

BACK TO THE FUTURE: AN EVOLVED VIEW ON CUSTOMER VALUE

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The context of marketing and service research is rapidly changing as a result of advances in academic research as well as business practice. This has significant implications for our understanding of customer value, which can be considered one of the cornerstones of marketing and service research. Traditionally, customer value has been defined as the trade-off between the customer's perceptions of the benefits and costs of a product or service and has been described as a multidimensional construct comprising multiple value types. Although these notions may still be valid, our view on customer value needs an update to account for the changing context. This evolved view on customer value is the focus of this paper.

Grounded in prior value research, this paper starts with a summary and clarification of the conceptualization of customer value in an attempt to establish and standardize the theoretical foundations of the concept. These theoretical foundations can be summarized by means of seven foundational characteristics:

- Customer value implies an interaction between a subject (the customer) and an object (e.g. a product, service, store, technology, activity, ...)
- Customer value involves a trade-off between the benefits and costs of an object.
- Customer value is not inherent in an object, but in the customer's experiences derived from the object.
- Customer value is personal since it is subjectively determined by the customer.
- Customer value is situation-specific.
- Customer value is multidimensional and consists of multiple value types.
- Customer value is (co-)created by the customer by means of resource integration.

Next, this paper describes four advances in service theory and practice that impact our understanding of customer value. First, the development of new technologies (e.g. Artificial Intelligence, service robots) is transforming the way services are designed, delivered, and perceived. This has implications for the value of these services (e.g. a more personalized service at the cost of privacy risks) but it also influences the value of human contact. If services are increasingly delivered via technologies - and human contact thus

becomes increasingly scarce - the human touch can become even more valuable.

Second, the proliferation of collaborative consumption (e.g. Uber) shows that customers' value creation can be facilitated by other customers instead of firms. Collaborative consumption is different from traditional exchange since it is based on a triadic rather than a dyadic exchange. Specifically, a customer is served by two actors: the platform provider and a peer service provider. Both providers facilitate the customer's value creation process by offering resources that have potential value to the customer.

Third, the latest update on service-dominant logic emphasizes the importance of the service ecosystem which is "a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange". This ecosystem perspective has implications for our understanding of value creation and the actors involved in the process.

Fourth, Transformative Service Research aims to investigate the well-being implications of service and focuses on improving the lives of individuals, families, communities, society or the ecosystem. Since value creation involves a process that enhances the customer's well-being, such that the customer becomes better off in some respect, the value concept offers an interesting avenue for Transformative Service Research.

Subsequently, this paper presents an evolved perspective on customer value. Specifically, an update of Holbrook's value typology is presented as well as guidelines on using this typology (in terms of measuring and modeling). When reviewing prior value literature and describing the abovementioned advances, it became evident that an update or elaboration of Holbrook's value typology is deemed necessary. Specifically, the value types proposed by Holbrook and applied in empirical studies are insufficient to capture the value related to the abovementioned advances. The updated typology presented in this paper consists of 14 positive value types (i.e. benefits) and 10 negative value types (i.e. costs). It should be noted that not all value types are relevant/applicable in every context and each value researcher should check which of these value types are relevant for his/her study.

Furthermore, this paper provides specific guidelines for measuring customer value. Specifically, it suggests the use of a formative measurement index, called the Customer Value Index, to operationalize customer value. The Customer Value Index is a weighted composite of the relevant positive and negative value types related to a particular object. The proposition of a Customer Value Index is in line with the

conceptualization of customer value. Not only does it take into account the situational nature of the construct, by adapting the content of the index to the context under study, it also considers the multidimensional nature of customer value by operationalizing customer value as a formative construct formed by the relevant positive and negative value types. To determine which value types are relevant, exploratory qualitative research is advisable.

Additionally, this paper presents guidelines for modeling customer value. Empirical studies often use Structural Equation Modeling to investigate customer value and its relationships with key outcomes (e.g. purchase intention, satisfaction). However, the way customer value is modeled differs significantly across studies. Three potential models are discussed (i.e. an aggregate model, a disaggregate model, and a simplified model) and a flowchart is presented to help value researchers choose the most appropriate model for their research questions.

Finally, this paper proposes a research agenda to guide and stimulate future value research. Potential research opportunities are organized around six themes: research focus, research context, value destruction, customer learning, personal and situational factors, and relationships with key outcomes.