psychological "tools". This constructivist view is also in line with Glasersfeld (1995). This implies

that the intra-subjectivity realm can only differ from the researcher's point of view. While the *subjectivity* is seen from the consumer side, the paradigm considered by the researcher may be different.

5.4.2.2   Intra – Objective

Intra-objective paradigm for viewing value-in-use from the phenomenological *experience,* while involving the societal context of the individual operant resources (Arnould, et al., 2006), and/or *capital-fields* (Bourdieu, 1986, 1988) on the basis of which the value for the actor is considered objective and the paradigm considered by beneficiary, and eventually also by the researcher.

The value-in-use is created inside the individual existential phenomenological experience (Heidegger, 1962; Merleau, 1965,), which in turn is seen as part of a broader socio-cultural context, in which the consumer is part of an individual experience in a context or inside the social practice. In this case, the researcher is also part of the *life world* and his/her *values* are part of the broader social context and individual's (beneficiaries') subjective experience, that is objectively considered by the actor, and is measured subjectively by researcher.

The *intra-objective* view of *social practice* is very much related to the *inter-subjective* view of the individual, since both belong to the *practices* inside the social context but differ in the realm in which the value creation is considered. The societal realm is considered as inter-subjective as well as inter-objective paradigms representing the value created in social context types.

This individual type of value creation type can be applied in a socio-cultural constructivist paradigm. Here, the individual construction of knowledge happens from the society towards the individual. As Vygotsky (1978, 1986) has advocated, the understanding of reality in this case happens in a nexus socio cultural context, with other people's relationships and is conveyed through communicative tools, such as language, thoughts, signs, etc. (Kanselaar, 2002). The *inter-objective* understanding of reality is in opposite direction of *Inter-subjective* reality, which can be represented by Piaget's (1970) work on cognitive psychology, as well as radical constructivist Glasersfeld (1995).

I adopt Heidegger's (1962, 1984) concept of existential phenomenology with the view that it is the individual who creates reality and it's their perception that decides what the value is and how it is created. So, from the individual point of view it is always subjective, but from the perspective of the involvement of the operand resources, or fields as per Bourdieu (1988) and the resources in terms of institutional arrangement, this experience and thus the value creation for the beneficiary it is (intra) objective. Thus, the consumer decides about objectivity based on his beliefs, values, and norms, inside that particular field of value creation practice.

5.4.2.3 Inter – Subjective

Inter-subjective paradigm represents the value-in-social practice, the basis of which is the Social Practice Theory (Giddens, 1984; Bourdieu, 1988; Schatzki, 2000; Reckwitz, 2002) and the interpretative views. The individual creates value inside the practice and his subjectivity is seen as part of the social community of social practice (Schau, et al., 2009; Hartmann, et al., 2015) that in comparison to other groups of the society is considered subjectivity, even though inside (intra) the group it can be seen as objective. It is directly related to the phenomenological experience that the individual has inside the social practice, which is why he/she considers it objectively. The value that emerges from the social practice, is often seen as "sobjective" (Pouliot, 2007), with indication that it has characteristics of individual subjectivity inside the group, and the practice (as a construct) can be considered as objective.

But it is the researcher who is measuring it subjectively, which can be related to the constructionist paradigm. On the other hand, the researcher is looking at the unit of analysis, the social practice, where value is created by community of practice and how the value is subjectively seen by other members of the society (inter) that are not members of that community, thus a social constructionist paradigm.

In this case, the practice is seen as "objective fact" inside the community of (that particular) practice, but inside the society (the biggest group possible) it is seen as "subjective experience". So, it depends on the lenses that the researcher considers.

The interlinking between individually intra-subjective and socially inter-subjective was well presented by Helkkula, et al. (2012). They looked at the value created in phenomenological experience and so the whole individual realm is seen as intra-subjective while the whole social realm is seen as inter-subjective.

Therefore, value is co-created through the interaction and integration of consumer resources (Arnould, et al., 2006) with providers' and other actors' operand and operant resources (Baron & Harris, 2008).

According to Helkkula, et al. (2012), even if it appears that value is created out of personal experience the involvement of other actors' (and customers') experiences and joint practices create that value, which is also inter-subjective, in line with Schütz's (1967) view of social reality. When the group of customers are considered as a unit that created the value together in their practice, it is seen as inter-subjective towards other societal groups (Schau, et al., 2009) but objectively inside (intra) the group.

One could argue that the difference compared to Helkkula, et al. (2012) in this typology is that the inter-subjective perspective on value creation is seen as a result of social relationships, thus the social construction view, while the intra-subjective view on value creation is seen as a result of the construction of the world from an experiential (psychological cognitive) perspective, individual constructivism as Löbler (2013) has advocated, based on the Gregen's (1994-1999) work.

5.4.2.4 Inter – Objective

Inter-objective paradigm defines the value created in social system as biggest unit of analysis in social theories and thus SDL. Inside this paradigm, there are involved also *social ecosystem, networks, and service systems*. One can debate about the difference between these constructs, but for the sake of simplicity and clarification of the typology they are placed inside the societal realm.

The *inter-objective* viewpoint is the societal realm perspective on value creation. It considers social reality as a system that influences all actors, such as group behaviours, from small social

communities up to societies that hold particular norms, rules, and laws within a stronger structure. These societal groups act also as a regulatory force through the institutions and institutional arrangements (Vargo & Lusch, 2016) during the interaction and integration of actors' resources in the process of value creation and evaluation. Accordingly, institutions, institutional arrangements, and service ecosystems represent the inter-societal perspective; that creates objectivity inside the bigger social group (society) through the accumulated individual(s) beliefs and values; that are transformed by societal norms, rules, and laws; that have power to create generally-accepted (objective) social reality. The social structures in this case, are so powerful, so that the individual and small social groups are negligent in value creating practices (Berger & Luckman, 1967; DiMaggio & Powell, 1983).

The inter-objective paradigm can be as well characterized through Scott's (2014) work about institutions, in particularly through regulative and normative types in addition to cognitive types of institutions. Cognitive institutions on the other hand represent more an inter-subjective paradigm since they entail knowledge, schemas, and frameworks represented by a particular social member (community) within a particular context. A good example would be a particular social community that performs a particular practice (Muniz, et al., 2006) or even a powerful individual, such as king, as a strong member of the society who performs particular practices based on knowledge, beliefs, values, and norms. Whereas, according to Scott (2014), the regulative institutions are those that have the capability to initiate and impose formal rules and laws and, even more, enforce sanctions, the normative institutions generate such arrangements in society that influence and even force all dimensions of societal (inter) objectivity, and thus value creation and evaluation.

In conclusion, institution and institutional arrangements are social constructs that represent the societal realm and create value as seen through inter-subjectivity as well as inter-objectivity, which is in line with Axiom 5/FP11 (Vargo & Lusch, 2016) that states "Value co-creation is coordinated through actor-generated institutions and institutional arrangements" (p.67).

The meta-theoretical approach is inter-objective, meaning that social reality is accepted by all groups and it is objective and inside (inter) the groups as well as individuals inside the groups. As

such, the researcher can measure the reality objectively through modelling and empirical investigation that can be deductively proven.

The most rigid unit of analysis inside the inter-objective realm is a social system, whereas the social eco system is seen as loosely that fulfils the conditions of societal objective reality in the social context.

5.4.3 Value Creation Dimensions – Meta Theoretical Approach

In this section the typology will be described from the VP dimension identified in the literature reviews and their impact and role inside the individual and societal realms. Apparat from Figure 19 that can be easily identified as a four dimensional construct building the Typology, where the actor and context (structure) form the first duality (Sewell, 1992), whereas the interaction and operant resources form another duality emerging from the literature review, macro theories and the empirical research.

Social Construction Theories, and in particular Social Practice Theories, explain the intertwining among institutions, actors, and social practices, and the interaction of resources and structures. For that reason, the breakdown of social practice on four dimensions (actors, interaction, resources and context) as well as the breakdown of each dimension, and in this case actor, is important in order to better understand and thus explain the value creation types in different realms of interactions.

Figure 26. Typology of Value Creation Practices

(A four dimensional Typology, consisted of: actors, interaction, resources, structure)
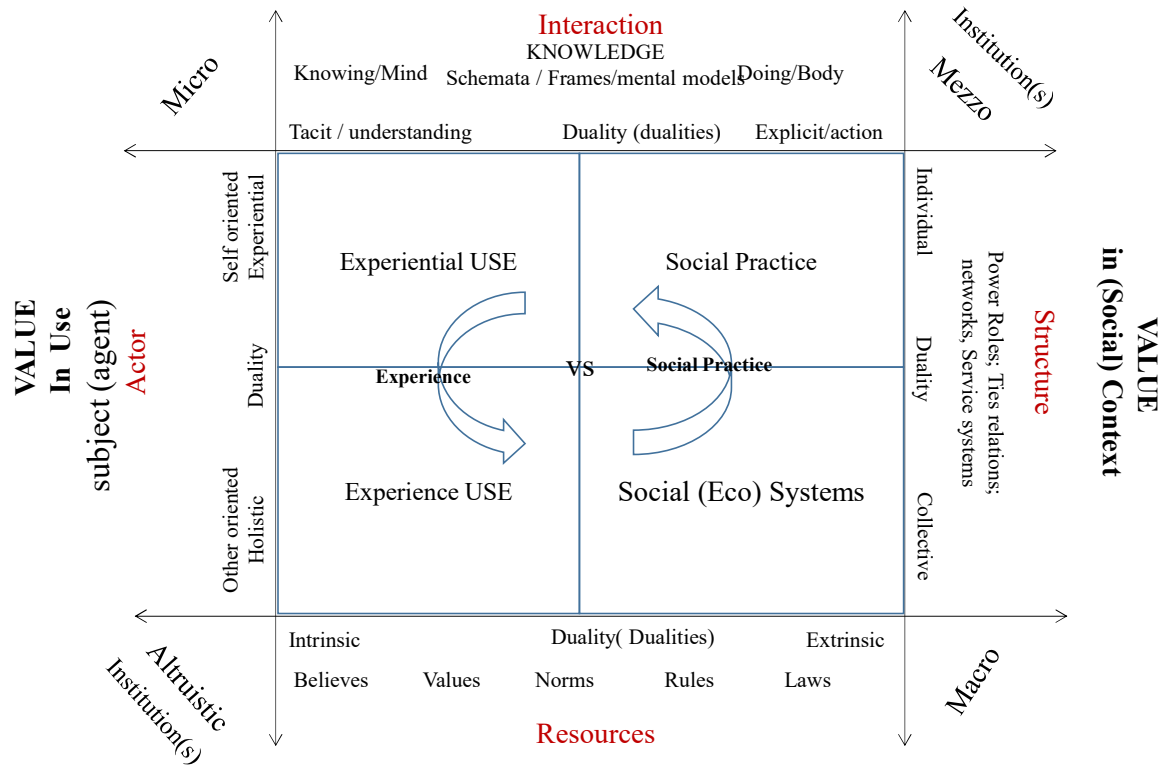
Source: Driton Sahiti (author)

5.4.3.1 Actor - as form of individual realm

In the SCTh approach, the individual realm, social practice and experience, an actor who has the ability to make a personal judgement (Bilton, 1996), as an agency, is considered a key dimension. Along these lines is marketing, based on the position the role of the actor has as the basis of the value creation practices. It is where actors create and evaluate the VP. Actors in this view are an "agency" that has the capability to interact, with will and a purpose (Bilton, 1996) Due to this, it is necessary to recognize this dynamic dimension, and to advance a more profound understanding of the VP.

The Agency is directly visible in practice theory, since individuals as agents and carriers of practices, who are imminently identified in practice theory, are also considered as knowledgeable, skilful and capable practitioners who are competent to inter-connect and integrate the components of meaning, material, and competence essential to implement practices (Reckwitz, 2002).

Actors (co)create value-in-practice through their individual involvement, evaluation and interlinks to the social context and other actors through their service ecosystems, practices and experiences in different micro, meso, and macro level of interaction. For that reason, it was crucially important to differentiate between two realms, individual and societal (Tronvoll, 2017); that are implanted in practices and where value is created and evaluated in the process of duality, similar to the process of structuration, as described by Giddens (1984, 1989).

At the focus of every social practice (service ecosystem, experiences) is an actor who carries on and integrates numerous accessible resources, which in a social context is influenced and directed by schemas of beliefs and norms, allowing value to be created, as elaborated in literature review section. In these interaction spaces the actor is dealing with different dimensions and levels of factors that influence and are influenced by the actor. The actors' roles in two main dimensions will be elaborated next.

5.4.3.1.1 Individual – Experiential (intra-subjective) vs experience (intra-objective)

Actor – is seen as an individual who creates and evaluates value. In conceptualizing value earlier in this thesis, I highlighted the point that value is created experimentally through the SEMs (social, bodily, intellectual, affective, sensory), in the experiential nature, as advocated by Schmitt & colleagues (1999, 2008) in the form experienced by the individual.

There is also a CCT view on value creation, which says that value is created in experience, in a consumers' socio cultural world and their operant resources Arnould, et al. (2006), such as social, economic, cultural, physical, etc., The CCT approach on value creation is heavily influenced by Bourdieu's (1988) concept of habitus, capital and field.

In the individual realm, both value-in-use creation types fit in. However, while one *type* has more experiential approach and self-oriented, (e.g. pleasure and hedonic based and self-oriented as per Holbrook, 1996, 1999), the other is more other-oriented (Holbrook, 1999), in terms of believes, values and norms that dominate in particular field of the operant resources (Arnould, et al., 2006).

Despite being both value-in-use types as phenomenologically evaluated and belonging to the same individual (beneficiary) realm, there is a kind of duality between them analogous to the duality of actor and structure. In one side, the individual has experience within the context of his life (socio cultural economic physical) world, still that world is experientially perceived through SEMs. Similarly, the SEMs perceive and make sense of the Life World by comparing the previous and imaginary experiences that a person already has in his mind, in a hermeneutical way, as advocated by Helkkula, et al. (2012).

This duality can also be interpreted using the terms of Reckwitz (2002) who sees the individual as the carriers of the practice where agent, "….presents himself either as the self-interested figure of the homo economics', or as the norm-following and role-playing actor of the homo sociologicus" (p256). On self-oriented experiential side, the social reality and thus value is created primarily by "…independent individuals who confront one another with their decisions" (Reckwitz, 2002, p.256) as part of their self-interest view. On the other oriented side, in homo sociologicus, the social reality is primarily, "….a system of normative rules and expectations, to which agents/actors as rule-following figures conform (or become 'deviant')" (Reckwitz, 2002, p.256), and value is created by an agent in terms of a rule follower of that social cultural economic reality.

5.4.3.1.2 Societal - Social Practice (inter-subjective) vs Social (eco) System (Inter-objective)

Actor's roles in social practices are based on the inter-subjective view described above, based on social practice theories (Reckwitz, 2002; Schatzki, 2000; Bourdieu, 1988; Giddens, 1984). This perspective, from the actor's point of view is other (inter) oriented and the interaction and integration of resources happens inside the social (communities of) practice (Schau. et al., 2009). As such, actor's (beneficiary's) value creation is subordinated to the group of actors (beneficiaries) who evaluate the value together as part of their beliefs, values, and norms like family (Arantola-

Hattab, 2013) or other customers (Baron & Harris, 2008). In this realm, the individual agency is weak, since it starts from the small group who perform a practice in the meso up to the macro level. Whereas, the social structure as construct is strong and the social practice is the key unit of this realm that can be transformed in to the more rigid construct inside this realm.

The inter-subjectivity of this type of value creation, implies that the actor is still oriented towards others, and the social reality is influenced and created by the group. However, the beneficiary also influences this reality. The self-orientation of the actors in this case is primarily oriented towards the continuation of desires, selfishness, experiential, ego and hedonic based, but influenced by and influencing the other members of the group with his/her physical, mental, social participation and embodiment into the social practice. The actors as such, have an inter-subjective perspective on the practice and the actor inside the practice can see it as intra-subjective as well as subjective. It depends on the 'experience-near' or 'experience-distant' (Geertz, 1973) view by the researcher, which can be called "sobjective" (Pouliot, 2007) and belongs to the meso level context.

On the other hand, when the value creating social practice is transformed into the social (eco) system and the individual is completely other oriented toward those of social belonging of the group, and the normative oriented perspective is fully seen from the functionalist perspective. The norms, rules, and laws of the social group (structure) are directly influenced and provide guidance in the agency that actually is part of the system in macro form. This is a completely rigid system and the agency doesn't have any power or even a network or ties. Even in the case when the system is ruled by an individual with absolute power, this position is considered as institutions with power to influence personal beliefs, values, and norms, which are then transformed in to the collective ones.

In this paradigm, society is seen as being established by social systems and not individual experiences as in the intra (subjective and objective) realm, or in social practices as is the case in the inter-subjective realm, so it is a collective view on society. In the inter-subjective view, social practices that are formed and replicated through time and space and, as per Giddens's (1984) structuration theory, this construct is neither individual experience, nor the construct of "…any form of societal totality" (p.2).

Within the inter-objective view, the social practices are recreated (through time and space) and actors form arrangements of social dealings, characterized as social systems. The social and service systems create, across time and space, structural properties and in the form of institutionalized features that guide then individual actors' arrangements, behaviours, and practices. Actor (agency) is in duality with the structure as the weaker side, and the structure dictates the social practice.

Next, the other three dimension will be reviewed, and the individual and societal are implicitly considered. In addition, the realms have been explicitly mentioned in other section of this chapter and in this section (actor dimension).

5.4.3.2 Interaction as form of mix realms

Interaction – as a dimension is considered in addition to the agency and structure debate earlier in Taxonomy (Model) relationship of value creating practices.

In this dimension, based on Reckwitz (2002), a dichotomy also exists here. From the point-of-purpose oriented theories, on one side, there is human (inter)action as directed by human selfishness and an ego approach to the social world in order to create value, and on the other side, human interaction as participating in value creation practices as instructed through the norm-oriented theory of action based on beliefs, norms, values and roles, from which the norm-oriented theory of action exists as conceptualized by Reckwitz (2002). Actually, this approach creates a dichotomy of interaction in tacit vs explicit; understanding vs action; knowing vs doing; and mind vs body.

An individual who acts from his own ego to achieve personal experiential goals, has his interaction inside the practice, as carried with a body. The value is created through the SEMs (Schmitt, 1999), by doing things, sensing, feeling and reacting upon them, and so those practices are transformed into the personal experience. Whereas, in the norm-oriented approach, the practice again is transformed in individual experience, but individual interaction within the transformation are carried though understanding, knowing, and mental activity, based on his beliefs, values, and norms, which govern him in the value creation practice. However, in this context, it seems that

though those norms form the perspective of the cultural social practice theory (Reckwitz, 2002). Persons' (inter)action are predominantly governed by joint meanings and social order starts to take shape while the individual belongs more to the communities of the same practice. Hence, the dichotomy of understanding vs action, knowing vs doing, and mind vs body, is in line with the intra vs inter. In addition, the relationship of tacit vs explicit is analogous to intra vs inter.

5.4.3.3 Resources as a form of mix realms

There is a well-founded connection among agents (body/minds) and things within stable practices which reproduce the social (as does the 'mutually') stable relationship between several agents in other practices, according to Reckwitz (2002). Therefore, one can adopt the view that the bigger part of social practices consist of routinized relationships among multiple actors with agency (body/minds) and objects.

According to Huotari & Vargo (2016), SDL is aimed towards operant rather than operand resources, since the operant can also decrease resource reduction, or raise accessibility, and create substitute value creating offerings (Akaka, et al., 2013). In this way, SDL focuses on the involvement of skills to advance new knowledge (Lusch, et al., 2010) to consider operand resources in a more effective way.

This perspective on resources considers all actors as sets of resources who exchange service for other extra resources like, rights, money, etc. (Lusch & Vargo, 2014). Interaction and especially integration of actor's resources in the value co-creative practices happen, besides other motives, to form innovative prospective resources that can eventually be integrated through service exchanges with other actors (Arthur, 2009; Vargo, et al., 2015). This integration happens uniquely by each actor in different levels of context, such as in private (micro), market-facing (meso) and public (macro) (Vargo, 2007; Vargo & Lusch, 2011). This process also involves social exchanges of resources among actors that represent "institutions" as seen through mutual interpretation of rules, values and norms (Vargo & Akaka, 2012), in addition to beliefs that individuals pose inside the social context. Such shared understanding, inside the particular social context, governs the

value creating practices that motivate and are motivated by operand and operant resource exchanges (e.g. Giddens, 1984; Edvardsson, et al., 2012).

This leads me to the concept of the institutional logic, which Edvardsson, et al. (2014) consider as very important for integration of resources between actors, in value creating practices that prevail in a particular (organizational) field (Scott, 2014). This is based mainly on the concept of Friedland & Alford' (1991), as well as other authors', definition of *institutional logics* (Edvardsson, et al., 2014) who interpret the concept of institutional logic as:

> "… a configuration of a set of institutions grounded in norms and rules aiming at achieving a specific desired state in a society or a group, which is aligned because of a logic grounded in basic values and accepted among enough actors or actors with enough agency to exist, so that it has as consistency across its normative, regulative and cognitive levels." (p.6)

This perspective on institutional logic is motivation for this thesis, and holds that the interpretivism paradigm, which involves beliefs, values, norms, rules, and laws, in the resource dimension, as well as actors' scripts, knowledge, and activities, interact in dimensions when integrating resources during value (co)creation practices. As a result, the *resource* and *interaction* as dimensions, are understood as shared institutional logics that guide the becoming of operand resources during integration, and "…why resource integration is successful or not, as an institutional logic coordinates the actors' value co-creation processes beyond knowledge and skills" (Edvardsson, et al., 2014, p.6).

The resource integration in the value creating practices happens (for example) on the micro level context, inside the family and friends, and are not necessarily connected to money, but rather toward service exchange; on the meso level, this happens through direct and indirect integration of resources, thus service exchange; and between money and goods, at a macro level context, when there are public resources available to society, such as language, social norms, education, health care, and security, which are services offered by governmental bodies in exchange for taxes. It leads us to consider institutions (and institutional arrangements) on an operand resource context (Huotari & Vargo, 2016), since the operant resources on different levels of context are part of value creating practices. In this way, the value creating types of practices generate and generated by

those institutions. To act on any level of context and upon any field of interaction (economic, social, cultural physical, etc.) one needs to have a logic. Knowledge and skills are based on beliefs, values, norms, rules, and laws that are part of the value creating practices, in that particular field, in Bourdieu's terms. Those knowledge and skills are operant resources that offer scripts of interaction, like mind and body, which need to be part of any social practice in order to be performed. In fact, interaction and integration of resources cannot happen without specific knowledge and skills that are needed to carry out a social practice.

For that reason, beliefs, values, norms, rules, and laws will be considered as operant resources in addition to operand resources, which also can be viewed from the individual and societal levels. While beliefs and values are seen on a micro individual level, norms are seen on a meso community level, and rules and laws are seen on the macro level. Of course, there is intertwining between them, but, beginning with the institutional academics (North, Scott, Di Maggio, Lawrence, etc.) this classification and duality is plausible.

5.4.3.4 Structure as a form of societal realm

In this typology, structure represents multiple concepts, like social context, collectively, society, and in some cases even the institutions. All these concepts are represented by a stronger structure and are in one way or another the opposite of the actor (agency). I use the term *structure* interchangeably with *context*, representing the macro and societal level aspect of community.

Despite that, being a key notion in sociological analysis, there is not much agreement about the conceptualization of social structure (Porpora, 1989). For that reason, it is important to clarify this notion of what is a "structure".

Taking into the consideration that the VP has a multilevel perspective, also the structure needs to be considered from multiple levels.

Porpora (1989) identifies four concepts of social structure that are mostly used:

"(1) Patterns of aggregate behaviour that are stable over time, (2) Law like regularities that govern the behaviour of social facts, (3) Systems of human relationships among social positions, (4) Collective rules and resources that structure behaviour" (p.339)

According to Porpora (1989), the first conceptualization is related to individuals dealing with clarifying the social relations and processes from cumulative individual behaviour. This stream is associated with exchange theorist Homans (1975), and eventually with symbolic interactionists, but mainly with Collins (1981).

In opposition to the first rather individualized conception, the second one is linked with the societal (collectivist) perspective and the explanation of the social relationships from the holistic perspective (Porpora, 1989), represented by sociologies known as "structuralists" like, Blau (1970; 1977), Mayhew (1980) and Turner (1984).

The third use is most frequently associated with Marxism and network theorists with their respective concerns for the causal power of social relations. This conceptualization considers that social structures are established interrelationships between social positions (in forms of instrumental mechanisms) that interpret social situations in form of predispositions, tensions, and powers integral to the node of those interactions. Foremost, they are strictly linked with the Marxist theory and containing some streams from the symbolic inter-actionism and theory of networks (Porpora, 1989). The final conceptualization is mostly linked to the symbolic interactionism, ethno methodologists, in addition to the structurationist theory of Giddens (1979; 1981; 1984). Porpora (1989) argues that it adopts a holistic perspective to social phenomena, but on the other hand, doesn't interpret social structure in the form of organizational assets of social systems, but instead, in the form of the shared rules.

This research takes as a foundation Giddens' works since as it has been used within SDL (Edvardsson, et al., 2011). Other definitions of social structure are that of Radcliffe-Brown (in Aspers, 2008) who conceptualizes s social structure as a "complex network of social relations" (1952, p.190). The core of the definition is social relations "between two or more individual organisms, when there is some adjustment of their respective interest, by convergence of interest, or by limitation of conflict that may arise from divergence of interest" (Radcliffe-Brown, 1952,

p.199, in Aspers, 2008). This definition is the starting point also of my work and it covers, for example, individual and more actors' relations, distinct as the difference of actors into social roles, networks, powers, ties, and systems (like family, kinship, working class, gender, organization, etc.).

Giddens (1984) identifies three kinds of structures in a social system: signification, legitimization and domination. In the stratification model of structure, Giddens attempts to illustrate the links between the structure and the system of interaction (Jacobs, 1993). In particular in the last component, domination emphasizes the construction and employment of power that originates as result of resource control. Giddens recognizes that forces of domination and compliance occur in the elusive power associations, in which Marx was also very much interested. In line with Marx, Giddens advocated that resources (operand) are transported through the power. Although he was more interested in exploring how power is linked to the outcome of the interaction and integration of actors and the structure, which is of interest in this thesis as well.

According to Sewell (1992), another important aspect is the concept of duality that Giddens brings forward, namely the duality of schemas and structures. Giddens (1984) views the structures as dual since they are simultaneously the medium and the outcome of the practices that establish and recreate structures. However, Sewell (1992) states that, structures or schemas' direct resources and resources in turn also direct to schemas, thus structures. Finally, suggesting the merger of the different conceptualization through the five main fundamental suppositions such as: multiplicity of structure, transposability of schemas, unpredictability of resource accumulation, polysemy of resources, and intersection of schemas Sewell (1992).

These characteristics have contributed that this notion of structure be integrated with other streams of research and with social theories like strategic management. Institutional theories have also contributed to integration of marketing, especially as part of the SDL discussion (Edvardsson, et al., 2012). Subsequently, structure as collective dimension is positioned on the opposite side of the individual dimension of value creation. In this way, the duality between agency (individual) and structure (societal) is highlighted. The structural dimension has societal nature and it is represented through the power, relationship, ties, networks, and social systems represented through different roles. This type of value creation can range from having a strong individual agency, up to the

system level where the individual has a role to play in social practice, but (within the construct) still a relatively weak role that would fit to (s)objective, thus inter-subjective (or intra-objective) on the meso level paradigm.

Moving towards the social system, where the collective agency is the key and value is created by the social collective systems with strong ties, is based on the laws that ignore completely the individual (agency), and thus based on a very strong structure in the macro context that defines reality as inter-objective for all members of the society. The intertwining of the meso practice level and the macro system level is analogous to the one between experiential micro levels towards the experience-based meso level. Leaving us to understand that the nature of social practice has a strong individual aspect driven by norms oriented toward the collective practice. Ultimately, the intertwining of experience, practice, and the system is continuous, and the institution in the forms of beliefs, values, norms, and rules with particular roles and scripts, arrange those practices and are arranged by them, having a dual characteristics. Implying also that those four value creating practice types are ideal types, and there could be other value creating processes that do not fit to those ideal types but still the particular characterisation can be drawn out of the typology.

In conclusion, this chapter brings advanced understanding of VP and thus achieving RO#3 by providing a unique and novel typology of value creating practices. This is achieved by adding a meta and macro theories into the value creating types, identified in previous chapter, through the taxonomy. First, individual and societal realms are identified, and then combined with objective and subjective dimensions, in order to finally re-combine them in four paradigms that represent four types of value creating practices. Through those paradigms, then each dimension of value creating types, like: actor, interaction, resources and structure are scrutinized.

Chapter 6 – Using a case study to illustrate "how typology works"

This chapter provides details about the use of the typology as a method for illustrating value creating practices. Photographs are offered as archival artefacts from the personal flight journey in order to collect data that identify value creation practices. Each of the four types of value creating practices, namely value-in-experiential-use; value-in-experience-use; value-in-social practice and value-in-social system, are then illustrated through Subjective Personal Introspection by using a typology as a method for delineating the collected data.

This Illustrative case will demonstrate the use of Typology in practical and academic filed for better understanding the value creation practices. By doing that it is achieved RO#4 which is also final contribution of this thesis

6.1 Types of customer value creation shown in the photographs of Personal Flight Journey (PFJ)

The journey is divided in three points of interaction: Airport-Airplane-Airport-City (and return) – Airport-Airplane-City. I will speak in general terms, in the first person, and when needed, I will explain the details if they are connected directly to the specific location, persona or subject that is relevant to the situation. As noted in the last Chapter, the Napoli trip is used in the main; but I will use examples (pictures) from other trips as needed. Each of these categories is then separated into the 4 types of value as explained above.

6.1.1 Individual – Value-in-Use

As noted, there are two types of value creation in the individual realm, namely *experiential* and *experience.* I will go through the pictures of my Personal Flight Journey (PFJ), by using those types as a form of describing my SPI.

6.1.1.1 Value-in-Experiential-Use

In the *experiential type* of value-in-use, the four dimensions of value creation, namely *actors, interaction, resources and structure*, will be used as a form of describing the SPI. This approach will not be done in describing the other types of value creation as the flight journey is personal and best suits descriptors related to, the *individual realm*. Regarding the other value creation types, they will still be considered, but not in form of a separate section. In the *societal dimension,* I take a distanced view by analysing the unit itself (social practice and social ecosystem) than the dimensions of that unit.

6.1.1.1.1 Actors – Experiential

This dimension is characterized with aspects such as; *social, bodily, intellectual, affective, and sensory*, (Schmitt, 1999; Brakus & Schmitt, 2010) and the actor is rather *self-oriented* with strong *physical embodiment,* hedonic value (Holbrook, 1999), projecting an *experiential* orientation.

This personal experience is totally oriented towards oneself*: value-in-experiential-use*. The self-orientation is so highlighted so that value that emerges out of this type of individual *experience* are pleasurable, the senses are involved. For that reason, hunger, thirst and the basic needs are fully *experiential* and pleasurable. The restaurants are so designed and located to ensure that a passenger must see them (as in Picture Group 1). In addition, the advertising is noticeable from a distance with images recalling *the senses* in order for the usual *social practice* of travelling to be transformed into a *pleasurable, hedonic, sensory, bodily, intellectual, affective* experience, ultimately *experiential (Schmitt, 1999)*. Therefore, the value is created in *experiential use* out of that social practice that is transformed into a personal *experience*.

Of course, the "need" for the bodily, emotionally and sensory is aside from the socially and intellectually offered services. Yes, you can buy a book to intellectually experience a journey, but the pleasurable sensory affective based experiences are more typical for the social practice journey. There is a mixing of the "resource based" (CCT) (Arnold, et al., 2006; Arnold & Thomson, 2007, 2017) and *field* and *habitus* (Bourdieu, 1972/1977, 1986) Cultural, Economic and Social schema of experiences, but in the case of value in-experiential-use they are secondary (but not excluded).
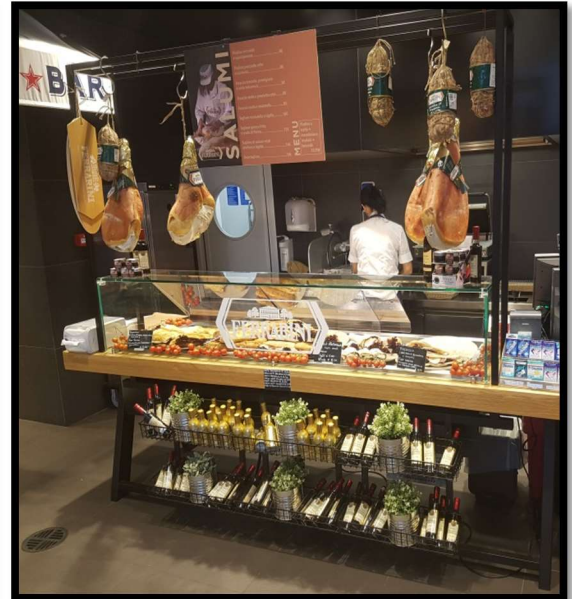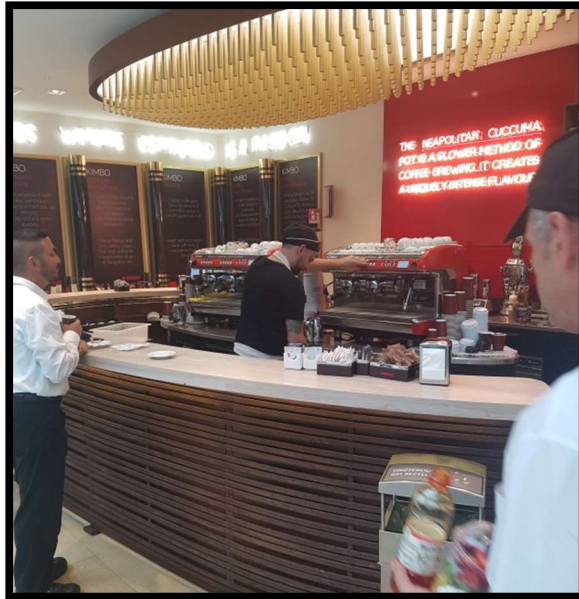
Picture group 1. Walking through the "irresistible"

To reinforce the value-in-experiential-use, passengers go through the flagship shops enroot; a *luxury experience* (Pictures group 2).
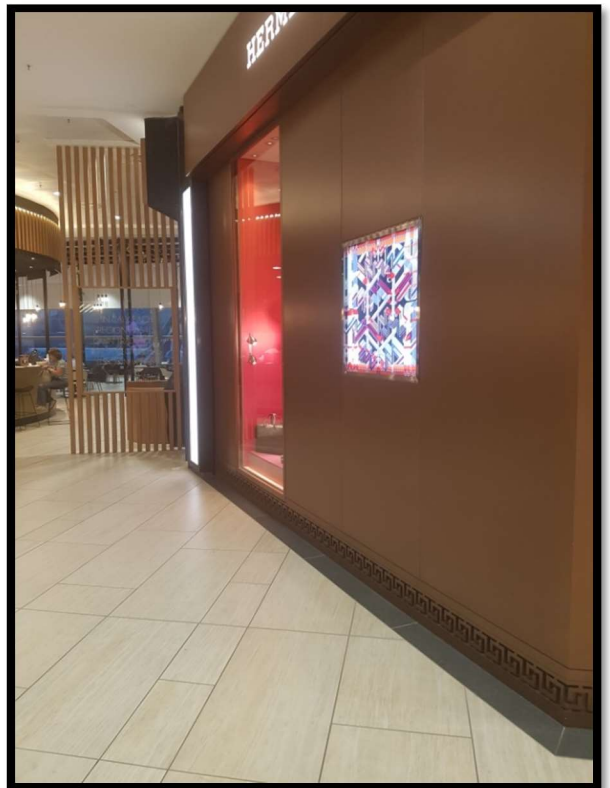
Pictures group 2. Walking through the "luxury tunnel"

Whereas, on the other side, a "Duty Free Shop" is designed to allow you to use *the sense of smell* and *experience* (erlebnis) *experientially* (Pictures group 3).
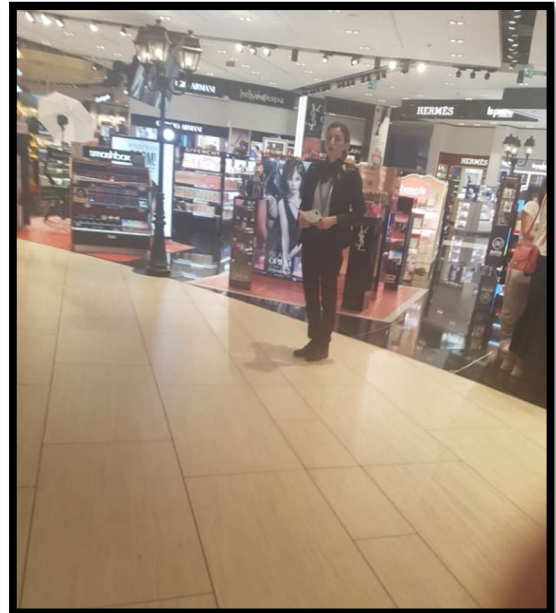
Pictures group 3. "Taking advantage" of Duty Free (not so free) Shops

The design of the processes, including all the retail stores in airports, is so designed that one cannot escape the "need for *experiential consuming*", thus extracting value out of those *experiential offerings* (the McDonaldisation of service, Ritzer, 2010).

Picture 4. McDonaldization of services

So, value-in-use of these personal *experiences* is value-in-imaginative *hedonic experiential use* e.g. perfume. The pleasure of buying an expensive perfume is directly connected with a pleasure of imagining of presenting a present, it makes it easier to enter into *value-in- exchange* for the product. The *esteem* that one has during shopping and thereafter displaying the prestige brand bags adds to the *experiential* journey, and contributes to the *social worth* of the experience (Holbrook, 1999, 2005, 2006). The "discount" offers make it more" justifiable" to buy something that you normally wouldn't buy. The *self-esteem* and the future *social status* that one has during the buying experience, and, in particular, after the transaction experience at the point of delivering/or consuming the gift, enhances the *social value* (Holbrook, 1999) It is evident that any kind of *social practice* that one is part of, never extracts just one particular value type but is mix of many.

Other actors "facilitate the *value in experiential use*". Institutional thinking (beliefs, value, norms, laws, systems) that "one needs, and must buy something at the airport" influences our behaviour; resistance impacts upon our *social (value) status* through 'group'/'institutional' pressure. If one doesn't have enough resources (economic) to buy an expensive gift, there are always alternatives, for example, the perfect ice cream in Rome (Picture group 5); and through telling everyone about

it (through Social Media) makes *the experiential self-oriented* nature of the ice-cream as a perfect interactive memory, not just an *individual but a collective experience*. The pleasure of Italian ice cream demonstrates *the experiential, self-oriented physically-embodied hedonic* and even *playful experience* where the VP *(created and evaluated)* emerges and could be used almost as a perfect example of the Schmitt's (1999) *experiential* marketing or Brakus & Schmitt (2010) brand experience.

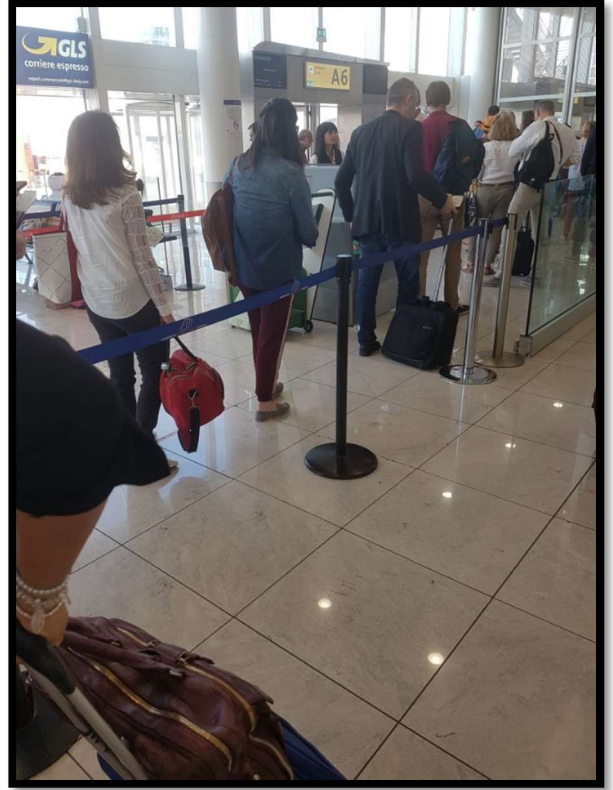*Pictures group 5. When in Rome, do as the Romans do!*

On the other hand, the *Experiential Value-in-use* in the airplane is differently offered and experienced. Starting from the entrance way to the plane, which is not so pleasurable (Pictures group 6a, b and c), and then searching for your seat makes for a stressful *bodily* situation.

Picture 6a How much did you pay?

Picture 6b Here we go, is my turn now
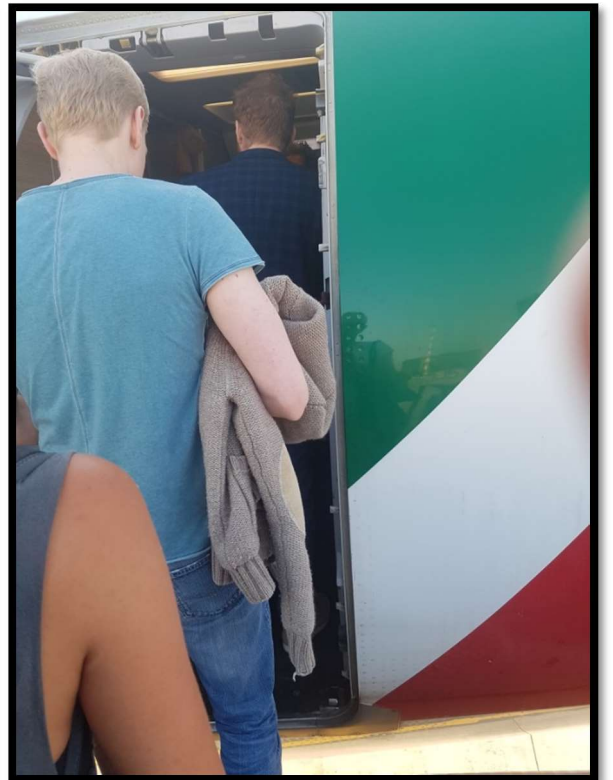
Pictures group 6c. Entering the Airplane

The stress relief that one has after placing the luggage in the overhead bin or under the seat in front (Pictures group 7) and taking one's seat, is quickly wiped out by acknowledging how little space there will be during the flight. In this case, the value that emerges *experientially,* totally reduces the *social (self-esteem) value,* and the possibility to travel business class becomes more *experientially* pleasurable and wishful, but also social(y) more valuable as evaluated by Holbrook (1999).
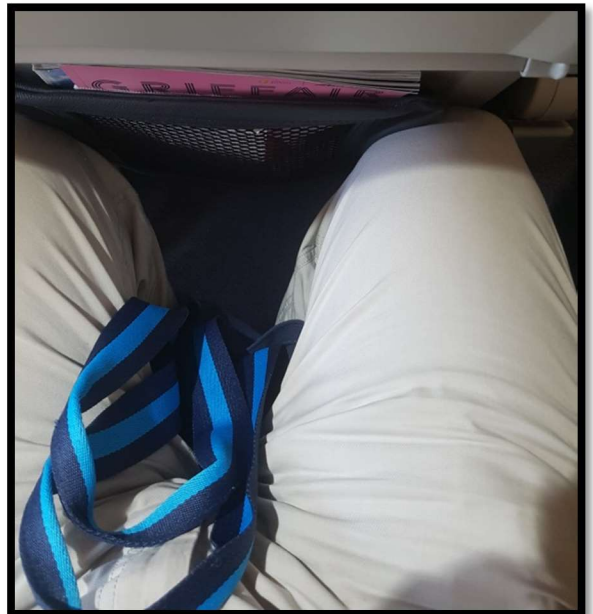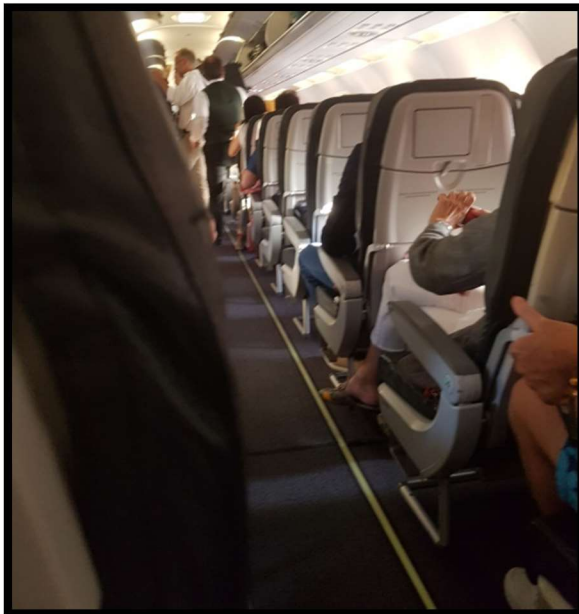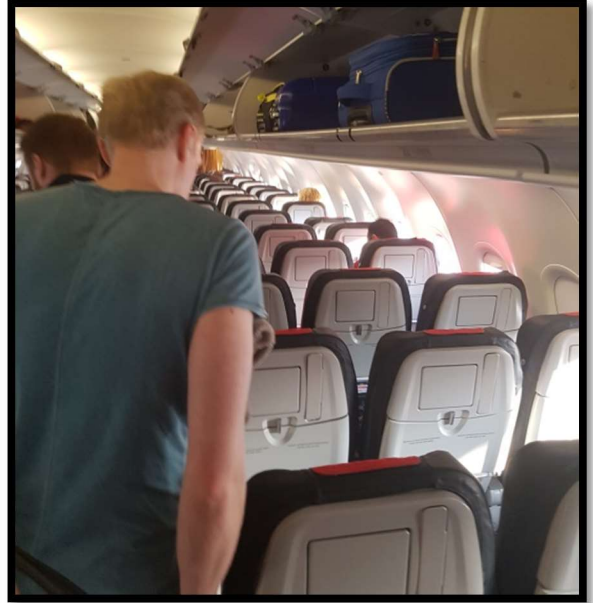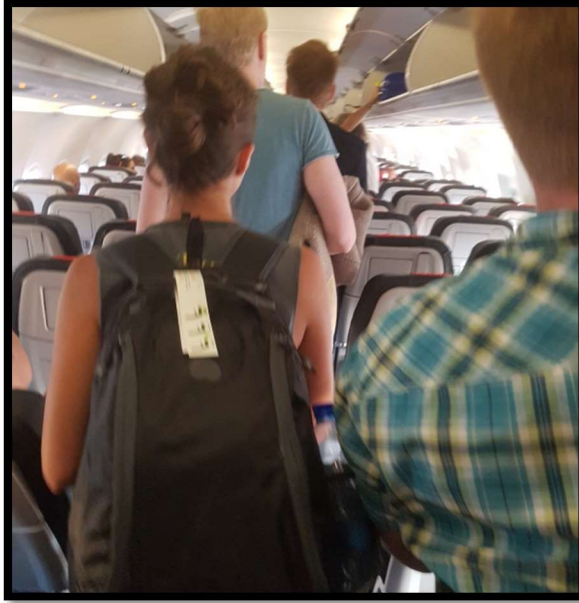
Pictures group 7. Taking a seat

The full plane, the *efficiency* (economic value) aspect, leads providers to concentrate on embarkation, flight and disembarkation issues: cost effective delivery, from point A to B; during the journey the offering through the 'entertainment package' and 'sustenance package' engages one *experientially*.

The realization that it is not fun to travel in the economy seats encourages one and the airlines to consider how best to engage and entertain: *experiential value in use*. The consumer is engaged experientially during the flight journey: reading a book (*self-esteem value*); watching a movie (*playful value*); purchasing duty free goods (*social value*); or eating and drinking (*economic value*).

Of course, there is a social factor when you talk to someone, but lately *the experiential factor* of talking to someone when you plan to read before going to a conference may make things worse! *The sensory* aspect that we are landing *and experiencing the aesthetically-pleasing* view of the extracted by *service system* called a City is what makes *the experiential value-in-use* in the airplane probably the best part (Pictures group 8).
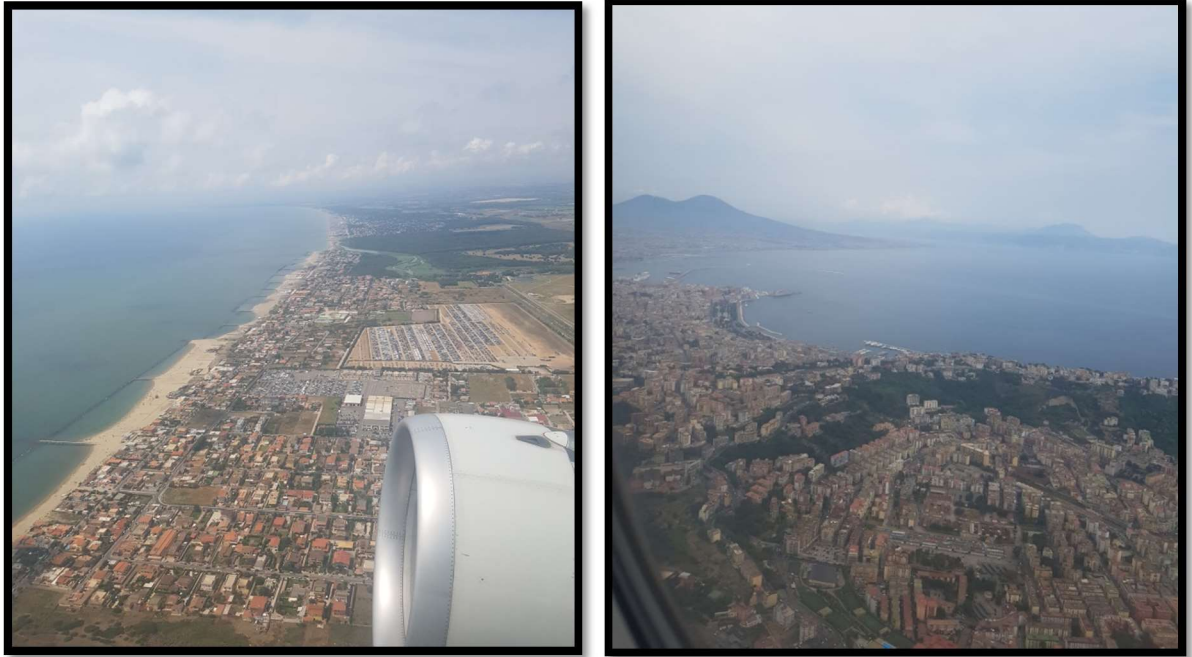
Pictures group 8. It's time for prayer Interaction – Experiential

6.1.1.1.2 Interaction – Experiential

The actor's *interaction* is *self-oriented, with "strong" physical embodiment and tacit understanding of the experience, but is "weak" in mind,* due to the fact that the realization of the *experience* goes mostly through *the senses, and the experiential* aspect is *stronger* than the *intellectual* aspect. See Table 8 – column "Intra subjective", row- interaction, or Figure 26. Typology of VCP.

Interaction (and integration, thus exchange) aspect is *strong* in *experiential value-in-use*, as in duality between Body vs Mind. The *sensory* aspect involves the *Body* aspect, which is much stronger than the *Mind* aspect, and the *hedonic pleasures* begins with the *hearing, smelling, feeling and touching, and then acting* as advised by Schmitt (1999) and Brakus &Schmitt (2010).

While in the airport, your *body* is thinking about travel and moves through designated pathways and is attracted to act upon the *sensory* aspects; one *experiences through all senses* facilitated touch points (value offerings, for example restaurants and shops). In the airplane, the *body* involvement *(Interaction)* is far more personal: entering the plane and waiting in the line (Pictures group 6c.),

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the placement of the luggage, sitting practices, and the practice of eating and drinking, are all happening in the very constraint space. It is rather a *body experience* first and then the *feeling and emotion* that one gets, through the uncomfortable placement of *the body and the anger* and discomfort that follows. It is clear that this time through the *interaction of body the value* that emerges out of this *experiential use* is destructive, since *the emotions and feeling that* come out of this discomfort *experiences in body interaction* is crucial.

The *Body* is fully part of the *social practice* and has an *interaction* aspect (dimension) to perform during a particular practice, like the security check, which *feels totally impersonal*, and is a *Service System* based, thus embarrassing when you hear that the security equipment did not approve your further movement. The *body* needs to get ready for another *individual* treatment by a security guard, who then asks more questions and *the mind is weak* and becomes relatively unimportant, whatever your answers are. They're *enough to tacitly understand* that the human can be denigrated through the *body performance* when asked to go through a (value-in-) *service systems*.

6.1.1.1.3 Resources – Experiential

In this *experiential journey* of value creation the *resources* are treated mainly from the operant perspective.

From the CCT (Arnould, et al., 2006; Arnould & Thomson, 2007, 2017) perspective, *resources are economic, cultural, social, physical, religious*, etc., which from a social constructivist point of view do make a sense to conceptualize resources in this way. However, considering from the *cultural practice theory*, for example Bourdieu (1982, 1986), one can consider the *operant resources* mentioned by the CCT school of thought as *meta fields,* and *personal and collective institutions* like *beliefs values, norms, rules, and laws* as *resources* belonging to those Bourdieu's *fields*. Finally, an *interaction* and *integration* of *resources* in a particular *context create social practices and experiences* that value emerges. Subsequently, *integration of resources,* apart from *operand* (starting from the body), are also *operant* like *knowledge* and *skills,* which are based on those particular *institutional arrangements* (Vargo & Lusch, 2016) between individual and society, that dictates and are dictated by peoples *beliefs, values, norms, rules, and laws* in a particular

(economic, cultural, social, physical) field. The intertwining between an individual (psychological) and societal aspect of the *values, beliefs and norms* is also highlighted by Piscicelli, et al. (2014)

It is evident that when the *experiential value-in-use* is considered, then the individual *belief system* is less relevant. The systematic influence of the meso and macro level context on actors is that *the pleasure* is the final value that one needs *to experience*. That makes the *belief system* subordinated and they serve as a justification for *ultimate satisfaction,* thus *pleasure* as advocated by authors such as Schmitt and colleagues (Schmitt, 1999; Brakus & Schmitt, 2010), who integrate psychological dimension into the marketing, more precisely into consumer behaviour stream, same as Piscicelli, et al. (2014) did, by integrating psychology to social practice theory.

The advertising in airports reinforces what one already experiences in the every day. The direct involvement of a person and the total control of the individual activity inside the airport and airplane make the imposing of the particular belief system (beliefs, values, norms) much easier. Since, in particular, our personal *social* and *cultural (belief systems) values* dictate what and how we *evaluate* a particular experience (Holbrook, 1999), then for *experiential value-in-use*, actor's resources (beliefs, values, norms) need to either be subordinated (thus accommodate the pleasurable experiences), or be ignored completely (meaning that, *experiential pleasurable* experience comes first and the personal belief system is neglected).

The *belief* that "one needs a (Vichy) ice cream in June" is not needed, however *the belief* that "when in Rome do as the Romans do" and eat Italian ice-cream is needed, for the extra drive and involvement of the not only operant but operand resources (money and the *body to move to the shop after sensory recognition*) (Pictures group 5).

So, it can be concluded that it is either the pleasure (experiential value) that dictates the Beliefs systems (Belief, Values, Norms, etc.) or the Beliefs System dictates what you are going to value out of the experience. In the case of *experiential value-in-use*, those types of resources in particular *fields* are dictated by pleasure that one experiences through the experiential dimension (Schmitt, 1999).

The *experiential value*-in-use is *inter-subjective*, meaning that the individual personal judgment at that moment of experience defines evaluation of the experience and the value that emerges, which is hugely selfish and negligibly oriented towards others (please refer to Table 9 – the cell combined of Value-in-Use / Resources)

6.1.1.1.4 Structure (Context) – Experiential

As noted, the individual aspect in this value creating type is strong and the structure (context) is weak. Since the totally *inter-subjective* value creation, the *structure* and the related *context* are part of it, but the beneficiary (agent) decides how the *experience* is evaluated and what kind of value it emerges, with the joint value proposition offered by many actors, as it is in the case of the flight experience (journey).

It is clear that for the flight journey to be possible and pleasurable *experience*, the *influence* and *power* of different *service systems* (airline, airport, security, restaurants, shops, etc.) have to function. A clear example of such powerful functionality is the security system. It is obvious that in such *service (eco) systems* the *inter-subjectivity* and offering the *pleasurable experience* is not a priority of the provider. The *social structure* (that is characterized by the *power* and *ties* of the network) is more powerful than *agent's* (individual) *experiential value* facilitation, in the duality between them (Giddens, 1984, 1989; Bourdieu, 1984; Archer, 1996).

The *social practice* of "walking through the airport" is suddenly transformed, through the careful involvement of many *powerful social (eco) systems* (airport, restaurant, shops) into the individual *experience* (i.e. *value in-experiential-use*). The *meso level actors*, such as single cafés, restaurants, shops, and boutiques facilitate the value proposition completely through the *experiential dimensions* aspects (as illustrated above). It is the *macro level service system* (Airport) that represents a platform for the *interaction and integration of consumer resources* with meso level *actors*. The airport interior system design, the flights with all that security check process and the time schedule are so perfectly arranged that the *meso actors* receive *a power for facilitation (Grönroos and Vioma, 2011) that the beneficiar*y evaluate them as positive value (Vargo & Lusch, 2008).

Experiential aspects in the airplane service systems are similar to those of airport. Airplane *service systems* totally dictate (due to the powerful structure) the *beneficiaries' evaluation of the value* and is often the case of *value destruction* (Plé & Cáceres, 2010; Echeverri & Skålén, 2011). Offering a muffin and a coffee for lunch in a tiny space may destroy the value, and the absence of the free market and elimination of options just make things worse. At this point, one can conclude that the Foundational Premise #10 in SDL that beneficiaries evaluate the value is really shaken and doesn't stand up to scrutiny as suggested by Vargo & Lush (2008, 2010, 2012, and 2016)

In the *micro level (value-in-experiential-use)*, the individual doesn't belong to any community, and his *social practices* are very personal and for that reason also *intra-subjective*. They are all social practices that satisfy personal pleasure and are oriented only towards one(self) and in this way transformed in to personal experiences (see Taxonomy – Figures 23 and 24, how linear *Social Practices* are transformed into *nonlinear experiences* through the exchange moments of evaluation).

In summary, if the *structural* dimension of the *individual realm* is *weak,* the *agency* is also *weak* and unable to change something. Because, it is part of the overall *system structure* at the airport involving different *service systems* with the less power to act and thus transform something, (Giddens, 1988). So, in the structuration process, an agent (individual, customer) is weak.

6.1.1.2 Value-in-Experience-Use

This type of *individual value-in-experience-use* is described by involving the four (actor, interaction, resources, structure) dimensions at once. This type of value (creation) is characterized as i*ndividual "in use"* and it *emerges out of experience*. Experience as a construct can be either *experiential (Schmitt, 1999)* or phenomenological experience (Heidegger, 1962, 1984); characterized *by personal operant resources*, that are *particular system beliefs, values* and *norms,* belonging to particular fields (Bourdieu, 1984). Individual (beneficiary) is, in this type of value creation, very much nested in his/her *field*, hence in broader *social, cultural, political, religious, and economic context*. This makes this type of experience a more phenomenological type *of "being in the world*" as per Heidegger (1984), and it can be attributed to other existential representatives

(Merleau-Ponty, 1962/1981). From this perspective of experience, the "*hermeneutic circle*" (Figure 4) shows how one *makes sense of the experience*, understands his context, acquires knowledge about the situation, and finally creates value.

For that reason, I will call this type of individual experience as value-in-experience-use, in order to make a distinction between those two types (*experiential* and *experience*) of individual values-in-use. There are lenses that we use in order to identify the type of value. Here we are looking with *micro* lenses in a *dyadic interaction* to observe *how the customer (me) creates value in experience* in flight journey practice. This value creation type belongs to the *individual realm*, namely in the *intra-objective paradigm*, which is used as lenses to analyse how value emerges from this type of experience.

The involvement of the individual and his personal experience is relevant inside the *social practice* of the flight journey. In this type of value creation practice, the individual is giving advantage to his *belief system* inside the *fields,* namely consumer operant resources in SDL (V&L, 2004, 2006, 2008 and CCT (Arnould, et al., 2006) terms.

In my flight journey(s), I always need to consider where and how I am going to pray, since in my belief system as a practitioner of Islam, praying is a one of the pillars that cannot ignored. Therefore, the first thing that I consider are prayer rooms at the airport. Starting from Tirana, prior to the first leg of the flight, I visited the mosque for a prayer so I didn't have to look for the prayer room at the airport. However, my journeys across Europe have caused me to pray in different airports, such as London, Munich, Vienna, etc. The *altruistic value* (Holbrook, 1999, 2005, 2006) is activated, and of course a customer like myself evaluates the particular service (in this case at the airport) higher than others without this need. So, in this case there are three levels of value creating types, micro in personal level (*value-in-experience-use*), meso (religious community) level (*value in social practice*) and macro (airport) level (value in service system).

Upon entering the airport I noticed the souvenir shop (Pictures group 9) where a tourist can buy handmade Turkish coffee pots that are typical for the Albanian culture. In addition, one can also buy different handmade signs that represent cities or cultural aspects of Albania. A shop that represents a culture by trying to offer value propositions that customer's cultural field and his/her

operant resources are of the such belief system that needs to be integrated with those of the providers. This integration of such resources are part of personal experiences, driven mainly by belief systems, and involvement of experiential dimensions is secondary, of course present, but not as important as the belief system.

Pictures group 9. So let's buy the cultural memory

While in Rome, one could buy souvenirs that represent culture, mainly focused on football and Italian brands like Nutella, and of course city of old Rome. Customer in this case will need to be aware and in love with Italian Football, brands and culture in order to consume and thus integrate their beliefs system of physical, cultural and social fields with those of providers. It is clear that with such large offerings at the airports the communities of passengers are aware, hold such operant resources, and are ready to integrate.

The same applies for restaurants and coffee service systems, because all of them offer value proposition around a national culture. Indeed, the whole service system was built to reinforce the idea that while being in Rome you should drink, eat and dress like Romans do. Suddenly, I was

also immersed with my *operant resources* in the Italian cultural life, experiencing Italy through the full *life experience*, surrounded by shops and restaurants, and seeing clothes that make one understand their cultural heritage. One is so immersed that can easily forget that coffee was actually not invented by Italians but by the Ethiopians. So, *the creation and evaluation of value* in that moment is completely based on *Social, Cultural* and *Economic fields (Bourdieu, 1988).* The reinforcement of those *operant resources* happens through the Schmitt's (1999) *experiential SEMs;* consuming *social practice* is seen by consumers as totally *objective,* since it is considered inside *(intra)* his own life world (Heidegger, 1962). That is why the classification of this *personal value creation type* is considered as *intra-objective*; It is *intra* because it is beneficiary who evaluates and it is *Objective* since it based upon some "standards" *(belief systems)* of particular *fields (Social, Cultural Economic, etc.)* and not based on *pleasure* and dictated by *senses* but rather it is *rational (please see table 9).*

Looking from the contextual nature of the same situation, the evaluation can be seen as *inter-subjective,* as seen by Helkkula and colleagues (Helkkula & Keller, 2011, 2012; Keller & Helkkula, 2013). At this point, one can notice the intertwining of the *context* and *individual,* and that creation of value is *other-oriented,* meaning that *"other"* is used as a model to create and evaluate a particular *experience*. Since the evaluation is done by an *individual*, it is *subjective* in relation to the outside (*inter*) world, but in this case, the *objectivity* lays *inside (intra)* their world. One could argue at this point on what meta-theoretical lenses to consider. The *subjectivity* part is always in relation *to the senses* and the (inter)actions that one is involved in are always based on the *experiential* aspect. While the *objectivity* part is considered when the *rational and social* aspects are used, and the actions are driven by particular reasoning that justifies the inter-action, because the *mind* is more involved in this type of value creation, comparing to the *experiential* aspect of the *experience* from bodily dimension.

I felt very rational in my decision to eat a Vichy ice cream while in Rome, since my evaluation of that particular *involvement of my body* within the context of the Italian cultural made the decision very *objectiv*e. How could I not eat a typical Italian ice cream when in Rome?! It was "normal" and based on the *personal beliefs, norms,* and *values* in my *socio-cultural fields*, so it all appeared objectively evaluated by me, inside that context.

By zooming-out and looking at the same situation the customer nested inside the staged *cultural world (field)* and as a part of tourist's community, one can notice that the belonging is evident in this particular context, but the *ties, networking* and *power* of the customer and his *agency* is weak. One can conclude, that the tourist's (traveller's) community is very much formed, since tourists are everywhere and you feel as part of that community. Eventually, we all share and respect the *norms and rules of the travelling social practice*. However, our *individual impact* is small inside the group, and obviously we are accordingly segmented and target of value facilitators. The airplane experience is similar to that of the airport, aside from the *social- cultural fields* (Bourdieu, 1984) and the *operant resources* that belong to them, are limited and the intertwining between the *context (structure)* and *individual (agent)* is different.

For the ideal form of the *intra-objectivity* and *other-oriented experience,* I considered the decision to make a religious practice in a praying room at the airport. One is fully *other-oriented altruistically* (God) and the decisions are based on the *external institutional beliefs, norms, rules,* and *laws* given by that institution, which in this case is *"other-oriented"* and *neutral (the meso level)* (there are neither individual nor collective rules) and *externally*-accepted as such to be practiced and to serve as an *objective measure for the practices* to be performed. As such, this religious practice in an airport (or elsewhere) is transformed into a classical *personal, relativistic, preferable experience* out of which *altruistic value* is emerging. Speaking in Holbrook's (1999, 2005, 2006) vocabulary this personal flight experience, there are also some more *other-oriented* obvious decisions, such as, abstaining from drinking alcohol. Those practices are dictated by the will to resist the experiential orchestration of social practice, no matter how strong the *experiential* aspect is reinforced and appeals to the thirsty, and the need for a beer in middle of June. I am convinced that my decision not to drink is *objective* based on external –other oriented *beliefs and values* since by accepting the *norms, rules*, and *laws* that my religion is advising me to respect.

6.1.2   Societal realm – Value-in-Social (Practice) –Context.

Next the *Societal types* of value creation will be illustrated, by including the four dimension simultaneously in to the discussion.

6.1.2.1 Value-in-Social Practice

In this type of *value creation*, I am taking a distance view from the *social practice*, namely *experience* that needs to be analysed, from the neutral view, but as participant observer in that *social practice*. Since this type of value is not anymore as personal, ultimately will not be called *Experience* but it will be referred as (value-in-) *social practice.*

Going to the airport is like joining the *community of practice*, which is the passenger/traveller community and the journey is *the practice*. As in every community, some members are with you during the entire journey and some come and go. I follow the already stated conceptualization of S*ocial practice, as socially, bodily,* and *mentally* involved and in *the nexus of doing* and *sayings* according to Reckwitz (2002) in his Cultural Practice Theory.

The journey starts by entering the airport and joining the line for check-in; each traveller knows the *norms and the rules* and moves operand *resources (bodies and luggage)* accordingly towards checking desk within the designated areas. Usually one speaks less when alone, but the mind begins already to think about who will be sitting next to me. And as I approach the desk I remind myself not to forget to ask for the aisle seat. I would rather stand up for others.

As we finish check-in, I move towards the security check, observing other members of the community. The social *practice* of "security check" is one of those practices that the *interaction* part of the individual is *strong and explicit through the body and,* obeying the completely *extrinsic direction of the norms and rules* of which we are already aware. Although, in normal cases, the *individuality* has strong emphasis inside the community, this is the case where the *structure* becomes dominant, and the *collective strength* of that *power* through *state-applied LAWs*, the *social practice* is suddenly transformed into the *systems* and the *individual* is just another object in the functioning of the particular *service social system*. So the *duality of the structure and agency* is won by the *structur*e (Pictures group 12)

As soon as one finishes the *social practice* of "stripping off and on", one changes to the next *practice* that we could eventually call *"getting ready for departure",* which actually can be seen as the *"practice of consumption"* (Warde, 2005). As one enters the tunnel of *consumption "the*

walking through" practice begins by trying to identify what one traveller needs at that moment and how to choose from the options available. As one begins to enter deeply into the airport the *self-orientation (Holbrook, 1999)* gets stronger and as a member of the community of the possible buyers, one starts to separate from the group. The *social practice* starts to be transformed into a *personal value-in-experiential-value,* where the use of products like coffee, food, and reading material, let alone ice-cream, becomes fully e*xperiential through the involvement of the SEMs (Schmitt, 1999)*. Even though you see many people around you, one still feels the independence of spending the money in the way you*r beliefs and values* dictate.

I guess here is "the liberty" of having the complete personal freedom to do what you want with your money if you spend it, so *experiential value-in-use* gets evaluated in the fully phenomenological beneficiaries *experience* through the provider facilitation of *value co-creation* (Grönroos & Vioma, 2012). A wishful, personal freedom of creating a value completely on his own is not possible during the "security check" social practice (to strip or not to strip and when and how to strip), and the Foundational Premise #10 (FP10) that "value is always unequally and phenomenologically determined by the beneficiary" (Vargo & Lusch, 2008) appears less tangible, indeed for those brands on display they may too suffer by association (Blacka & Veloutsou, 2017).

As one quickly eats an ice cream, there is some time to meet some members of the *service (academics) community* that I have already met previously in other conferences and had a conversation with them (Picture 10)

Being a member of *two communities – service* and *travellers –* there is much to talk about, especially if one tries to avoid the totally *individual experiential transformation of the social practice*. The belonging of the *service community* for me is like belonging to the same family, with the same *resources* and *fields* (Bourdieu, 1984), in particular professional, in addition to the *economic, cultural,* and *social* ones (Arnould, et al., 2006).

Even though only three members, of that *social (service academic) community*, we felt like we represented the service academics in this airport and *our individuality inside the group* just got stronger every time one brought forth an argument and how often *personal beliefs and values*

changed to the next level into rules or laws of the community, by accepting the particular argument *as objective* by the other two members.

Picture 10. Community of the Academic Practitioners (conference participants) performing together a Consumer flight journey

A perfect case of the *social practice* that is *individually considered a phenomenological experience,* with involvement of the *intellect and the body,* directed by *the personal beliefs and values and collective norms, rules, and laws of the particular field, is* called *Service* (dominant or not). After taking some pictures and explaining that they are going to be part of my value creation analysis and exchanging addresses and social media accounts, each of us was trying to find and identify members of other *community of travellers* going to the next destination, since we are all going to different ones.

The signage and the screens around us made our next *practice of "finding the gate"* much easier (Picture 11). During the combination of walking, running and stopping, one is still interrupted by other actors' offers, to remind you if you by any chance have forgotten to buy a present, a souvenir that will remind you of your stay in Italy such as a small Ferrari model car (that cost more than my actual car) was just not offered (facilitated) at the right time, at this level *of economic resources,*

despite the imaginary and experientially wishful practices one day to have one, at least a model based on the form of the souvenir (Pictures group 9).

Picture 11. So where do we go from here

Once arriving at the gate, one notices how big this *community of travellers* is, and then joins *the practice of "entering the plane" (Pictures 6a.).* Before I decided to enter in the departure zone, I realized that I have time to charge my phone. While I am waiting for the other members to enter first. *The Self orientation is weak and physical body embodiment* in to the social practice comes down to the stressful and *emotion-laden social practice.* My social resources such as *norms, rules, and regulations* are inferior to a government regulations and social systems while entering the plane with (my co-travellers) *community.*

The *practice of "sitting in"* (Pictures group 7) starts by searching for the booked seat and putting the luggage in the right place before one sits and gets ready for the actual *"let's fly" practice,*

which consists of the *"eating* and *drinking", "reading", "shopping offer"* and eventually *"going to the toilet" practices*. Each of those social *practices* is then transformed either to the *fully experiential (during the eating and drinking), or experience, fully involved in the personal life world of academics,* and the PhD experience during the "reading" *practice.* The emotional and stressful situation realized again that one needs to go 40 rows back to find the toilet, which is one of the worst practices inside "lets fly" *practice*.

During the last *practice of "getting out of the airplane"* we are reminded of *the social system called Customs*, with the sentence, "Do you have something to declare?" and I finish this journey with a fully relieved *intellectual self and other oriented bodily* and *mental sensual experiential practice* with the usual sentence, "just, some nice words for you guys". They usually smile and wish me a welcome back home.

6.1.2.2   Value-in-Service (Eco) Systems

As one prepares for the trip, the first thing one does is the search for ticket and hotels. The *service search systems* available through the internet makes it possible for *customers to co-create value, or as "working consumer" (*Zwick, et al., 2008; Cova & Dalli, 2009; Ritzer, 2010; Blacka & Veloutsou, 2010). I still call a friend in a ticket service and look for a *personal experience* that would advise me and help me to co-create together the value of ticket purchasing. So, the interaction of human to human is diminishing due to the very efficient service systems for provider and obviously also for the beneficiary (customer) who is forced to accept the offering through the service system.

After deciding on the ticket, the *practice of buying* and then *using* the ticket is relatively rigid. Customer gets the ticket with an exact date and reminders when and at what time the airplane flies and how much in advance you are supposed to be at airport, so as not to miss the plane and an 'obligatory" *consumption experience*, prior to departure.
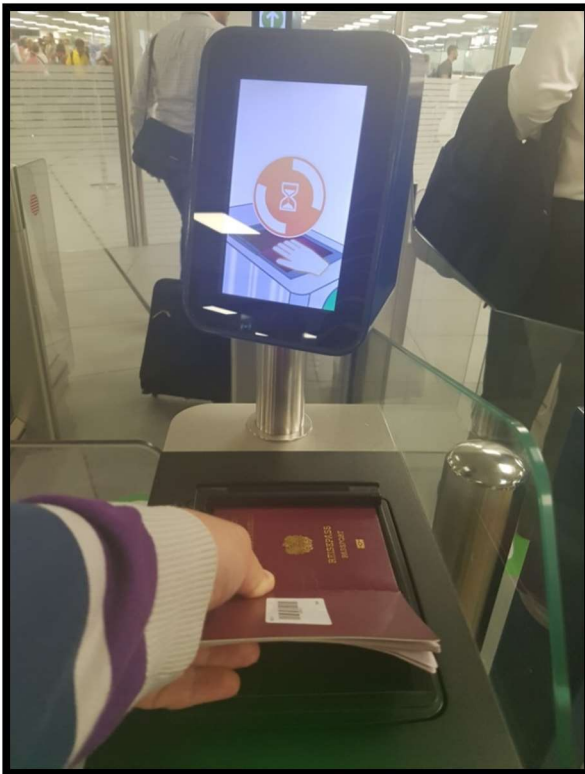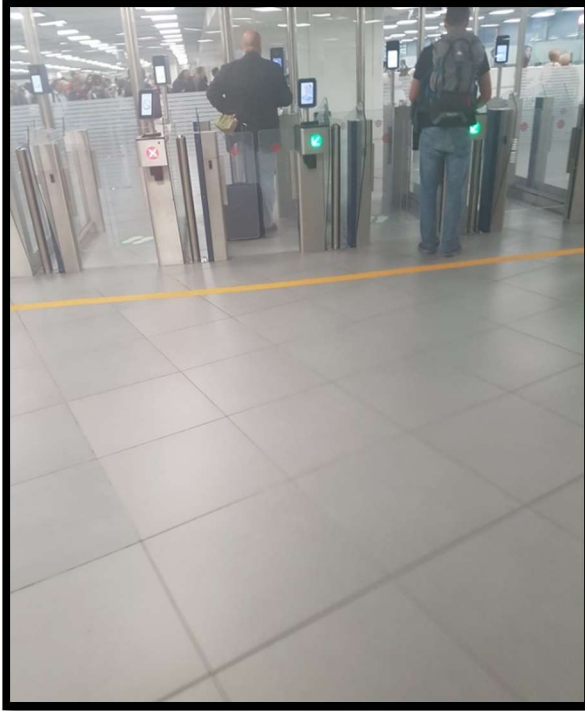
Pictures group 12. Brave citizens of a New World

The next system, the customer encounters is the *check-in service system,* where again, the individual in that *social practice* is subordinated to the *rules, regulations* and *laws (operant resources of the providers) inside* the flight *service system* and is *weak. Value created during the interaction and integration of operand and operant resources, is totally dictated by the strong structure of the providers in the meso level and actors (airport, state) in the macro level* (please follow Table 8 and 9*, value-in-social system* column).

The ticket, the passport, and the luggage need to be in accordance with the *system of requirements* for passenger to be able to enter the plane. The moment of individual acknowledgement when you are asked, "where would you like to sit sir?" that suddenly feels like the customer who has a *power* to make a decision in the *powerful structure of the networks* of actors in the mesa and meta-level. And all that for a few seconds before you are able to proceed to the next service system. These social practices of "checking in" , " going through the security check", "entering the plane" in light of the rules, regulation, laws, are transformed in to the *linear Service systems,* as described in the Taxonomy in Chapter 4, Figures 22 and 23, which is in direct opposition to the transformation of *the social practice* in to the *personal experience* (Taxonomy of the left side corner) is absent, apart from the frustration that one feels. The *experiential dimension* is highly activated in the realization that one can't do anything in that powerful structure of service systems involved.

Prior to entering the security check zone, I enter once again the world of the different *eco- service systems* through my phone applications and see if any message, tweet or email has arrived, and if any of my chat group is active. I then use this *internetworking of networks of the service eco systems of the service system of the internet* to inform some people that I am travelling. So, the value created through this nested and nexus of so many *service systems and networks* has given me a *personal experience* to inform and say "Hi" and "Goodbye" to my friends and family.

Entering the line of the "security check" *service system* makes *my inter-action* obvious and *explicit.* The *scripts* that *mind* possesses are in accordance with *external rules, regulations and laws* that are brought to you by a structure of *collective and powerful system* called the 'state government' (as presented with the pictures above).

As the *body* goes through the scanner, the same as baggage, and if the alarm is activated, the *body (or luggage)* needs to go back and start a *modified script* of seeing if something that is not in compliance with the *rules* and *regulations* is still inside. Since the passengers have *learned the script* perfectly and are aware of the consequences of having something not allowed, then one gets prepared, despite *the personal belief of personal freedom* and the right of being innocent until found guilty. The traveller "uses the regulation and as per law behaviour script" prior to the trip and even to entering the security check. He ensures himself that everything is okay and that the *body* will go through *emotions/feelings* and the whole *experiential* nature of the *human needs,* just to be subordinated to the *service system* that is in place because one idiot has put something in his shoes.

Proceeding to the *next service system of passport control,* the police are waiting to enter your data into the "*storage service system*". After going through the (microwave) security check and ensuring that nothing that would risk others is found in your body, now let's see whether everything is *socially* right with you, and only then you are deemed acceptable to enter the "travel service system". If okay, we will only keep your data and your flight diary stored, so that we can remind you next time, if needed, when and where you have travelled to. Here, one can conclude that the (Grönroos & Vioma, 2012) premise that the provider is there to facilitate value for the customer is "falsified", since it creates the value according and based on the "greater good" called public security, while the individual is just an object.

The *value created by the co-creation of my operand resources,* like the passport with *operant resources, the knowledge and skills* to put it in the right place and to look at the right camera, makes the passenger a perfect *part of the (state) service- system of obedience*. The "freedom" to use a "*service system called self-check*" enables an easier and *efficient* enter or exit out of the airplane, and this is just a noted justification for contributing in the *(state) service system* as a brave new citizen of the world (Pictures group 12).

6.2   Final thoughts about the Typology

As noted earlier, a case study may also be used to illustrate and prove that a theory works (Siggelkow, 2007) and this is the purpose of this chapter.

A crucial point of discussion in this *typology* is the fact that *value creating practices* can be commonly interpreted in multiple types that arise concurrently, namely from *individual realm as value-in-use* (*experiential* and *experiences*), or *societal realm* as *value in-social-context* (*social practices*, and *social-eco-systems*). This can be noticed from the above illustration about different VCT, where the same pictures were used to present different types of value creation practices (e.g. Pictures groups 6b, 7, 9, 10, etc.).

The flight case represents a serious undertaking that offers and advocates a research style that explores parts of the *value creation practices* that were not used earlier in field of SBL. As noted, this research is done as analogous to Holbrook (2005, 2006) and has used his Typology of CCV in his Subjective Personal Introspection (SPI) of the family photographs as he puts in his own words:

> "…as bolstered by photographs or written memoirs, might pause to lament the potential loss of insights – especially those pertaining to the Three Fs (fantasies, feelings, and fun) – that results from the principled neglect of auto-ethnographic materials. In the particular case illustrated here, we find hitherto untapped aspects of customer value waiting to emerge from the vantage point of a sixty-year gap in time" (2006, p.725).

By using an interesting photographic essay that backs our understanding of customer value phenomenon, the value creating practices, one could possibly convert to the dramatist with the Typology used as a possible script (frame).

Finally, as a result of this understanding, some conclusions are evident:

- Understanding Value Phenomenon means also understanding value evaluation types and value creation practices;

- All four value creation types occur simultaneously, while *value-in-exchange* is part and is inherently and continuously integrated into the processes of value creation during the interaction and integration of operand and operant resources;

- Interaction and integration of actors' resources in particular (and different level of contexts) provide different constructs of value creation, i.e. in meso level are *experiences*, in a meso level are *social practices* and in macro level are *service eco systems*;

- Therefore, all offerings, such as products and services, are part of the value propositions that consider value phenomenon in total, which is constructed by different value creating and value evaluating types (Holbrook's CCV);

- Consequently, the typology of VCT suggests awareness to support, identify and understand the value creation practices, revealed by SPI (a.k.a. auto-ethnography);

- As an illustration of such SPI examination, this chapter has discovered the types of consumer value creation emerging thematically among the photographs taken by me in my personal flight journey experience.

- The illustrative case has "proven" that typology "works" and in a way, this is a form of satisfaction for those who reason as per the typical deductive logic, used in theory "testing" in *context of justification.*

In this chapter, I have demonstrated that typology can be used in the practical and academic fields of marketing, thus achieving RO#4 and subsequently the main aim of the thesis, understanding a VP, and extending the middle range theory of SBL.

Besides, contribution of each RO, in the next chapter, prior to the conclusions, the implications for SBL, management, innovations, limitations and recommendations for future research will also be discussed.

Chapter 7 – Thesis contribution and conclusion

In this chapter, the four research objectives of the thesis are concisely summarized and discussed. This builds upon the previous chapters, which concluded by addressing the four research objectives along with the general academic and practice contributions. Contributions to the field of SDL are noted, and managerial, thus strategic and operational implications, are presented. In addition, the benefits of *Understanding the Value Phenomenon*, as form of value innovation, are also presented. Finally, the limitations and recommendations for the future research are discussed.

7.1 Theoretical contribution

"Understanding the Value Phenomenon…" was the main aim of the thesis building upon ongoing debates and research around *value creation and evaluation* originating from the first SDL article (Vargo & Lusch, 2004). Each new and emerging concept of value creation has been presented; for example, the Nordic School of Marketing with its primary representatives Christina Grönroos (Service Logic) and Ever Gummesson (Many to many Marketing, Relationship Marketing), were amongst the first to challenge the typical value-in-exchange logic. Then, other school of thoughts, may be indirectly or directly associated with the emergence of SDL (e.g. Service Science, Service Viable Systems, Network to Network, CCT, IMP, RATH). It was imperative that these schools, logics and paradigms be seen as part of a "*journey of understanding*".

As specified in the introduction, the research objectives were to build an integrative theoretical *logical framework*, *taxonomy and typology of value creation;* by drawing on and extending SBL related research. Having those objectives in mind, a *hermeneutic cycle of understanding* (Figure 4) (Heidegger, 1961) was followed. Subsequently, the thesis deals mainly with *theorizing* process (not theory testing) (Swedberg, 2012), and the conceptual thinking that will accommodate prior knowledge and add new conceptual contributions (Yadav, 2010; MacInnis, 2011; Belk, et al., 2019). In the *theorizing* process an explorative case was used to better understand phenomena by analysing the data through the lenses of macro and meta-theories; this was based on the Extended Case Method (Burawoy, 1998, 2001)

In theorizing around how value is created and evaluated from the SDL perspective, this thesis has made several contributions that are articulated through the four research objectives that are summarised below:

Therefore, the central research aim of this thesis is as follows:

The central aim *(Figure.2)* of this thesis is *to understand the multiple nature of VP by* exploring how beneficiaries *create and evaluate value* in different *(micro, meso and macro) levels of context:*

in experiences, social practices and service (eco) systems; and ultimately extend our *understanding of SDL.*

In order to address the research aim, the study brings forward 4 research objectives that will be further discussed below

Each of the above research objectives will be further discussed below:

7.1.1   Research Objective #1: *Creating Understanding*

To **create understanding** of the VP; by *identifying key dimensions and constructs within an overall framework*

The concept of value has been debated for many years. For that reason, a hermeneutic cycle of *creating understanding* was employed: to identify different value conceptualizations according to the existing general marketing and SBL literature, and then, to identify the dimensions that constitute that value.

The initial outcome from the exhaustive literature review was the conclusion that the *Value Phenomenon* consists of two component parts that often seem similar but are actually very different in their nature and function, namely *creation and evaluation* of value. While the former is a process the latter is an act and together they form the value phenomenon. The whole process is summarized in Figure 13, called *"Understanding the Value Phenomenon"*. From the literature review, the dimensions that constitute the value phenomenon follow.

7.1.1.1   Dimensions and key constructs of Value Creation.

Actors were first identified at the micro level (dyad consumer and a provider). In GDL, it was the provider trying to fulfil needs by making the product and exchanging it for money, hence, value-in-exchange. Consequently, the SDL advocates that value is created during the use of the offering (goods or services) and together with the consumer. During this *interaction* the actors co-create

and evaluate value for themselves. It is also extremely important to identify how they interact! Each actor's value *initiators* create social practice, and thus experience.

They were called initiators, since value cannot be created but initiated by a provider, (Grönroos, 2008); a beneficiary creates value and the firm can (at best) facilitate. In this interaction process, the firms initiate value through the 7Ps by trying to exploit their *operant and operand resources* as per Hunt & Madhavaram (2006b), with *consumer resources* (Arnould, et al., 2006) through initiators, such as SEM's (Schmitt, 1999). In addition, the *context of interaction* is what creates the constructs, such as experience, social practice and service ecosystem, out of which value emerges. In this phase of the literature review the conversation was mainly at the micro level and dwelled upon experience and social practice.

As a result of thorough literature reviews, and involving the dimensions and constructs of value creation, the SVIS Logic Framework emerged. The framework clarifies how and where value emerges and separates VP in two, namely, creation and evaluation; highlighting clearly the actors' (consumer and firm) resources, the interaction initiators, and the two main constructs, where value is formed. Finally, identifying the outcome of the value, namely, the types of value evaluated for both actors, as one can see in Figure 17, Strategic Value Innovation Service – (SWIS) Framework.

SDL until now hasn't had any framework that represented Logic based on the FPs in contrast with SL (Grönroos & Vioma, 2011), CCT (Arnould, et al., 2006), RATH (Hunt, & Madhavaram, 2006b) and even CDL (Heinonen, et al., 2010). Despite the claim that the new logic shifts from creating a value *for* a consumer to co-creating a value *with* a consumer, all of the frameworks that have been identified in the literature review, put the consumer and the provider *against* each other and in a transactional position (value-in-exchange) and not *close* to each other (value-in-use). A notable exception is Brakus & Schmitt's (2010) framework that was also used as foundation for my SVIS framework. This kind of visualization is important for highlighting all the dimensions and constructs, where value is created and evaluated, but also in stressing the importance of the new integrated SVIS logic of value creation.

SDL is a new form of *seeing* value creation, or new paradigm that a firm should use to examine value. From that point of view, the Logic has a Strategic connotation; and having a different view

means also having a different plan. Further, understanding the VP means that one understands how value is created and evaluated between actors, which is usually the goal of strategic-oriented firms. Finally, the word Service stands for the Logic that it represents, starting from SMM, SDL, SL, CDL, CCT, RATh, up to Holbrook's CCV. The SVIS Logic Framework represents a dyadic presentation of the value phenomenon; which in turn forms the basis for considering another level of value creation.

In this section I presented an SBL framework as a first contribution to this thesis, to academia and practice. The framework is called a Strategic Value Innovation Service (SVIS) and it emerged as a result of this doctoral research study (Figure 17).

7.1.2 Research Objective #2: Advancing Understanding

> To *advance understanding* of value phenomenon by identifying, clarifying and presenting the relationship among *value creating types* through a two dimensional *Taxonomy*

Consideration of the *interaction context* resulted in a literature review that revealed three levels, namely, *micro, meso* and *macro*. Hence, value creation types that belong to each level were identified: value-in-use; value-in-experience; value-in-social-practice; value-in-social-system; value-in-context; value-in-social-(eco)system; value-in-social-context; value-in-cultural-context and value-in-exchange. The result of this portion of the literature review was that the value creation types have divided RATh into *individual* and *societal* creation types.

As described with the SVIS (Logic) framework, value emerges out of two constructs *(experience* and *social practices),* and two *axis* (*individual* and *societal*) of VCT, that created the constructs, are clarified. As a result, *the taxonomy of value creation type emerged, which clarifies the relationships among them* (Figures 22, 23).

There is an *individual axis* (on left side), portrayed as value-in-use, where a *societal axis* represents a value-in-social-context. The field where theaxis interact reveal constructs such as *experience* and *social practice* and it visualizes what types of value emerge and what is the relationship among them.

Taxonomy also presents value-in-exchange, as the *moments of evaluation* during the integration of resources; represented in form of stars (Figures 22, 23). If one zooms-in the actor as beneficiary, it is obvious that value emerges out of the *experience* that is created and evaluated through the value *initiators*. A construct such as *social practice*, which is rather *linear* becomes deviating, "*sobjective*" and then *nonlinear* as a very personal subjective experience

Taxonomy additionally clearly portrays that *actors* are part of the *social practice*, *social ecosystems, networks and social systems* (Context), and as such value creation happens inside those social constructs. The exchanges of resources, during the interaction and integration, occur within them and rather have *societal* characteristics.

On the upper left corner, in the *individual axes* of the taxonomy, the *experience* is more apparent and events are *non-linear*. Whereas, on the right corner along the societal axis, the social practice (ecosystems, networks, systems) appear, the events become linear, and socio-cultural-economic systems (such as markets) dominate and influence the value creation.

Through the Taxonomy, the relationship and the dependence between individual and societal realms, or in Glidden's (1984) terms, the *duality* between the *agency* and the *structure* is highlighted. This visualization shows how a *social practice,* as meso-unit, is transformed into the individual (experience) or societal (service ecosystem) unit of analysis, during the value-in- (service for service) exchange.

By drawing the *taxonomy*, the research objective (to advance understanding) has been achieved. This is done by identifying the *realms* that each value creation type belongs, as well as *understanding the relationships between those types.*

However, some conclusion in the form of *propositions* may be drawn:

1. *Individual* and *Societal Structure* (contexts) on one side, and *Interaction* and *Resources* on the other, are four (4) main components/dimensions of *typology* of value creation;

2. Interaction of resources between actors in a particular social structure (context) create constructs such as *experiences* and *social practices*;

3. Value-in-exchange, value-in-use, (experiential and experience), and value-in-social-context (practices and systems), are interlinked and are all part of the Value Phenomenon (value creation and value evaluation);

4. Experiences and/or practices are the *joint moments* (events) of the value creation (or destruction) process, out of which beneficiaries evaluate (capture) the value inside the *individual* and *societal realms*;

5. Value evaluation is expressed through value perception types (such as Holbrook's CCV);

6. During the evaluation moments, actors are in the moment of value-in-exchange; and they eventually commit *service for service* exchange;

7. Value proposition is offered in context of *experience* and/or *social practice,* and is transformed dynamically in *linear* and *non-liner* ways*;*

8. Value is neither completely phenomenologically evaluated nor is absolutely co-created; it is in continuous interaction between actors' resources and social structure (context); and

9. There is a *multiplicity* (not just a *duality)* of Value Phenomenon between many social *dimensions, constructs and levels* where the value is evaluated and created.

These FPs also highlight the contribution that is achieved by introducing a novel taxonomy of value creation types in a SBL, which further advances understanding of VP. This advancement in knowledge can be used in practical as well and academic field.

7.1.3 Research Objective #3: Deepening Understanding

To *deepen the understanding* of *value creation practices* by involving social *construction theories and explorative case* study and present a unique *four-dimensional matrix-type typology*

In the phase of *deepening the understanding* of value phenomenon, in particular value creation, ECM was considered as a methodology, as per Social Construction Theories, in particular the Social Practice Theory, from the cultural point of view (Reckwitz, 2002) and phenomenology (Heidegger, 1962; Schutz, 1965,). In accordance with the ECM, firstly the previous outcome of the knowledge quest (Taxonomy) was used to identify the value creation types, in order to interpret and categorize the findings. This process was done by going back and forth between many levels of contexts and phases of understanding (in hermeneutic cycle) which ultimately resulted in the *typology of value creating types.*

After identifying the dimension through the first phase of the literature review and value creation types in the second phase, the next step was to look at the meta-theoretical nature of those types from the social constructivist perspective. The *typology* shown in Table 9, is a result of the integration of existing knowledge, up to that point as well as employment of the macro theory. This made it possible to explore each type of value through the four dimensions (actor, interaction, resources, and context) and through the meta-theoretical paradigms. Typology permits value creation practices (types) to be defined clearly, through precise paradigms and social theoretical constructs.

Finally, figure 26, presents the *Typology* in a four-dimensional-matrix-type format, in order to be visualized. The matrix type typologies are difficult to understand, since most typologies are two dimensional. But, having the table format typology, makes it easier to follow. As per my knowledge, there is no such typology of value creation in the field of Marketing. Even the Burrell & Morgan's (1979, 1981) typology of organizational paradigms doesn't contain four dimensions, with each having two opposite poles.

In every conference that I have presented the *Framework, Taxonomy and Typology*, reaction of the academic audience has been positive. The *taxonomy* is easier and more reader friendly to follow and also brings forward knowledge, by deepening of the understanding of the value phenomenon. However the *typology of VCT* is unique and multi-dimensional which also proves *the validity of the multi-dimensional nature of value*. To justify the *typology as a theory extension*, I used a case study to illustrate how this typology was used as a methodology for analysing the four different VCTs.

7.1.4 Research Objective #4: Justifying Typology with an Illustrative Case

> To offer a Typology as a *method (tool)* for exploring *value creating practices* and use it in this thesis through the illustrative case as "prove" that it "*it works*" in a particular context

In this thesis SBL was considered as a field of social science, in particular, VP was viewed from the interpretative and social constructionist paradigms. As such, it was not intended to create a hypothesis and test it but rather to *Understand the VP* by trying to answer questions: what, where, and how value is created and evaluated. To do that, the *theoretical understanding* was imperative, then "tested" interpretatively, as per ECM (Burawoy, 1998). Ultimately, it was observed what does and what doesn't work.

The auto-ethnographic *subjective personal introspection* (Holbrook, 2005, 2006) was used during the field enquiry as a form, first to *further expand* and second to *"test"* taxonomy. As a result, the typology was the outcome of a continuous refinement between what was experienced and what was read.

The context of the Flight Journey was used as an illustrative case. However, it should be clarified that the focal point of the researcher is on developing a novel conceptual starting point for SBL, whereas the typology should be used as a tool during SPI to identify the *value creating practices* in the field, and ultimately, to have a better understanding of VP. For that reason, the personal flight journey case is an illustration of how the typology can be used in empirical research. This research objective was to make expressive interpretations of the value creating practices, and reveal how they are represented through different realms, paradigms, dimensions, and social constructs.

Key conclusions can be drawn from this exploration and concurrent illustrative case that are also directly considered in the *fundamental propositions* presented above. It is obvious that there is no clear demarcation between value creating types and that the only way to identify them separately, is to look through the chosen paradigms, by zooming-in or out. This method of using a typology during SPI is also used by Holbrook (2006) that "consists mainly of telling paradigm-guided stories…" (p.3), to describe the value creating types.

The zooming-in and out process should be applied in a continuous manner in order to identify the different *constructs and dimensions* by highlighting the interactions. Using typology is also a *multiple paradigm method* of looking at the phenomena of study that needs to have a *deeper understanding* in meta-theoretical issues of science. In addition, this implies that the researcher needs to apply multiple reasoning continuously to *make sense of the data* observed, in order to bring scientifically justified conclusions. In the interpretative qualitative case then, the *sense making reasoning,* as advised by Osbeck (2014), involving inductive, model-based (analogical) and abductive reasoning are applied.

The other conclusion drawn, using the *multiple paradigm typology* in an interpretative research, is the fact that the *context of interaction and the social practices* (where value is created) are built by multiple actors. It implies that every time we consider the paradigm and zooming process, the beneficiaries' perspectives need to be defined as well as the dynamics of interaction that result from the integration of resources between those actors and context. Subsequently, the researcher needs to consider a pre-understanding of the context and actors' resources, which can be used for external and internal analyses of the environment.

Finally, in order to extend and use this typology to understand the VCT, the researcher needs to be equipped with the Social Construction Theories and Philosophical understanding about the paradigms, especially with the particular constructs and concepts that they offer. Otherwise, the typology cannot be understood and applied, due to the multi-dimensional nature that it represents.

7.2 Academic Implications for SBL Strategy and Operation

One of the reasons that SDL and SL, thus SBL, has sparked such a huge interest is due to claim that the old logic of creating value by producing and selling, GDL, is no longer relevant. The need for changing the dominant logic of the firm in order to be competitive in the market was initiated, in the field of strategic management, by Prahalad & Betis, (1986), Betis & Prahalad, (1995), who warned against the myopia of (about being blind about) the dominant logic that firms use (Prahalad, 2004).

The *logic* as metaphor is clearly used also as a strategic perspective that firms should consider. From that point of view, SVIS *framework, taxonomy, and typology* of value creating practices initially can be used in a strategic as well as at an operational level.

SVIS framework considers the firms' and customers' (operand and operant) resources, on a strategic level in order to identify, what and how to offer and to facilitate the value proposition (Grönroos, 2012). From the provider perspective, SVISS considers the Resource Advantage Theory for analysing resources that is also compatible with the SDL (Hunt & Madhavaram, 2006), whereas form the customer side resources are treated from Consumer Culture Theory (Arnould and Price, 2006).

In addition, at the core of marketing strategy is value (Holbrook, 1999). Through a value proposition the firm can and should differentiate themselves in the marketplace, subsequently identifying what type of value *evaluations* undertake. Using the Holbrook CCV during analyses and in deciding what types of value to offer, within the value proposition is useful for managers in strategic level whereas facilitating those types is important in operational level.

The 7P's are used as an operational tool to *initiate* the value proposition and interact with consumer resources while trying to facilitate the experience where value is created. On the other hand the *value initiators* from the Consumer side, that interact with firms' resources are the SEM's (Schmitt, 1999), thus leading to the value evaluation that each actor aims. As noted, SVIS delineates the framework for how to work in dyadic interaction and what to consider on the strategic and operational. Whereas the *Taxonomy* advances understanding of value creation by identifying different constructs within value emerges, such as social practice, ecosystems, and service systems that all influence the beneficiary experience.

The use of taxonomy will probably better be understood and used if placed inside the SVIS Framework, where experience and social practices are contained. In that form, a manager can notice interactions that integrate resources and evaluate them as value types. Those interactions of resources are value-in-exchange that involve not only operand but also operant resources. This is especially the case, when the firm interacts with consumer operant resources such as particular beliefs, values, and norms within culture, social, economic and altruistic fields. This advanced

understanding of value creation through taxonomy helps managers strategically as well as operationally.

Finally, the typology takes value creating types further by deconstructing them into four dimensions and constructs that are seen at micro, meso and macro levels. Knowing how each type is constructed, with what dimensions, and what social and individual social constructs, makes it possible for managers to find where and how to innovate, and furthermore to identify new business models.

7.3 Managerial implications of the research

One key practical implication of this thesis is that the multiplicity of obtainable value creating types, and the subsequent level of complexity that are represented throughout this thesis, are significant preconditions for any actor to innovate, by coming up with methods of manipulating, the dimensions of the dominant value creation structures.

In other words, the thesis suggests that actors interested in continues innovation, whether individuals or organizations, should strive for and foster multilevel complexity of value creation practices, as this generates novel value creation practices, hence value innovation. This may require involvement with different community of actors (organization, brands, citizens, etc.). Furthermore, by being aware of those multiple actors with different backgrounds and contexts, drawn from numerous theories, the thesis shows that the occurrence of multiple value creation practices.

As noted, the aim is to offer value propositions that create a competitive advantage in the marketplace. That aim is achieved by managers when they can offer new innovative value proposition that are accepted and evaluated (as such) by consumers. So, the value that is created and positively evaluated by the beneficiary is what constitutes the Value Innovation, and thus Value Phenomenon.

With these three conceptual contributions, I have offered tools that managers can use to analyse all levels of contexts, diagnose different possibilities for value co-creation, decide which path to take based on the external and internal resources that can be integrated, and finally offered as such, so that an actor (beneficiary) for evaluation.

Innovation happens every time value is positively evaluated by beneficiaries during the exchange of resources the ones that transform the normal daily practice into personal experiences. A perfect example would be from the airport, but this would involve, to drive meaningful change, cooperation amongst many ecosystems from multiple actors, such as the airports, air companies, states and even international institutions, need to come up with agreements to adopt rules, laws, systems, and regulations, which would probably result also in identifying new business models. This personal individual experience of one (actor) customer cannot possibly be achieved in dyadic interaction, but only by analysing, diagnosing and deciding to offer transformative value propositions. This is what this thesis offers – manager-friendly tools for understanding a VP, and ultimately finding ways to innovate.

The benefits of ethnography for managers were recently highlighted by Rokka & Sitz (2018). They claim that "… ethnography is all about gathering in-depth data about lived experiences and situations" by following Geertz (1973), who advocated for a "thick description" of data that are seen as "long-term and deep reflections about the experiences that people live." This methodology is primarily advocated by CCT scholars (e.g. Arnould & Thompson, 2005; Arnould & Price, 2006; Arsel, 2017), whose main argument relies on the fact that understanding the situational context and reflexivity aspect will help managers achieve a multiple perspective of that context, and through phenomenological and bodily experiences, as described in the illustrative case.

7.4   Contribution to the field of Service Based Logic

In summary, the conceptual contributions include:

- The creation and use of the SVIS to enhance understanding of Service Based Logics; *creating understanding* about dimensions and constructs that conceptualize the *value*

phenomenon, hence how value is created and evaluated by actors in dyad interaction (Chapter 3);

- The taxonomy brings forward an *advanced understanding* of different individual and societal value creation practices and clarifies the relationships among them (Chapter 4);

- The multi-paradigm Typology of value creation types is clear contribution in Marketing and is offered as a result of a *deeper understanding* of value phenomenon (Chapter 5);

- The conceptual contributions relate to the use of Ethnographic (as a broader concept of auto-ethnographic subjective personal introspection) method, as part of the Extended Case Method, for the first time considered within SBL.

    This includes:

    o from the academic point of view, *ethnography* is rarely used, while the auto-ethnography (SPI) has never been used before in SBL for *understanding the value creating practices* (except for evaluation of value types, by Holbrook, as noted); while

    o from the practical point of view the *framework of taxonomy,* especially the *typology,* is very applicable for the SBL.

7.5   Limitations and future research

In this thesis, I laid the foundation upon meta–interpretative paradigms and macro-social constructionist perspectives, in order to extend service based (dominant or not) logic marketing theory. This has been done by building a theoretical framework for understanding SBL of value creation, a two-dimensional taxonomy, and a four dimensional typology of value creation practices that will ultimately generate more possibilities for (value) innovations. The goal of these conceptual/theoretical contributions is to reinforce the importance *of understanding value,* and to motivate further research that will address value creation and evaluation.

A limitation of this thesis is that it is a mainly theoretical and the developed integrative framework, taxonomy and typology have not been empirically validated. Although, the theories and the illustrative cases backed up the framework, taxonomy and typology, further research is required to advance these conceptual contributions, from the "context of discovery" to the "context of justification" (cf. Yadav, 2010; Swedberg, 2012). Since description and explanation are already considered in the typology and in extension of the theory, the prediction (Kerlinger & Lee, 1999) is left in context of justification. This could be possible, because the components (dimensions, constructs, etc.) of value creating types, are interlinked, and thus transforming the propositions into the hypothesis is possible (Tiryakian, 1968) and are left to succeeding research, that would validate them with data collected from the field.

7.6 Conclusion

In this thesis, I have advanced understanding and knowledge relating to the value phenomenon through conceptualization of the logic of value creation, taxonomy of relationship and typology of value creation practices. This work will hopefully facilitate and encourage others to further research the value phenomenon. I hope to have reinforced the Drucker's (1954) conceptualization in that any business has only two functions (innovation and marketing) and Value Phenomenon is common nominator of the innovation and marketing.

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