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Abstract

The discussion of a service-dominant logic has made the findings of decades of service marketing research a topic of interest for marketing at large. Some fundamental aspects of the logic such as value creation and its marketing implications are more complex than they have been treated as so far and need to be further developed to serve marketing theory and practice well. Following the analysis in the present article it is argued that although customers are co-producers in service processes, according to the value-in-use notion adopted in the contemporary marketing and management literature they are fundamentally the creators of value for themselves. Furthermore, it is concluded that although by providing goods and services as input resources into customers' consumption and value-generating processes firms are fundamentally value facilitators, interactions with customers that exist or can be created enable firms to engage themselves with their customers' processes and thereby they become co-creators of value with their customers. As marketing implications it is observed that 1) the goal of marketing is to support customers' value creation, 2) following a service logic and due to the existence of interactions where the firm's and the customer's processes merge into an integrated joint value creation process, the firm is not restricted to making value propositions only, but can directly and actively influence the customer's value fulfilment as well and extend its marketing process to include activities during customer-firm interactions, and 3) although all goods and services are consumed as service, customers' purchasing decisions can be expected to be dependant of whether they have the skills and interest to use a resource, such as a good, as service or want to buy extended market offerings including process-related elements. Finally, the analysis concludes with five service logic theses.

Key words: Service logic, service-dominant logic, service marketing, marketing theory

Background and purpose

Although there are some earlier publications, today's research into service marketing has in roots in the 1970s. Three internationally recognized schools of service marketing, the French, the Nordic, and the North American schools (Berry and Parasuraman, 1993) trace their roots back to that decade. During the following three decades the amount of research and scientific publications grew rapidly, and the field also developed into a higher level of maturity. However, this development did not influence the marketing discussion at large. With Vargo and Lusch's article in the Journal of Marketing in 2004 "Evolving to service-dominant logic for marketing" (Vargo and Lusch, 2004) this changed. Finally, what service marketing research has to offer became an interest for a larger group of marketing scholars. The following year Edvardsson, Gustafsson and Roos published a study of what a number of leading international scholars in the service field thought of service and service marketing. The key finding was that service indeed was considered more a perspective than an activity only: "Service is a perspective on value creation rather than a category of market offerings" (Edvardsson, Gustafsson and Roos, 2005:118).

The work of Vargo and Lusch (e.g. 2004 and 2008) has organized the result of thirty years of service marketing research into an organized structure and put service forward as a logic for marketing rather than as an activity only. However, in view of the existing research, two central issues in the logic, viz. the concept of value creation and the logic's marketing implications, are treated in a too simplistic and implicit manner to serve further discussion of the theoretical aspects of such a logic and its practical implications for marketing and business in general.

Drawing on this observation the *purpose* of this article is to analyze service as a logic for business, especially for marketing, and what implications such a logic has for the scope and content of marketing. The article focuses on the firm's role in customers' value creation and on the marketing implications that follow from that. To do this, the consumers' role in value creation and the interplay between the firm and its customers have to be included in the discussion as well. So far publications on service as a logic, service logic or service-dominant logic, has focused mainly on the concept of service and what the logic means for consumers and consumption and explicitly from a marketing point of view with a conclusion that the firm can make value propositions only. Other than that what the logic means for firms has been discussed more or less implicitly only.

In this analysis the expression *service logic* (Normann, 2001 and Grönroos, 2006) rather than service-dominant logic is used, and it is used for two reasons. First of all, the logic of service has to be based on the notion that all types of resources, both goods and services, are used by customers as service that renders value for them and that service is an interactive process supporting customers' value creation where the customers are participating as co-producers. This is not a logic that is dominated by service, rather it is a logic based on the provision of value-supporting processes, where a set of resources are in use and during consumption these resources and processes are integrated by the users with other resources and skills available to them. This is distinctly different from a goods logic that in turn is based on the provision of a resource for the customers use. The logic is distinctly *a service logic*, not a logic dominated by service (Grönroos, 2006 and 2008).

Secondly, to encourage a broadened discussion of service as a logic for marketing with and among academics from outside the service marketing field and to avoid excluding potentially interested academics by suggesting a seemingly all-embracing service view of marketing which not necessarily is welcomed by everyone it may have been necessary to add "dominant" to the expression used for the logic. Today the interest has spread and the understanding of the logic grown to such an extent that the logic has established itself. The addition "dominant" has become redundant and can be removed without any negative effects on the global interest in service and the logical name, service logic, can be adopted.

Service logic from a business point of view

Service as a logic for marketing must not remain a theoretical construction only. The ultimate test of its validity is the usefulness for business practice of it and of the terms and expressions used. The service logic is a customer-centric construct based on how value for customers is created or emerges. However, from a business point of view the basic logic is multi-faceted, where depending on whether the vantage point is that of the customers or users or that of the firms or the providers the essence of the service logic takes different forms: "(1) When using resources provided by a firm together with other resources and applying skills held by them, customers create value for themselves in their everyday practices *(customer service logic)*. (2) When creating interactive contacts with its customers during their use of goods and services, the firm develops opportunities to co-create value with them and for them *(provider service logic.)*" (Grönroos, 2008:299; italics added)

Sometimes the connection between the provider and user may be reciprocal beyond a paying customer. For example, a customer may become a provider of information about mistakes and failures that occur in the firm's processes or about inefficiencies or quality-maintaining problems in these processes. In such situations the provider service logic applies on the behavior of the customer, whereas provided that it is capable of making use of such information the firm adopts a customer service logic. However, the customer pays for service provided, whereas normally the firm does not pay for service it may receive in return. The service provided by the firm is mandatory for the customer, whereas the service provided by the customer is optional for the firm.

On business markets reciprocal business connections occur more frequently. Here in addition to resources also payment for them often exchange hands in both directions. Of course, barter trade is the ultimate form of reciprocity in business. In these situations both a customer service logic and a provider service logic characterize the behavior of both parties. In business networks the situation may be even more complicated. However, although business connections may be considered reciprocal, due to the conflicting or at least diverging interests of the parties involved, the roles of the provider and user, respectively should not be blurred but kept apart. A dyad is one system where reciprocal service provision may take place, but from a business point of view it should be seen as two provider-user systems.

Value creation, service co-production and service production

Value creation, and particularly the value-in-use concept, is a foundational issue for the understanding of a logic based on service. In the original foundational propositions it was stated that the customer is always a co-producer (Vargo and Lusch, 2004:10-11) and "the customer must determine value and participate in creating it through the process of coproduction" (Vargo and Lusch, 2004:11). Later co-producer was replaced by co-creator (e.g., Vargo and Lusch, 2007), and subsequently in the discussion of a service-dominant logic, as it seems without questioning the logic of it, almost by every participant in the discussion it has been stated that "the customer is always a co-creator of value". However, although value co-creation as such is an important issue that has the potential to transform marketing (see, for example, Jaworski and Kohli, 2006 and Sheth and Uslay, 2007), by being overly simplistic the expression "the customer is always a co-creator of value" creates confusion as to the customer's and firm's roles in value creation, respectively, and hence the marketing implications of value co-creation remains fuzzy. We shall return to that in a later section.

Customers' role as *co-producers of services* was established already in the early days of service marketing research (e.g., Eiglier and Langeard, 1976 and Grönroos, 1982). What customers co-produce is the service that they get. As it has been demonstrated that from a consumption point of view customers use all kinds of tangible and intangible resources, such as goods, services and information, as service so that value is rendered for them[1] and that goods are distribution mechanisms for service (Gummesson, 1995; see also Vargo and Lusch, 2004 and 2008), customers are co-producing the distribution mechanism out of which value is created. They are *not* co-producing the value that can be created from these distribution mechanisms. "Value creation is only possible when a good or a service is consumed" (Gummesson, 1998:247). The firm's role is to take charge of the operations or production process, regardless of whether it is a service or goods production process. However, due to the interactive nature of services, where production and consumption are partly simultaneous processes, customers engage themselves with the production process, participate in it, and thus become co-producers. "They (consumers) do not passively consume the service, but they take part in the production process in an active manner, thus influencing the process" (Grönroos, 1982:36). And moreover, "… a service provider without customers cannot produce anything" (Gummesson, 1998:247).

Consumption is a concept that needs clarification as well. One interpretation of consumption is that by consuming one destroys something. However, consumption is

[1] Within the field of service marketing research this observation was made very early already in the 1970s: "It is … reasonable to consider both goods and services to be bought by consumers in order to give some service or value satisfaction" (Grönroos, 1979:86). Earlier outside the field of service marketing for example Abbott and Alderson expressed similar views: "What people really desire are not products but satisfying experiences. … People want products because they want the experience-bringing services which they hope the products will render." (Abbott, 1955:39f) and "Goods do not really have utility from the consumer viewpoint until they come into the possession of the ultimate user and form a part of his assortment." (Alderson, 1957:70).

not to destroy value, but rather to activate and sometimes also destroy resources to let value free, i.e. to create value. Furthermore, the beginning and end of consumption is customer specific.

Value creation is not the same as production or operations. Value creation is a usage process through which the user becomes better off[2] in some respect (Grönroos, 2008) or which increases the user's well-being (Vargo, Maglio and Akaka, 2008). As *resource integrators* (Vargo and Lusch, 2008) customers operate on the tangible and intangible resources made available to them by a given provider and by others and by themselves and in that way value for them emerges. As Holbrook (1994) puts it, "Value is an interactive relativistic preference experience" (p. 27), and with the words of Mattsson (1991), "Value experiences are the ultimate effects of consumption. … Product value patterns are the effects of an ongoing evaluative act by a consumer on being exposed to a product." (p. 42). Holbrook's and Mattsson's observations have their roots in the field of *axiology*, or the philosophy of value. Hence, it is important to keep apart production or operations, in which customers take part as co-producers, and value creation as the customers' process of becoming better off.

In summary, resource providers are in charge of the production process, in which customers may engage themselves as co-producers. However, value for customers is created out of the resource that is produced. Creating value and producing are different constructs. Production is the process of making the resources (goods, services, information, etc.) the customers integrate in their consumption or usage processes. Value creation is the process of creating value out of such resources. Hence, value is not produced; resources out of which value can be created are produced.

Finally, it is debatable whether the process of creating value out of goods and services is best described using the verb 'create'. Especially on consumer markets it would perhaps be more accurate to say that value *emerges* out of the use of goods and services. "The focus is not on products but on the customers' *value-creating processes* where *value emerges for customers* …" (Grönroos, 2000:24; second set of italics added).

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[2] Grönroos (2008) defines value for customers in the following way: "Value for customers means that after they have been assisted by a self-service process (cooking a meal or withdrawing cash from an ATM) or a full-service process (eating out at a restaurant or withdrawing cash over the counter in a bank) they are or feel better off than before" (p. 303). Vargo, Maglio and Akaka (2008) offer a definition with a similar meaning.

Value creation: value-in-use and value-in-exchange

During the 1990s and continuing into the 2000s the issue of value creation and the locus of value for customers has gained an increasing interest in the management and marketing literature. The prevailing view that value for customers is embedded in products that are outputs of firms' manufacturing processes, *value-in-exchange*, has been challenged by another view, according to which value for customers emerges as *value-in-use* in the customers' sphere in the customers' processes (see, for example, Normann & Ramirez, 1993, Holbrook, 1994 and 1996, Ravald and Grönroos, 1996, Vandermerwe, 1996, Wikström, 1996, Woodruff and Gardial, 1996, Normann, 2001, Ravald, 2001, Prahalad, 2004, Vargo and Lusch, 2004, Grönroos, 2000, 2006a and 2008, Lusch, Vargo and O'Brien, 2007, to mention a few publications). As Vargo and Morgan (2005) have shown this is not a new approach to value creation, but in the economics and business economics literature it has long been masked by the value-in-exchange notion.

According to the value-in-use view, value is not created by the provider but in *the customers' value-generating processes*, where value propositions about potential value made by the firm are fulfilled more or less well and real value emerges for the customers (Grönroos, 1979, 2006 and 2008; see also Ballantyne and Varey, 2006 and Gummesson, 2007). Wikström (1996) views consumption as a productive process and describes a firm's offering as "… a vital ingredient in the consumers' own value creation" (p. 362). More than four decades ago the economist and Nobel Prize winner Gary Becker (1965) described this view in his discussion of the household as *a utility or value producing unit*. Firms supply the household with the resources, such as goods, services and information, which the household needs in order to create value (or utility) for itself.

Quite obviously, in the contemporary literature and also in the discussion about service as a logic there is a consensus that value-in-use is the value concept that is most closely related to customers' process of value creation.

Value-in-exchange still exists, of course. However, the relationship between that value concept and value-in-use must be kept in mind. Already Adam Smith in his discussion of "… what may be called the relative or exchangeable value of goods" (Smith, 1776:131) distinguishes between the utility of a specific object (corresponding to value-in-use) and the amount of other objects that can be bought with this specific object (corresponding to value-in-exchange).[3] And Lamont (1955), an axiologist, notes that "… it will be observed that value-in-exchange is synonymous with price. It is the ratio in accordance with which things are exchanged for each other" (p. 25). Indeed, the value of a good or a service offered for exchange can be measured by the price a customer is prepared to pay for it. On an aggregate level, value-in-exchange is measured with market share. On the contrary, as Woodruff and Gardial (1996) state, "…in fact, it is difficult to determine whether a product generally provides value for an individual or organization without understanding the many different ways the product will be used" (p. 59). The value that is relevant for a customer is according to them defined as "… the customers' perception of what they want to have happen … in a specific use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal" (Woodruff and Gardial, 1996:54). Vargo and Lusch (2008) conclude in a recent publication on service-dominant logic that "… value is always uniquely and phenomenologically determined by the beneficiary" (p. 7). Or as Holbrook (1999) formulates it, "… when we say that consumer value is an interactive relativistic preference experience, we mean that the relationship of consumers to products … operates relativistically to determine preferences that lie at the heart of the consumption experience." (p. 9). From an axiological, i.e. the philosophy theory of value, point of view value could be understood as a human aspiration for the good: "Valuation or choice is concerned with the correlation of ends within a total personal conception of the good" (Lamont, 1955:11). Determining the goodness or value of a thing is thus an operation of matching the concrete properties of a thing with the properties of the abstract idea, i.e. the concept, and the more similar the content, the higher the value (Hartman, 1967 and Mattsson, 1992). It is assumed that humans turn to the good and retreat from the bad. But good is *not* a property of the thing, neither is value (Hartmen, 1967). The goodness or value of objects is related to what individuals want objects to *be* and *do* for them, i.e. which role they want goods, service, and relationships to various actors on the market to have in their lives (Ravald, 2008). Customers use consumption as a means for value creation.

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[3] According to the analysis of Vargo, Maglio and Akaka (2008:146) the value discussion is old and can be traced back at least to Aristotle's distinction between "use value" and "exchange value". Also in Marxist theory the distinction between these two value concepts was essential (see Marx, 1867).

Hence, it can be concluded that in a commercial context *the consumer or user of resources such as goods or services is the one who creates value*. Moreover, as the beginning and end of the consumption process is customer specific, the beginning and end of the value-creating process is also customer specific and determined by the customer. Furthermore, value creation is dependant of the context in which the customer operates. If the context changes, for example a new alternative good with a higher technology content is introduced, a customer's value creation process may take a new direction and the value created out of an existing resource may be perceived differently.

As to the relationship between value-in-exchange and value-in-use, clearly in the long run value-in-use is more important than value-in-exchange, both for customers and for the service provider. With the words of Alderson (1957), "… there is greater value in use for all parties involved after the exchange than before" (p. 198). "Ultimately it is perceived value that attracts a customer or lures away a customer from a competitor" (Rust and Oliver, 1994:7). Customers may buy a good based on a judgment of value-in-exchange, which in itself includes an expectation of value-in-use. If such expectations are not met, the total perceived value deteriorates towards zero. The customer will not buy this good again, or demand a lower price. Hence, *value-in-exchange is a function of value-in-use* and a lower-order concept than the latter.

In summary, not only from a consumer point of view but also from a marketing and business point of view value for customers as value-in-use is the fundamental value concept to focus on. Value-in-use is created by the customer, or emerges for the customer, but dependant of whether a good or a service is what a customer creates value out of, the process of value creation takes place in partly different ways. "A good represents potential value (or utility) for the consumer. He purchases the good and subsequently he has to initiate and implement the activities required to transform this potential value into real value for him" (Grönroos, 1979:86; compare Becker, 1965). The good is used by the consumer as a resource, possibly together with other resources (e.g., other goods, information) and with the application of necessary knowledge and skills held by him or her in order for him or her to create value out of it. A service, on the other hand, "… is in itself an activity … with in-built ability to transform potential value (or utility) for the consumer into real value for him" (Grönroos, 1979:86). A service is an interactive process and during such interactions the customer and the service provider co-produce the service together. During this interactive part of the service process, production and consumption take place simultaneously, and hence during that process the customer experiences the value that is created or emerges from the service. In conclusion, goods represent value-supporting resources, whereas services are value-supporting processes (Grönroos 2006). The customers integrate both of them in their consumption or usage processes, out of which value emerges.

Value creation: what is the roles of the firm and its customers, respectively

When adopting the value-in-use notion the obvious conclusion is that *fundamentally the customer is the value creator* (see Grönroos, 2008 and Ravald, 2008). Nevertheless, in the recent discussion of value creation it is invariably said that customers are co-creators of value. Liberally interpreted, this expression could mean that both the firm and the customer *are involved in the value-creating process*. As Vargo, Maglio and Akaka (2008) say, “value is co-created by this reciprocal and mutually beneficial relationship” (p. 146) and “(from a service-dominant logic view) value is co-created through the combined efforts of firms, employees, customers, stockholders, government agencies, and other entities related to any given exchange, but always determined by the beneficiary (e.g., customer)” (p. 148). However, although this is the case, it is an oversimplification and as such not a theoretically grounded conclusion based on a logical analysis of the roles in value creation of the customer and the firm (and other actors), respectively. Furthermore, it does not have analytical power to explain the roles in value creation of resource providers (firms) and resource users and integrators (customers). And it does not help managers understand the interplay between production, consumption and value creation. Nor does it help managers understand the marketing implications of value creation and co-creation. Also Vargo, Maglio and Akaka conclude their discussion of value co-creation in service systems: “This exploration of value co-creation raises as many questions as it answers. For example: What exactly are the processes involved in value co-creation?” (2008:151).

As to the interplay between the firm and the customer in value creation, Vargo, Maglio and Akaka (2008) conclude: “Firms propose value through market offerings, customers continue value-creation process through use” (p. 148, Table 1). However, if value is created by the user in the user's processes when resources obtained are integrated with other resources and consumed, the resource provider (the firm) cannot be a value creator. There is no pre-existing value that the firm can propose and that would enable customers to *continue* value creation. *The firm is a producer of the resources used by the value creator* (the customer). Fundamentally, the firm is not a producer of ready-made value and hence not a value creator. If that were to be the case, value has to be embedded as value-in-exchange in the resources produced and offered to customers. However, whether there indeed is any value embedded in them or not is determined after they have been purchased by the level of value-in-use that emerges out of them for customers during consumption. As Normann and Ramirez (1988) note, a defining aspect of a service perspective "... is the role (or roles) that the seller plays in helping customers to create value for themselves" (p. 116).

The expression "customers are co-creators of value" may be due to the claims in the literature that the move towards customer participation in firms' production processes means that customers are allowed to engage themselves with the firms' work or processes (see, for example, Lengnick et al., 2000 and Auh et al., 2007). Because it is the firm that is in charge of and steers service production and the customers are entering this process during interactions with the firm, this statement is correct. Perhaps it is from this observation that the thought has emerged that also in the context of value creation customers are given opportunities to engage themselves with processes of creating value for customers administered by the firm. However, as it is the customers who create value for themselves and are in charge of their value-generating process, in the context of value creation this statement is *not* correct. Moreover, it is an inside-out view which is in conflict with the marketing concept, according to which the firm is best off by basing its decisions on the customers' processes and their needs, wants and expectations. Mixing service co-production with value creation may have contributed to this confusion in the literature.

Putting the firm's activities into a service logic context, the expression "based on customers' needs, wants and expectations" translates into "the firm is best off developing its actions based on its customers' value-generating processes". The expressions "based on customers' needs, wants and expectations" and "based on customers' value-generating processes" are in fact synonyms. Hence, in a value creation context, and following the guidelines of the marketing concept, *the firm should strive to engage itself with its customers' work or processes*, not the other way around. This is a true outside-in view. In this way the firm and its marketers can understand its customers' value creation and more efficiently and effectively provide resources and processes to support that value creation.

When recognizing that the customers are *the* value creators, what is the role of firms in customers' value creation?

The firm produces tangible and intangible resources as input into its customers' consumption or value-generating processes. This is a prerequisite for value creation. Because the provision of resources is required for the customers' value creation – there must be something for them to integrate and to create value out of –, this can be labeled *value facilitation*. By providing its customers with such inputs into their value-generating processes *firms facilitate value creation*. For a goods provider which has no interactive contacts with its customers this is where the firm's possibilities to influence value creation ends. The goods are alone with the customers and value creation depends solely on the customers' ability to make value-creating use of these input resources during consumption. Through the goods customers' value creation is only *indirectly* influenced by the firm.

However, adopting a service logic means that in a value creation context during the simultaneous consumption and production processes a firm makes active use of existing interactions with its customers (Grönroos 2006). These interactions are part of the customers' consumption processes and hence also of their value creation. Or if interactions do not exist by themselves, the firm can strive to create such interactions, for example by adding call center services or delivery, installing, maintenance and website services to the offering. In such situations the firm can *directly* and *actively* in interactions with its customers influence their value creation. The customers create the value for themselves, but during the interactions the firm gets opportunities to influence the process of value creation, for example so that the customers get more value than otherwise out of the service or good. Thus, *the firm becomes a co-creator of value with its customers* (see Grönroos, 2008). As Storbacka and Lehtinen (2001) state, customers produce value for themselves independently, but suppliers may offer assistance. *Value co-creation necessarily requires interactions between the firm and the customer*. Co-creation opportunities that suppliers have are strategic options for creating value (Payne, Storbacka and Frow, 2008).

The nature of commercial interactions

Especially within the Nordic school research tradition the interaction concept is a key construct in service marketing, for example in the forms of buyer-seller interactions and interactive marketing (e.g., Grönroos, 1982) and interaction quality (e.g., Lehtinen and Lehtinen, 1991) and in relationship marketing (e.g., Grönroos, 2000, Gummesson, 2002). However, interaction has also been discussed to some extent within other service research traditions (e.g., Solomon et al, 1985). Moreover, the interaction concept and buyer-seller interaction terms have also been used within the IMP approach in the interaction (e.g., Håkansson, 1982) and network (e.g., Håkansson and Snehota, 1995) models of business marketing, as well as in many industrial marketing publications (e.g., Dwyer et al, 1987 and Jap et al, 1999) and in publications with a broader marketing scope (e.g., Day and Montgomery, 1999, Rayport and Jaworski, 2005, Yadav and Varadarajan, 2005 and Ramani and Kumar, 2008). However, in a marketing context the underpinning logic of the interaction concept has never been thoroughly discussed.

In general terms *interaction is mutual or reciprocal action where two or more parties have an effect upon one another*. An inherent aspect of interaction is connectivity, i.e. the parties involved are in some contact with each other. In a business context firm-customer *interactions mean that two or more parties are in contact with each other for a commercial reason, and in these contacts they have opportunities to influence one another's processes*.

Interactions do not necessarily require face-to-face or man-man contacts. Man-machine, man-system and even system-system contacts can also occur. Hence, interactions can also take place between a customer and systems or infrastructures. Such interactions are often mediated by IT or mobile technologies. As Yadav and Varadarajan (2005) observe, increased interactions between customers and firms and also between customers have been triggered by technological developments. When using an Internet-based diagnostic tool to identify reason for a problem in, for example, a manufacturing process and to find an applicable solution, a business customer interacts with an IT mediated system provided by the supplier. When two persons talk to each other using mobile phones, they interact with each other mediated by a telecommunication infrastructure provided by the telecom operator. Such IT mediated systems and mobile technology infrastructures can be, and often are developed into intelligent systems which, within limits, can perform in a flexible manner according to the customers' actions. If this is the case, both parties, the customers as well as the supplier, take actions that influence the other party. On the other hand, in many service settings interactions take place between customers and service employees. Frequently these interactions involve systems and other elements such as goods and other tangible items as well. Characteristic for all these situations is that the two or more parties involved are in contact with each other and can take actions of some sort which influence the other party's process. Hence, during the interactions the supplier and customer can influence the course of their processes.

Traditionally, in typical goods-marketing situations the firm provides its customers with goods as input resources into their processes. The goods are normally standardized and cannot be influenced by actions taken by the customers. Since both parties have to be active for interactions to occur, in this situation no interactions exist, only actions taken by the customer. The firm is inactive and silent. Consequently, consumption of a standardized resource is not an interactive process. By creating intelligence into goods and other resources so that they can adjust their performance to the customers' actions interactions are developed. Also by adding, for example, call center services a goods marketer creates interactions with its customers. In all these cases the firm, through the development of interactions, creates opportunities to engage itself with its customers' work and influence their consumption processes and the outcomes of those processes.

The simultaneously occurring parts of production and consumption do not only flow in parallel. From a service logic perspective they merge into one integrated *joint value creation process* where both parties are active. Both parties are *subjects* in this integrated value creation process operating on the same object.[4] During interactions between the two parties the customer can directly influence the firm's actions in the process, and by its actions the firm directly operates as part of the customer's value creation. The customer's co-production actions do not give signals to the firm's production actions only, but they change the flow of the production process. In the same way the service provider's actions are not signals only to the customer about how their value creation could change, they change the flow of the value creation

[4] The use of the terms *subject* and *object* in a value creation context derives from the axiological research tradition (see, for example, Osborne, 1933, Lamont, 1955, Frondizi, 1971, Holbrook, 1999, and Ravald, 2008). The term subject describes the role of the active part or owner of the process, whereas the term object describes the thing the subject is acting upon.

process. From a marketing point of view it is essential to observe that during the joint value creation process the firm is part of the customers' consumption processes and thus also part of their experiences with the firm and value fulfilment. The existence of an integrated value co-creation process does not mean that the firm and the customer always or even as a rule would have similar interests and goals. Their interests may even be conflicting, but the process is still joint value creation, where the firm co-creates value for its customers jointly with them.

In summary, the existence and nature of customer-firm interactions open up new opportunities for marketing – *unique* to a service logic approach – to influence customers' preferences and behavior and broadens both the scope and content of marketing.

Firms as value co-creators

The existence of an interaction does not only imply that direct actions that influence the other party can be taken. During interactions both parties can also gain information about the other party's processes and use this information in various ways for the benefit of itself and of the other party. For example, a customer may learn about a service provider's need for information to run their service processes more smoothly and, as a consequence, in future interactions automatically supply the firm with these pieces of information. On the other hand, a supplier delivering components to a manufacturer may observe that this business customer, for example, uses a less effective warehousing system and can use this observation to help the customer develop its processes in a more effective direction. The customer's value creation may not have been as effective as possible and through what is learnt during interactions the supplier can take actions not only to support the customers' value creation but also to improve the value-generating process. Hence, interactions are also learning opportunities for all parties involved. Based on Argyris and Schön's (1978) 'double-loop learning' concept Payne, Storbacka and Frow (2008) suggest the term 'proportioning' for this type of learning. With *proportioning* they mean that customers and suppliers and service providers reflect on how they are involved in each others processes and based on these reflections, if needed, they may change their behavior and use of resources during future interactions. Of course, this proportioning may also make one or both of the parties disengage from future interactions. (Payne, Storbacka and Frow, 2008; see also Normann and Ramirez, 1988)

In summary, although customers always are the value creators, during interactions with its customers on top of being value facilitators a service or goods provider gets opportunities *to co-create value with its customers*. This is a value creation opportunity *unique* to firms redefining themselves as service businesses and thus as service providers. Although the customer is in charge of the value-creating process, the firm and the customer co-create value jointly during the interactions. Without interactions there are no value co-creation opportunities.

Figure 1 about here, please

In Figure 1 the value facilitation, value creation and value co-creation as well as production or operations and customer co-production processes are schematically illustrated. The figure outlines these processes and how they relate to each other only, without going into the mechanisms of value creation and value co-creation. Moreover, in reality the process is not as linear as the figure implies. In value creation the customer is in charge, and if customer-firm interactions exist or can be developed the firm gets an opportunity to engage itself with the customer's process and directly and actively co-create value with the customer. Otherwise the firm is only a value facilitator by providing tangible and intangible resources that as input resources support the customer's value creation. From an axiological standpoint, in the value co-creation phase both the provider and the user are subjects, whereas during the two other phases only one of the parties is subject (the firm during the value facilitation phase and the customer during the sole value creation phase). Looking at the process from a production point of view, the firm is in charge of the that process, whereas during customer-firm interactions the customers can engage themselves with the firm's process, participate in it and become co-producers of the service. In that way the customers can influence the service that they get.

Table 1 about here, pleased

In Table 1 the roles of the firm and the customer, respectively are summarized. In the upper part of the table the situation when customer-firm interactions exist is described. The firm takes the role as both value facilitator and value co-creator, whereas the customers as resource integrator create value for themselves, first of all, alone with the resource obtained during their value-generation processes adding other necessary resources and skills held by them required for successful consumption and value creation. Secondly, the customers' value creation is influenced through value co-creation jointly with the firm by value-supporting interactions. These two parts of value creation forms value fulfilment for the customers. This description of value creation follows a service logic where the firm can engage itself with its customers' processes.

In the lower part of the table value creation without customer-firm interactions is illustrated. This situation is typical for goods providers who have not created interactions with their customers but provide them with a standardized resource only. Because no interactions occur and the firm cannot engage itself with the customers' processes, this type of value creation follows what can be labeled a goods logic. Value creation and also value fulfilment for the customers takes place in a process where customers are the sole value creators with the resource provided. No value co-creation occurs. The firm's role is that of a value facilitator only.

Value creation and marketing

The need for marketing to renew itself as a discipline has been voiced (see, for example, Marketing Renaissance, 2005). In his review of the evolution of topics covered in articles published in the Journal of Marketing during its first forty years Grether (1976) concluded that marketing had adjusted itself to changes in the environment. However, this observation does not to seem to hold anymore. Ten years ago for example Day and Montgomery (1999) expressed their concerns with the tactical orientation and lack of adaptability to changing conditions of mainstream marketing. More recent studies from the US as well as Europe show that marketing's role in big firms is weakening (Webster Jr., Walter and Ganesan, 2005, McGovern, Court, Quelch and Crawford, 2004, Cassidy, Freeling and Kiewell, 2005 and Welch, 2004). Clearly marketing has to reinvent itself.

In its efforts to update its marketing definition during the 2000s American Marketing Association has taken a new stance and distinctly based its new view of marketing on *value creation*. Because AMA, in its updating efforts in 2004 and again in 2007, emphasizes that value is delivered to customers and, thus, uses a traditional value-in-exchange notion of value creation, the definition is not as such geared towards the requirements posed by contemporary marketing. Neverteless, this step towards focusing on value creation as a goal for marketing does take marketing to a new level. Building on the AMA efforts to redefine marketing Sheth and Ulay (2007) have argued that gearing marketing towards value creation indeed may be a more contemporary focus for marketing. In the 1990s Holbrook (1994) stated that the value concept is "… the fundamental basis for all marketing activity' (p. 22) and Rust and Oliver (1994) claimed that "… ultimately it is perceived value that attracts a customer or lures away a customer from a competitor" (p. 7). Focusing on value creation as the ultimate goal for marketing may be an answer to the challenge posed by Alderson (1957) over half a century ago, namely that rather than finding out what utility, or value, is created by marketing, what is needed is "a marketing interpretation of the whole process of creating utility" (p. 69). It also corresponds with Drucker's (1954) conclusion that it is what customers do with what firms' produce and what they think is value for them that is decisive for any business.

From the underpinning logic of service based on the notion that in order to support customers' value creation the firm should strive to get involved in the customer's processes, such as purchasing, paying, using, maintaining, updating, having mistakes and failures corrected, getting advice, and scrap disposal, the following formulation of the goal for marketing can be derived:

The goal for marketing is to engage the firm with the customers' processes with an aim to support value creation in those processes, in a mutually beneficial way.

This is not a definition of marketing, but a formulation of what should be achieved by a firm's marketing process.

Value created is exchanged for value captured

In this view of the goal for marketing formulated in the previous section, value creation is a pivotal concept. This corresponds well with the fundamental role of value creation and value-in-use in the service logic. However, as marketing and the whole business process also aims at benefiting the firm, it is of course, not only the customers who should gain value from commercial interactions with suppliers and service providers("in a mutually beneficial way"). These must benefit from the interactions with customers as well. *Value creation* is the concept normally used for customers' process of value creation or becoming better off. The corresponding concept used for the firm's gains is *value capture*.

In a business-to-business context value created by customers or "being better off" can be measured in terms of, for example, growth and premium pricing opportunities, or cost savings opportunities that can be related to the support to its practices a customer gets from a supplier. In addition, there are of course also value gains that cannot be measured in monetary terms, such as increasing trust, comfort and attraction created by the way a supplier supports the customer. In business-to-consumer contexts the value gains are normally perceived only and more seldom measured in monetary terms.

In principle, value that can be captured by a firm from supporting a customer can be measured in a similar way. Premium pricing, re-sales, up-sales and cross-sales opportunities can be utilized by a supplier, but also cost savings can be achieved by the way the supplier's practices are developed to relate to corresponding customer practices. In addition non-monetary value gains also exist.

The French 19th century economist Frédéric Bastiat, whose analyses of economic actions and their consequences were based on the view that economic decisions must be made with the customer's best in mind, claimed that two parties in the marketplace engage with each other in such a way that both the seller and the buyer get service out the engagement. He formulated the expression "service are exchanged for service" (see also Vargo and Lusch, 2008, who also refer to Bastiat) as a law for his economic analysis (Bastiat, 1848).

However, as the goal for service provision is to support customers' value creation, obviously so that the other party, the firm, as a service provider also gains value out of the process, the meaning of the somewhat abstract and elusive statement "service is exchanged for service" can be re-formulated as *"value created is exchanged for value* *captured"*. Hence, we can formulate the foundation for commercial interactions when adopting a service logic in business and marketing as follows:

The meaning of a service logic is to facilitate commercial interactions where value created is exchanged for value captured.

This statement seems to express the inner meaning by Bastiat's law for today's service logic discussion, where service is not provided for the sake of service, but for the sake of providing value creation and value capture opportunities for the involved parties. It relates well to the dual aspects of the service logic discussed earlier: The *customer service logic* meaning that customers consume all types of tangible and intangible resources as service in order to create value for themselves, and the *provider service logic* meaning that the firm facilitates processes that aim at supporting the customers' corresponding practices in a value-creating way.

Fundaments for marketing

In marketing *exchange* has for decades been considered the fundamental construct (see, for example, Pyle, 1931, Kotler, 1972, Baggozzi, 1975, Hunt, 1976, Vargo and Lusch, 2008). During the last decades some concerns regarding the appropriateness of exchange as the key marketing concept has been raised, especially in the contexts of service and relationship marketing (see, for example, Webster, 1992, Sheth and Parvatiyar, 1995, Grönroos, 2006, Sheth and Uslay, 2007). For example, within the Nordic school of thought geared towards studying the service and relationship approach to marketing exchange has not been in focus. Instead *interaction* and *relationship* have been suggested as marketing fundaments, where relationships are a function of well-managed customer-firm interactions (see, for example, Gummesson, 2002 and Grönroos, 2006). Furthermore, through their study of *interaction orientation* in firms Ramani and Kumar (2008) noticed "… that an interaction orientation leads to superior performance outcomes" (p. 40).

In commercial contexts exchange is, of course, part of market activities. Exchanges still take place, but in service and relationship contexts at least it is impossible to say exactly when that happens. There exchange is a rather elusive phenomenon. Although exchange remains a fundamental construct in commercial activities, when adopting a service logic and creating customer-firm interaction and relationships with customers that continue over time exchange is not the best concept to focus on by marketers.

From a service logic perspective at least, *interactions* occurring between the firm and its customers form a central concept in understanding customers' value creation. It can be argued that based on a service logic and a service and relationship marketing perspective interactions supporting value creation and enabling firms' value co-creation with its customers are at the heart of contemporary marketing. Also in publications from outside the service field the importance for successful business of customer-firm interactions has been recognized (Rayport and Jaworski, 2005 and Ramani and Kumar, 2008).

Exchange is a construct that makes the marketer focus on transactions and masks the role of interaction and value creation in marketing. As Kotler (1972) noted, "the core of marketing is transaction. A transaction is the exchange of values between two parties" (p. 48). A distinction between direct and indirect exchange (Vargo and Lusch, 2008) does not change this in any fundamental way. On the contrary, using the term (economic) exchange with double meanings weakens the exchange construct's base in economic theory and, moreover, makes the meaning and role of it even more elusive and difficult to use for analysis and planning. If value creation is the goal for marketing activities, assisting customers' value creation is the means to achieve this goal. And interaction with service employees or systems and infrastructures and other resources, or sometimes also with fellow customers is a defining characteristic of service. Interaction is a "generator of service experience and value-in-use" (Ballantyne and Varey, 2006:336). Furthermore, interactions help firms gain and deepen their information about customers and their preferences (Srinivasan, Anderson, and Ponnavolu, 2002).

Exchange is not geared towards customers' value creation, nor is it geared towards the development and maintenance of customer relationships, but towards transactions (Kotler, 1972) and production of resources to be exchanged (Grönroos, 2006). It is focused on value embedded in resources, i.e., on value-in-exchange. From a management point of view, exchange draws the marketers' attention to value-in-exchange, which is easily calculated, for example, as market share, instead of guiding the marketers' focus towards customers' value creation and value-in-use, which from a business perspective is much more important, but also more difficult to measure.

However, the value embedded in resources such as goods and services is a function of value-in-use. Hence, in the final analysis value-in-exchange is also determined by the users and by the outcome of usage.

Marketing implications

The marketing implications of the customer-firm interactions and the value co-creation opportunities that a provider adopting a service logic has during such interactions are profound. According to a conventional view of marketing, based on a goods logic, no interactions exist and the marketer can only make value propositions to persuade customers to choose one given product over competing options. Value propositions are *suggestions* and projections of what resource integration and what impact on customer processes customers can expect. When such a projection is proposed actively to customers it is a *promise* about potential future value creation. The firm has no direct means of influencing usage or the value-generation process. The customers engage in sole value creation with the resource obtained. They are alone with the good or what ever resource is consumed. Whether customers manage to create promised or wanted value out of this resource or not is something the marketers cannot interfere with and influence. When some kind of intelligence is built into standardized resources or other types of interactive contacts with customers such as call centers are introduced, the situation changes. The initially standardized resource starts to act upon the user's actions and interactions occur.

When the logic of service is adopted the opportunities for marketing to influence the customers are much broader. The existence of interactions with customers and the value co-creation opportunities that they provide the firm with means that in its marketing the firm is not restricted to traditional external marketing activities only, such as advertising, promotional efforts, price offers and the like. In addition to these traditional activities an *interactive marketing* process with a host of activities during the interactions which influence customers' preferences, behavior, and through value co-creation with customers also customers' experiences and value fulfilment. For example, *the interactive marketing* (Grönroos, 1982) and *part-time marketer* (Gummesson, 1991) concepts developed within the Nordic school and the *internal marketing* concept discussed within the French, Nordic as well as the North American schools of service marketing (e.g., Eiglier and Langeard, 1976, Grönroos, 1982 and

Berry, 1981), the *servuction* concept introduced within the French school (Langeard and Eiglier, 1987), and also the three additional Ps in the *7P model* introduced within the North American school (Booms and Bitner, 1982) are all concepts and models addressing issues relating to marketing outside its traditional realm during customer-firm interactions.

Hence, during interactions with customers marketing opportunities outside the traditional external marketing process exist for service organizations, and these opportunities have been recognized, at least conceptually, to varying degrees by all three major schools of service marketing research. Due to the existence of interactions with customers in service provision these are marketing opportunities *unique* to firms that take up the role as service businesses.

How are customers' experiences and value creation and value fulfilment for them influenced by marketing activities during the interaction part of the customers' consumption and value-generating processes? In the discussion of a service-dominant logic this is not explicitly discussed. Explicitly it is stated that the firm can make value propositions only (Vargo and Lusch, 2004 and 2008).

However, as customers and firms are involved in an *integrated process* of value co-creation, where both parties as subjects can give and take, and act upon each other inside each others' processes, the firms can directly and actively impact the customers' value-generating process and how value fulfilment occur for them. From a marketing point of view, this means that although the customer fundamentally is the value creator *the firm is not restricted to making value propositions only* in the form of suggestions about potential value fulfilment. On the contrary, adopting a service logic means that in addition to making value propositions or suggestions a firm can get involved in its customers' experiences with the firm and actively and directly influence the value that emerges for the customers out of them (Grönroos, 2008).

This has profound implications for marketing. By influencing the customers' value fulfilment through actions during the value co-creation process the firm has an impact on its customers' preferences and future purchasing decisions. This is marketing as well, although it takes place outside the marketing department and a specialist marketing function. Marketing can no longer be restricted to one separate function. Rather it is also taken out of the marketing department and becomes part of what takes place in firm-customer interactions. In this way marketing becomes a mindset among part-time marketers (Gummesson, 1991) who by performing their normal operational or administrative tasks in interactions with customers in a customer-oriented way have a marketing effect on these customers' perception of the firm and future buying behavior (interactive marketing). The scope and content of marketing is fundamentally broadened from that of conventional marketing.

Purchasing from a service logic perspective

Another important observation from a marketing point of view is related to the fact that purchasing and usage are different processes. Although, as is proposed in the discussion of a service-dominant logic, goods are distribution vehicles for service and customers consume all types of resources as service that render value for them (Vargo and Lusch, 2004 and 2008, Gummesson, 1995 and Grönroos, 1979), this proposition relates to usage and consumption behavior only. The question of how resources such as goods and services are purchased is equally important but has not been addressed explicitly.

From the observations that in principle all resources are used in the same way, i.e., as service, it is not far-fetched to draw the conclusion that they are purchased in a similar way as well. Obviously, this cannot be the case. Customers have different interests and levels of skills. A person who knows, for example, how to cook will go to the grocery store to look for ingredients and to buy the ingredients needed. On the other hand, a person who is not equally knowledgeable will look for and appreciate advice about what ingredients to buy and about what recipe to use. The first person is looking for the resources needed for cooking dinner, whereas the second person is looking for support to the processes of preparing for cooking dinner and of cooking dinner. In the former case the customer is looking for an offering that includes the goods required only, i.e., the customer appreciates *value-supporting resources*. In the latter case the customer is looking for and appreciates an offering where the goods required are put into an extended offering including the process of advice and possibly additional resources such as a recipe. In this case the customer is appreciating a *value-supporting process*. A further extension of such an offering would be to offer catering service. The first customer is looking for goods and would not be helped by process-related additions such as offering advice. Such extensions of the offering could rather be expected to annoy the customer and thus have a negative effect. The second customer again would not be content with a goods offering only but would feel supported by an extended process-related offering.

The conclusion is that determining the scope and content of a market offering *is a strategic decision* based on the needs, wants, expectations and skills of the target customers. However, regardless of the extension of the offering, does it include a tangible resource such as a good only or process-related elements as well, the arguments used when presenting the value proposition should be geared towards the capability of the resource constellation included in the offering to provide a favorable experience for the user and to support value creation. Hence, in this respect all firms are service businesses. This focus on customers' experiences and value creation directs the firm's interest towards its customers' value-generating processes, which tend to repeat themselves over time and therefore are oriented towards the long run. Consequently, almost by definition a service business is customer focused and relationship oriented (Grönroos, 2000; compare Vargo and Lusch, 2004 and 2008).

Conclusion: broadening and specifying the service logic and its marketing implications

In this final section the key conclusions from the analysis of co-production, value facilitation and value creation and co-creation and the marketing implications that follow are made in the form of five theses about adopting a service logic for marketing. These theses broaden and specify the content and implications of the service-dominant logic.[5]

1. The goal for marketing is to support customers' value creation

As value-in-use created or emerging in customers' value-generating processes has been emphasized as the key value concept in the contemporary literature on marketing and management, and customers' creation of value have been suggested as a pivotal process in business, obviously the role of contemporary marketing must be related to these concepts and processes. The goal for marketing is to engage the firm with its customers' processes with an aim to support value creation in those processes, in a mutually beneficial way.

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[5] They also further develop the theses on value creation, marketing and the market offering presented in Grönroos, Christian (2008): Service logic revisited: who creates value? And who co-creates? *European Business Review*, 20 (4):298-314.

2. The customer is fundamentally the value creator

The concept of value-in-use implies that when integrating resources that they have bought with other necessary resources available to them and applying skill held by them the customers create value for themselves,. Hence, value for customers is created at the moments of use and not before. Consequently, the customers are always in charge of their value creation and fundamentally the value creators.

3. The firm is fundamentally a value facilitator, but during interactions with its customers the firm may in addition become a co-creator of value

By supplying customers with resources such as goods and services and information, the firm provides its customers with a fundament for their value creation. Creating this fundament is production, not value creation, and by producing value-supporting resources the firm facilitates value creation. Hence, fundamentally firms are value facilitators. However, by engaging itself with its customers' processes the firm creates interactions with the customers. Typically, for service firms such interactions exist naturally. For goods-providing firms there is always a possibility to create interactions with their customers. Adding deliveries of goods, call centers, diagnostic tools on the website and maintenance of goods that have been delivered are examples of such interaction-creating efforts. During these interactions the firm's and the customer's processes proceed simultaneously and from a value creation perspective they merge into one integrated process. During these integrated processes joint creation of value takes place. This enables the firm to become a co-creator of value with its customers and not to remain a value facilitator only. This is an opportunity unique to firms adopting a service logic.

4. The firm is not restricted to making value propositions only but can directly and actively engage itself with its customers' experiences and value creation and thus extend its marketing process to include activities that are part of customer-firm interactions

Adopting a service logic means that the offering to the market is extended to include the process of interactions between the firm and its customers as well. During interactions the firm's and the customer's processes not only proceed in parallel with each other, the customer participates in the firm's process with co-producing activities, which in turn influence the firm's actions in a continuous flow of activities, so that the firm also participates in the customer's process. In this way the two processes merge, and from a value-creating perspective they form an integrated value co-creation process. Hence, the firm directly and actively influences its customers' experiences and value fulfilment. This offers an extended, interactive marketing opportunity for the firm unique to service businesses. If no interactions occur the firm has no opportunities to engage itself with the customers' processes and directly influence their experiences, and consequently it cannot influence how the customers create value out of resources they have obtained. In this situation the firm is restricted to making value propositions only.

5. *The extension of the market offering is a strategic decision*

Although they always use resources as service, when making their purchasing decisions customers cannot be expected to always appreciate extended offerings including value-supporting processes (services) in addition to a value-supporting tangible resource (a good). If customers do not appreciate an extended offering but for example have the skills and knowledge to use a given resource independently in a value-supporting way, a goods-related offering can be expected to lead to better results. Although in this case the market offering should not be extended to include process elements, still the value proposition can and should focus on how the resource purchased supports the customers' processes in a value-creating way. Therefore, a distinction has to be made between how a market offering is presented to customers (the value proposition) and what the offering in fact does for them (value fulfillment).

Appendix A. Five service logic theses – a summary

Theses	Comments
1. *The goal for marketing is to support customers' value creation*	As value creation for customers has been emphasized as an ultimate outcome for businesses, it is only natural that is should be the goal for marketing.
2. *Value created is exchanged for value captured*	Service is not provided to customers for the sake of service, but to enable customers to create value for themselves. From providing service firms should, in turn, be able to capture value for themselves. Hence, the ultimate meaning with a service logic is to exchange value created for value captured.
2. *The customer is fundamentally the value creator*	According to the value-in-use concept, when tangible and intangible resources are integrated by customers with other resources available to them, value for customers is created or emerges out of the use of such resources. Consequently, there can be no other value creator than the user, i.e., the customer.
3. *The firm is fundamentally a value facilitator, but during interactions with its customers the firm may in addition become a co-creator of value with its customers*	Input resources into customers' value-generating processes are produced by firms, and hence firms only facilitate value creation *(indirect support to value creation)*. Such resources do not include value themselves. During interactions with customers firms get opportunities to influence their customers' value-generating processes and thus can become co-creators of value with their customers *(direct support to value creation)*.
4. *The firm is not restricted to making value propositions only but can directly and actively engage itself with its customers' experiences and value fulfilment as well and thus extend its marketing process to include activities that are part of customer-firm interactions*	During interactions the firm's and the customer's processes merge into one integrated process of value co-creation. Hence, the firm is inside the customer's value-generation process and can directly and actively influence that process and the customers' value creation. This creates marketing opportunities unique to service provision (*interactive marketing by part-time marketers* performed as part of the execution of their regular tasks).
5. *The extension of the market offering is a strategic decision*	Although customers use all types of resources as service that render value for them, they cannot

be expected to automatically appreciate extended offerings that include value-supporting processes. Some customers look for a resource only to integrate it with other resources, including skills, available to them and do not appreciate to be offered more than that.

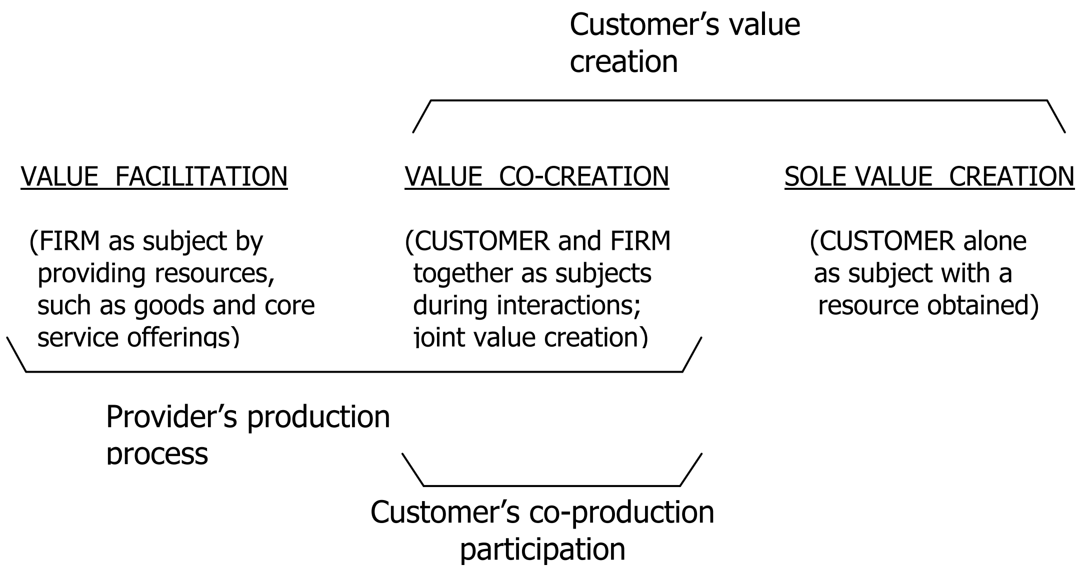

Figure 1. Value creation from a value-in-use perspective: value facilitation, value creation, and value co-creation

Table 1. Value creation, and value facilitation and co-creation with and without the existence of customer-firm interactions
(Source: Developed from Grönroos, Christian: Service logic revisited: who creates value? And who co-creates? *European Business Review*, 20 (4), 2008, p. 308)

Creation of value-in-use with the existence of interactions (service logic):

	Supplier	Customer
Role	1) *Value facilitator* by providing customers with a foundation for their value creation in the form of resources (goods, services, information or other resources) and 2) *Value co-creator* during direct engagement in interactions with customers during their value-creating processes (consumption)	*Value creator* 1) during value-generating processes (consumption) where, if needed, other necessary resources available to customers and skills held by them are added and 2) through *value-supporting interactions* with goods and service providers during the value-creating processes (Value fulfillment occurs as an outcome of 1 and 2)

Creation of value-in-use without the existence of interactions (goods logic):

	Supplier	Customer
Role	*Value facilitator* by providing customers with a foundation for their value creation in the form of input resources (goods, services, information or other resources)	*Value creator* during value-generating processes (consumption) where other necessary resources available to customers and skills held by them are added and where *value fulfillment* takes place

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