PERSPECTIVA MULTI-CANAL DE VALOR NA LÓGICA DOMINANTE DO SERVIÇO EM MARKETING

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Abstract: The new logic of market(ing) action proposed in the Service Dominant Logic (SDL) by Vargo and Lusch (2004) focus service provision and value co-creation. In multi-channel perspective little is discussed. This relation among topics constitutes a gap for further research. Different systems of buyer-supplier relationship edge the question of integration. How to integrate the channels to generate greater value-in-use? How to provide best service system? Trying to answer this question, the suggestion is for an approach based in the SDL, as an opportune to develop new propositions and to find solutions for some of marketing theories gaps that can better integrate the area of study. Understanding the SDL concepts and defining new patterns of analysis makes possible to study the multi-channel co-creative interaction among agents. Build as a theoretical paper, the study deals with some of the SDL and co-creation questions.

Key-words: Service Dominant Logic; Channel Integration; Value Co-Creation.

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Introduction

The Service Dominant Logic (SDL), proposed initially from Vargo and Lusch (2004), claims to a change in the general market mindset. From a goods based tangible concept of value, to an intangible and more comprehensiveness one (value in customer use/interaction). In this view, the channel contributes to the understanding of the SDL meaning. As well, the SDL can better help to explain the B2C and B2B multi-channel interactive processes. As example of that intangible value, skill, knowledge and processes, driven by the generic and open ended term ‘service’ (PAYNE et al., 2008). This view assumes that product and service are complementary, not excludent market entities. So, tangible goods represent a mechanism for distribution/provision of service benefits (VARGO, LUSCH, 2004). In this sense, a car could distribute status, transportation, or another feature. This relies on the consumer interest and from inner determination of value. What constitutes value for the consumer?

The main fundational premise of SDL considers that the consumer is always a co-creator of value (VARGO, LUSCH, 2004; PAYNE, STORBACKA, FROW, 2008). If a channel is a locus of interaction, than reflect a series of transactions and relationships, and can be considered as a locus of co-creation of value between firm and customer (PAYNE et al., 2008). This value is based in the transactional experience (PRAHALAD, RAMASWAMY, 2003). Value is a result based in the general quality perception (ALVES, RAPOSO, 2007).

The channel produces interactive relations among partners. That experience generated by the service encounter forges the consumer value (PAYNE, STORBACKA, FROW, 2008). If the firm provides an ideal interaction with consumers, no matter the channels involved, productive relations among partners’ synergy results in a better provision of service solutions, and the firm could provide a superior service than the competitors (BENDAPUDI, LEONE, 2003). Active participation is the central idea that rules co-creation practices. If customized service is provided, a competitive advantage is acquired. The adequate relationship establishment can promote higher values for both, to the firm and to the costumers (PRAHALAD, RAMASWAMY, 2004).

As stated by Vargo and Morgan (2005), service is the generic name that represents a specialized feature for the customers. In this stream of thinking, products and services could be embraced by the term (co-)creation of valuable ‘service’. Based in the integration of co-creation and multiple choices channels, was stated the following research problem to be the stream of this research: How firms co-create the real value-in-use with stakeholders in times of proliferation and fragmentation of channels?

This theoretical paper has the purpose of discuss the subject proposed, related to SDL and value co-creation, not establishing a complete, but an initial discussion about avenues for further research. The idea is related to the proposition of new patterns to study co-creation and SDL in multi-channel context and also explore the importance of this perspective.

Multi-Channel Perspective: an avenue for research

The multi-channel focus can be viewed in at least two main perspectives: business-to-consumer and business-to-business market interactions. For example, Kumar and Venkatesan (2005) studied the correla-
tions between industrial consumers and also the factors of supplying practices in multi-channel acquisition of goods (tangibles). The methodology applied results in a conceptual framework related to theoretical propositions with explanatory power (MEREDITH, 1993). The authors opted for observable variables well discussed in literature. For example, cross-sale is defined as “the number of different product categories that a customer has bought from the firm” (KUMAR, VENKATESAN, 2005, p.46). In this perspective, linking to the Service Dominant Logic could be characterized as a service systems interaction, (VARGO, MAGLIO, AKAKA, 2008). In a more centralized idea, these theoretical presumptions could be seen as hypothesis to be tested (BACHARACH, 1989).

Based in a data collection conducted in a multinational hardware production firm, results indicate that the multi-channel consumer are quite different from a single channel partner – or client (KUMAR, VENKATESAN, 2005). This conclusion results from an Ordered Logistic Regression and MANOVA analyses. The basis for theory mathematical relations was anolous with Sutton and Staw (1995) concepts. But, the significance level obtained is considerable low (p<0,1) and could be refined in future research. The conclusions with that index could be misinterpreted. This shows the research possibilities in B2B.

In a different multi-channel context, we could suggest a deeply study about free rider customers, that uses a channel to acquire of information, but buy a product in another one. This social practices consists an interesting research gap, to better strategy formulations for channels that comprises questions like: How to promote the advertising-sale direct link? In this perspective Van Baal and Dach (2005) conducted a research based in twelve propositions that comprises product/service characteristics, and online-offline relations about transactions frequency. We believe that the Brasilians Market, a big emerging market, need more research, also to identify the buyer relations about country and international transactions. Why an emerging and expansible market is so poorly explored in the online international perspective?

Van Baal and Dach (2005) sampled 1094 online customers from Germany, by a survey data collection. They adopted a p<0,05 significant level correlations. Making a more complex model to study Brazil is an avenue for findings. An emerging market also could be a step to understand how a market evolve, comparing with first world top market practices.

A step further also is needed in the understanding of market multi-channel operations. For example, A.Neslin et al. (2006) studied the main presumptions about manager’s practices in multi-channel in the search for best practices. The authors’ idea was conducted in a qualitative interpretation of issues that matter. However, a more elaborated instrument to analyse those relations is needed. In a Popper’s (2008) understanding this is the first step to future tests, but Meredith (1993) classifies as a little step that need to be equationed better.

More deeply, Venkatesan, Kumar and Ravishanker (2007) structured a study based in three objectives. First step, reach the understanding of the buyer multi-channel impact in the generation of customer profitability. As noted, this perspective of customer profitability is in line with the Service Dominant Logic proposed by Vargo and Lusch (2004) seminal work. For this purpose, a longitudinal study was conducted in an apparel store. The sample, composed by 8882 customers was explored in a quantitative exploratory research strategy, making that a more robust research (EISENHARDT, 1989). Second, a conceptual frame developed to evaluate relationships between customer and store during the channel use. Variables was suggested, but not tested. This again illustrates the possibilities for future studies. Also the third part, focus
on theoretical rather than empirical evidences.

The literature reflects more about streams for future research in the Verhoef and Neslin (2007) investigation. They structured their objectives in issues like the development of a framework based in customer decision for channel; how that customer operates in the search for products of interest; and to identification of managerial practices to increase effectiveness. As a fundamental background, they adopted the Rational Action Theory. As suggested by Bacharach (1989), the authors adopted observable variables to conceptual structure model.

The data collection was conducted in a sample based on 396 Holandese customers, and the questions are based on channel attributes for products acquirence. To reach external validity, different products and interactive transactions was selected, like vacations, books, computers, apparel and electronic products. As recommended by Anderson and Gerbin (1988), the measurement model need to be validated, but it’s doesn’t. As in Kumar and Venkatesan (2005), Verhoef and Neslin (2007) also accept p<0,1 and again we concluded that, at least, refinement are needed in the multi-channel studies, for more precise conclusions. As mentioned before, the categories are structured, but quite poor tested, as happens in more recent researchs, as Hui, Fader and Bradlow (2009), that propose tests, but not do it.

The lack of empirical evidence promotes opportunities for new research mindsets. Also, as suggested by Sutton and Staw (1995), the actual state of art provides theoretical basis for a more integrated, operationalized and empirical findings. The falsiability proposed by Popper (2008) also can be drove, because as Bacharach (1989) background suggests, this kind of study collections are foundations for an applied investigation. A complex and interesting limitation about previous and for future studies relies in the subjective customer’s interpretation about the data collection procedures (DAFT, 1983; LEE, 1991). We believe that this subjective decision making need to be investigated, to identify potential bias, and then, structure a well constructed model for captures the essence of multi-channel interactions in the eyes of the customers. How they operate between different channels? What generates and how reduces the risk perceptions? There is a more proficuous channel integration structure? And the Holy Grail question: Why and how customers adopt a second channel interaction?

The literature analised above support a set of considerations. First, except by Venkatesan, Kumar and Ravishanker (2007) and, Kumar and Venkatesan (2005), the other considered researchs are in essence linears. As suggested by Bacharach (1989), this leads to misinterpretations, that he consider analogous to research inexperience. Second, the amount of work available (frameworks and theory) provides the basis for more complex studies. Finnaly, the investigation suggests that mainly, the studies not apply the recommendations made by Bacharach (1989) and Meredith (1993), and with exception by Verhoef and Neslin (2007), the authors based their theoretical models in observed variables. In front of that conclusion, we also proposes that theoretical constructs (psychometric measurement) are an opportunity for improve this stream of research.

**The Service Dominant Logic (SDL): Raising the Marketing cohesion?**

We assume that SDL can be a frame of reference for the understanding of multiple-channels interactions. As stated by Vargo and Morgan (2005), the economic historical mistake serves as a gap for the
marketing science, and this was originated when researchers perception identified focus in supply and products inherent value, but not the value of use (VARGO, MAGLIO, AKAKA, 2008). The authors claim for a more complete vision to encompasses transactions, because “goods can’t characterize the complete exchange” scenario (VARGO, MORGAN, 2005, p.42). Service as a complement makes no sense. In fact service, in many different ways, exposes the real value or value-in-use. Transaction is a way to make product available. The use of this product can be called as a service delivery through use.

Service is a differentiation activity (BOLTON, GREWAL, LEVY, 2007). For market success, the consumer must be viewed as a partner in action. This action is co-creation, and for Berry (1987), the presence of customer is an essencial premise for generation of value. The central service idea is customized satisfaction (BERRY, CARBONE, HAECHEL, 2002). As stated by Zeithaml, Berry and Parasuraman (1995), promote higher quality for customers.

In SDL, service concept is restated: service consists in do it something for and with someone else (VARGO, LUSCH, MORGAN, 2006). This partner can be a final customer, in B2C market, or another enterprise, if the transaction consists in B2B transaction. As stated by Webster Jr. (2006), the SDL model can be viewed as an important and controversial opportunity for a qualitative jump in the Marketing mindset evolution. The increasing importance of relationships, or interactions, comes to change the attention from tangible to intangible values, as knowledge, performances and skills (VARGO, LUSCH, 2004).

The fundamental premises of SDL are ten. The eight first ones are from the Vargo and Lusch (2004) pioneer awarded paper. The other two: from Lusch and Vargo (2006), and Vargo and Lusch (2008). Bolton (2006) understands that this premises lead to convergence. For a systematic premises review, see Vargo and Lusch (2008). Based in that study, we present the premises enfasizing the relationship between SDL and channels adoption.

The first Fundamental Premise (FP), states that service is the fundamental base of exchange relations. If this is true, the multi-channel interaction composition can promote different configurations of service. FP2 mentioned that indirect exchanges blind the customers in front of the true transactional basis. If correct, the channel integration can change the perception of customers, and promote cross-selling and other marketing promotions.

Third FP mentions that goods are mechanisms for service distribution/delivery. Value in exchange is a first perception, but value in use will determine the final customer perception. In line with the least, FP4 states that intangible resources are the true source for competitive advantage. This considers that products are pretty similar, but service skills and knowledge transfered for customers in interactions promotes better market(ing) features. FP5 is more radical, and states that all economies mean service economies. If service is the determinant of value, different channels can promote different structures of value, and then, the more structured combinations can lead to a sustainable competitive advantage.

From FP6 to the end of that postulates, the co-creation concept is delimited. FP6 states that the customer is always a co-creator, and his intention is co-create value. We stated in this way because we believe that, value is an objective not a certainty. We restates as follow: if the transaction is a successful interaction, the customer always co-create value. FP7 explains our view when mentioned that firms proposes value. The creation of value depends from the FP8 obtaining. Successful interactions can be seen when FP8 occurs, that means, consumer centered vision need to be relationally engaged. FP9 proposes
that all social actors are integrators of resources. The way to this integration is the channel of interaction. Finally, FP10 proposes a customized by service view, because value is unique, fenomenological derived, and determined by the beneficiary. The customer is the main beneficiary, and this relationship is started by using a transactional channel, and that can influence the value set.

In practical terms, co-creation and co-production are twin terms. We adopted co-creation as a more complete and service logic terminology. In fact, co-creation is every interactional transaction that is composed by, at least, a dyadic relationship. Co-production we assumes as a more specific engagement, when customer co-assumes the production. The customer is always a co-creator, and sometimes a co-producer of value. The co-creation is viewed as an active engagement from customer in the development of something that he would receive from a different entity – generally the firm (AUH et al., 2007).

For a more detailed perspective Skaggs and Youndt (2004) stated three different aspects related to co-creation procedures of service: [1] co-production of customer; that relies in the amount of energy posed in service by the customer; [2] customer contact; related to interaction in production; and [3] service customization; that promotes differentiated initiatives for customers (the essence of Marketing is promote as better as possible results). As this short literature review shows, there is much to be made for clarify SDL concepts, and the co-creation conception itself. We also propose that this is a main stream research agenda.

Co-creation, what is and what is not? Can be an interesting question, and can be conduced by investigating the multi-channel prerogative of market interactions. What channel or combination of channels is more proficuous for greater value generation? As a first step, we mentioned some co-creation imperatives, proposed by Prahalad and Ramaswamy (2004):

- Shared creation of value between a firm and a customer (dyadic relationship);
- Customer availability to participate in the service experience concept;
- Conjoint definition and problem solving interaction between partners;
- Experience variations (different sets and possibilities of interactions);
- Customized, or individual experience;
- Constant interaction (dialogue);
- Co-creation of personalized experiences.

It is very important the notion that co-creation of value are based in a high quality processes and interactions. Co-create ‘unique’ perception improves the value promotion, and shows that each costumer is different (PRAHALAD, RAMASWAMY, 2004). As stated in the study of Slater and Olson (2000), buyer-supplyer relationships favours the firm to recognize the latent needs of customers. This co-development experience bases the ideal that “value is co-created with customer” (VARGO, LUSCH, 2004, p.4). Co-creation is different among different contexts and customers, and can be viewed as transactional specific relationship among dyadic interactive scenarios (PRAHALAD, RAMASWAMY, 2003).

The multi-channel perspective is important because in an interactive market configuration, the amount of experiences is part of a forum for co-creation of value. Higher quality service is provided when congruent co-creation exists. This means that the firm can provide value based in customer perspective
The essence of co-creation service is observed when Berry (2002) postulates are achieved, and this means that the customer remains actively engaged with a firm.

The challenge established in this study is linking SDL, specially the co-creation of value and the multi-channel prerogative. This is valid for B2B and B2C markets. The channel integration that provides a better co-creation result of value-in-use can be an important element to best practices in the e-commerce arena and to the general service provision.

Final Considerations: Recent Studies in SDL and Value Co-creation

Only few papers explore the measurement of SDL in general, and the co-creation as an especifc research subject. Auh et al. (2007) explores a scale construction based in health care and applied in the financial service sector. Also Gallan et al. (2012) and McColl-Kennedy et al. (2012) are studies centered in the health care service sector, indicating a stream of interest for co-creation studies and specially practices. Other sectors are contemplated in recent studies, for example, in Alexander et al. (2008) the focus is supermarket, in Andreu, Sánchez and Mele (2010) furniture. Shaw, Bailey and Williams (2010) and Chathoth et al. (2012) study hospitality and tourism, a friendly research line in relation to business and marketing.

The intangible ‘world’ also is focus for the study of co-creation practices. The Internet tools are discussed in creative practices in the studies conducted by Grant, Clarke and Kyriazis (2010) and Marandi, Little and Hughes (2010). As examples of tools it’s relevant to mention popular softwares as facebook and twitter.

Many studies are required to explore the main subjects of this paper: SDL, co-creation and multi-channels. Empirical exploratory studies and also quantification of the co-creative practices are required as procedures to advances in the marketing field related to value co-creation in complex channels. This paper represents a first step, providing some new insights.

References


