

Exploring co-creation of value within customer-supplier and buyer-supplier relationships

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Abstract

Purpose – This paper reviews co-creation of value within contemporary literature with a specific focus on customer-supplier and buyer-supplier relationship literature. The paper incorporates the different literatures in order to identify some of the antecedents of value co-creation in buyer-supplier relationships.

Methodology/approach – In this systematic literature review 59 articles published between 2000 and 2011 were analyzed using content analysis.

Findings – Co-creation of value has not previously been studied in the context of customer-supplier and buyer-supplier relationships. The findings show how co-creation of value has been described in contemporary literature and shed light on antecedents of value creation within this context. This is done by reviewing the descriptions of value within the mentioned context.

Research implications – In order to facilitate meaningful research in this area, it is important that research in co-creation of value would be conducted in the context of customer-supplier and buyer-supplier relationships. In addition it would worthwhile to explore the antecedents of co-creation of value in order to discover to what extent they have already been addressed within this relationship context.

Originality/value – Despite the large number of recent studies on buyer-supplier relationships, studies on co-creation of value in customer-supplier and buyer-supplier relationships have remained scarce, especially with an emphasis on dyadic actor-to-actor relationships.

Key words – Customer-supplier relationship, Buyer-supplier relationship, co-creation of value, value creation, value

Paper type – Systematic literature review

1. Introduction

The concept 'co-creation of value' has been described through joint, interactive, collaborative, unfolding and reciprocal roles in a relationship (Vargo, 2009). Although the co-creation of value and relationship referred to in service-dominant logic (SDL) has been mainly discussed in the marketing paradigm, it addresses issues with origins in disciplines such as economics, network theory, systems science and management research. In addition the authors Vargo and Lusch (2011) state that while marketing theory and practice as well as SDL have had a strong focus on producer consumer characterization, actually "it's all B2B" (Vargo and Lusch, 2011). The authors suggest that at a correct level of abstraction, all actors are essentially doing the same things, namely co-creating value through resource integration and service provision and thus they claim it is all actor-to actor (A2A) (Vargo and Lusch, 2011). Furthermore SDL argues that service is fundamentally the basis of all exchange, regardless of whether a provider produces services or products (Vargo and Lusch, 2008). Thus looking at the different types of relationships that provide a context for co-creation of value becomes interesting.

During the past couple of decades, academic publications with a focus on buyer-supplier relationships have been numerous. The scope of interest has varied and academics in different fields researching different aspects have contributed. Terpend et al. (2008) reviewed the studies published between 1986 and 2005 (in four journals) that discussed the types of value being extracted from buyer-supplier relationships. The authors found that the findings could be categorized into: buyer practices and buyer-supplier mutual efforts. Within these relationships derived value was sought through: operational performance improvements, integration-based improvements, supplier-capability-based improvements and financial performance outcomes. (Terpend et al., 2008) These findings are interesting, because often in contemporary service management research 'value' is commonly denoted as economic value, and the value creation process usually entails a business approach in which values are transferrable to economic values (Andersson Cederholm and Hultman, 2010). This is changing as an increasing number of academics in different disciplines have begun to address the different dimensions of value and value creation in business relationships. Although the

term 'buyer-supplier mutual efforts' has been introduced, the notion of 'co-creation of value' still seems to remain foreign to the world of customer/buyer-supplier relationships.

As a matter of fact, no systematic review of literature on the concept of 'co-creation of value' has yet been published that focuses on customer-supplier relationships. This paper seeks to fill a gap in literature by undertaking a systematic review and analysis of how the concept of 'co-creation of value' has been described in contemporary literature, with a particular focus contemporary customer-supplier relationship research. Customer-supplier relationships will be used to also mean buyer-supplier relationships. The paper addresses the following research questions:

1. How has the notion of 'co-creation of value' been described in recent literature?
2. How has 'co-creation of value' been addressed in contemporary customer-supplier relationship and buyer-supplier relationship research?

Describing 'co-creation of value' as it appears as a concept in contemporary literature is linked to the descriptions found in customer-supplier relationship literature as a result building a construct that establishes a relationship between these concepts. Description logic, although traditionally used in the creation of languages, can be used to "represent the terminological knowledge of an application domain in a structured and formally well-understood way" (Jiang et al., 2009). Description logic provides users with a language that deduces implicit knowledge from the explicitly represented knowledge. In fact some researchers extend classical description logics in order to express uncertain or imprecise knowledge. Although description logic at such will not be further explored in this paper, it does reflect why the 'description' as opposed to 'characterizations' or 'definitions' will be explored (Jiang et al., 2009).

The rest of the paper is structured in the following manner. The next section discusses 'co-creation of value' as a concept after which the sample and methodology adopted in this paper are reviewed. The paper continues with the presentation of the findings within contemporary service-dominant logic literature and contemporary customer-supplier relationship research. The paper then elaborates on how 'co-creation of value' is described and what concepts in literature can be considered to contribute to the

phenomenon of 'co-creation of value'. The paper finishes with a discussion of the conclusions and the implications of the study for the future.

2. Introducing value in relationships

Contemporary academics review the history of the concept of 'value' and argue that it originates with Aristotle and was debated by Smith in his own time. It is in fact stated that the current ways of thinking about value, were first used by Aristotle in the 4th century B.C. ("use-value" and "exchange value") and Smith in the 17th century ("value-in-exchange" and "value-in-use"). (Vargo et al., 2008) The concept of value is commonly used in understanding and analyzing business markets (e.g. Anderson and Narus, 1990; Parasuraman, 1997; Walter and Ritter, 2003). In fact according to Anderson and Narus (1999) value should be seen...'*as the cornerstone of business market management*'. The role of the "producer" of value has traditionally been viewed as the creation and delivery of goods and services. The role of "customer", the receiver of value, has traditionally been viewed as the consumption of those goods and services. (Yazdanparast et al., 2010) '*The traditional understanding of value is that of exchange value that underpins the traditional customer-producer relationships*' (Ng, 2010). The creation of value has in fact carried an economic and financial connotation throughout literature (Andersson Cederholm & Hultman, 2010).

Regardless of whether an 'exchange' or 'use' perspective is adopted, the concept requires the participation of at least two actors. This implies that a relationship of some kind exists between the two parties. The duration, intensity, depth, contractual specifications and the actors involved define the type relationship that takes place. Business relationships are seen as very important in the process of value creation because many potential values cannot be realized in arm's length relationships and purely transactional exchange processes (e.g. Ravald and Grönroos, 1996; Walter and Ritter, 2003). But actors may perceive relationships very differently, which applies to value as well. Analytically the value concept is complex due to its subjectivity and relativity. Value is perceived differently depending on the assessment: who, what, when, and what for (Walter and Ritter, 2003; Plessis, 2007). Moreover, value can be seen from a customer or supplier perspective but also from the many perspectives represented by

other stakeholders in a network (Walter and Ritter, 2003). Because companies are managed by humans, many of the same notions that apply to consumer behavior research could apply to the B2B setting. Regardless of whether this speculation is true, nonetheless understanding how value is created and perceived in customer-supplier relationships is important. The discussion on value peaks interest among academics and practitioners, because due to the essential nature of value in business markets, it is important for firms to understand the mechanisms and means of value creation (Walter and Ritter, 2003).

The significance of interaction has been discussed in literature as underestimated and misunderstood (Brennan and Turnbull, 1999). It is argued that establishing and maintaining relationships could be a source of long-term competitive advantage (Gadde and Snehota, 2000). Interaction implies that something is done together, reciprocally. From this, one could denote that as a result of this interaction something is created together. This something is this review is characterized as value, and the process is referred to as 'co-creation of value". Some authors even argue that suppliers and customers are incentivized by the potential value of relationships and as a result engage and uphold close and coordinated interactions (Walter and Ritter, 2003). Nevertheless in order for a relationship to be long lasting and fruitful, both parties need to achieve value from the relationship (Songailiene et al., 2011).

These brief reflections on value and relationship lay the basis for this review of the literature on 'co-creation of value' in customer-supplier relationships, because they indicate the importance not only the concepts of value and relationship, but also the need to understand how value is created in relationships.

3. Methodology

3.1 General principles of the methodology

In general terms, the methodology of this review followed the guidelines of provided by Tähtinen and Halinen (2002). In doing so, the analysis utilized the methods of content analysis, which is recognized as being appropriate for systematically evaluating the content of any type of recorded communication (Kolbe and Burnett, 1991). The review

focuses on evaluating the presence or absence of something, as opposed to measuring the degree to which something is present or the strength of its relation to something else (Kirk and Miller 1986). As a result a qualitative approach is most suitable. The aim is not to confirm relationships between predetermined constructs or to quantify effect sizes between construct. The study at hand is exploratory based on an iterative evaluation of the articles under review (Miles and Huberman, 1984). Miles and Huberman (1984) propose that qualitative researchers conduct analysis during data collection and iterate back and forth between thinking about existing data and creating tactics for collecting new data. Intertwining these two processes is the ideal model for data collection and analysis, at least according to Miles and Huberman (1984).

3.2 Sample and preliminary analysis

The articles in review in this paper were gathered in several phases during February – April 2011. The articles were identified in the databases of ABI/Proquest, Business Source EBSCO, and Emerald, published after January 1st 2000. The criterion in the initial phase was the presence of either “co-creation of value” or “value co-creation in the title or abstract of the article. The search uncovered 59 full scientific articles in English. (Some articles appeared from several databases and thus the duplicates were removed.) In order to find a description of the concept “co-creation of value”, the articles were read through and the descriptions provided were documented. The papers which did not provide a description for the concept “co-creation of value” but merely used it to advance some other point were discarded from the analysis. The 59 articles were read through and coded in a preliminary content analysis in order to discover the articles which (i) provided an explicit description of “co-creation of value” so as to clarify the concept for the reader and (ii) the articles that referred to “co-creation of value” in the process of explaining something else. Following this preliminary content analysis, the 31 articles that failed to describe the concept of co-creation of value in explicit terms were excluded from further analysis. In the end 28 papers provided a description for the concept.

Due to the repetition of similar descriptions for “co-creation of value” and the repetition of references in the articles reviewed in the first phase, further studies from the literature

were sought in the second phase of selection. The criterion for these additional references was that they must have made important and respected contributions to academic study of the concept of “co-creation of value”. This was determined in part by the frequency of citation of certain authors in the original sample of articles, which led to the addition of four articles (Vargo and Lusch, 2004, 2008; Grönroos, 2008 and Lusch and Vargo, 2006) due to their contributions to co-creation of value. As a result 32 articles describing co-creation of value were reviewed and the descriptions provided documented.

In the third phase, a new search was conducted in order to discover how the notion of “co-creation of value” has been described in customer-supplier relationship and buyer-supplier relationship literature, which are understood to mean the same thing in this review. It was first determined that the databases searched (ABI/Proquest, Business Source EBSCO, and Emerald) presented 169 articles with “customer-supplier relationship” or “buyer-supplier relationship” in the title and abstract. (The search options available in each database differed slightly.) Yet when the criteria were combined through four separate searches ("Co-creation of value"; "Value co-creation" AND "Customer-supplier relationship"; "Buyer-supplier relationship") the result was zero articles. Thus as it seemed that the notion of “co-creation of value” has not been described in the context of customer/buyer-supplier relationship research, this led to phase four in which the concept “co-creation of value” was broken down and four new searches were conducted in order to reveal how “value creation” ("Value creation" AND "Customer-supplier relationship"; "Buyer-supplier relationship") and “value” ("Value" AND "Customer-supplier relationship"; "Buyer-supplier relationship") have been described in customer/buyer-supplier relationship research. This revealed 4 articles for “value creation” and 56 articles for “value”. In addition a supplementary yet unsuccessful search was done with the criteria of "Service-dominant Logic" AND "Customer-supplier relationship"; "Buyer-supplier relationship" because Service-dominant logic is a popular advocate of “co-creation of value” and the search could have added to the results. Table 1 presents the findings of the searches.

Table 1. The search results of the literature review

Source	Business Source Complete (EBSCO)	ABI/Inform (Proquest)	Emerald	All
Criteria	Boolean phrase, Abstract, Full text, Scholarly journals, after 1/1/2000	Citation and abstract, Full text, Scholarly journals, after 1/1/2000	All, abstract, Full text, Scholarly Journals, after 1/1/2000	Full text, English, after 1/1/2000
Keywords	Hits	Hits	Hits	Final count
"Customer-supplier relationship"; "Buyer-supplier relationship"	34	114	32	169
"Co-creation of value"; "Value co-creation"	20	24	22	59
"Co-creation of value"; "Value co-creation" AND "Customer-supplier relationship"; "Buyer-supplier relationship"	0	0	0	0
"Value creation" AND "Customer-supplier relationship"; "Buyer-supplier relationship"	0	4	0	4
"Value" AND "Customer-supplier relationship"; "Buyer-supplier relationship"	4	34	26	56
"Service-dominant Logic" AND "Customer-supplier relationship"; "Buyer-supplier relationship"	0	0	0	0

In order to acquire an idea of what types of descriptions the articles on value in customer/buyer relationships could be found, an initial content analysis was conducted. This ended up being a fruitful endeavor, because it turned out that the search criteria used also took into consideration the pre-given abstract titles which often include “originality/value”. After excluding the articles which did not truly address ‘value’ content-wise, the number of articles reduced to 21.

As a result of these searches the final sample for further analysis consisted of 55 articles as well as the 4 articles found through the literature references in the searches. The articles were found in a variety of journals advancing research in marketing, management, strategy, operations management, manufacturing and technology. This shows that although some notions may have roots in a certain discipline, the concepts addressed in this review touch several disciplines.

3.3 Substantive content analysis

Further content analysis was performed on the 59 articles with the aim of describing the concept of “co-creation of value” in recent literature and in particular with a focus on service-dominant logic and customer-supplier relationship research. In the attempt to uncover the concept, first all the studies on “co-creation of value” were read through and the descriptions were categorized according to the most popular categories of descriptions that emerged. During the content analysis, it was recognized that certain most descriptions could be categorized into two classes of descriptions:

- Descriptions emphasizing experiential aspects: whether the authors describe ‘co-creation of value’ with an emphasis on experience or perception.
- Descriptions emphasizing relational aspects: whether the authors describe ‘co-creation of value’ with an emphasis on relationship, relational aspects or interaction.
- Descriptions emphasizing both experiential and relational aspects: whether the authors describe ‘co-creation of value’ with an emphasis on experience, perception or phenomenology as well as with an emphasis on relationship, relational aspects or interaction.

In addition the articles found on value creation and value in customer/buyer-supplier relationship research were read through and coded. Due to the fact the searches on the concept ‘co-creation of value’ within customer/buyer-supplier relationship research did not reveal any articles, the articles on and value in customer/buyer-supplier relationship research were reviewed in order to reveal the descriptions provided concerning value creation and value. The objective was to discover how the discovered articles viewed value and value creation in order to view them through the prevailing descriptions on co-creation of value.

4. Findings

4.1 Descriptions emphasizing experiential aspects in co-creation of value

The analysis revealed that 8 articles described ‘co-creation of value’ with an emphasis on the experiential aspects of co-creation of value (in accordance with the criteria noted above). These studies are listed in Table 2.

Table 2. The descriptions emphasizing experiential aspects in co-creation of value

	Author	Description of 'co-creation of value'	Setting
1	Fyrberg and Juriado 2009	Consumers actively co-construct their own consumption experiences and thereby co-create unique value for themselves (Prahalad and Ramaswamy 2003; Holbrook, 2000). Value is experiential and meaning-dependent. Both economic and social actors thus play a role in the co-creation process (Vargo and Lusch, 2008) Value occurs through networks of actors and brand experiences.	The quality of interaction between network actors in the travel industry.
2	Babin and James 2010	The marketer states value propositions that customers, as potential value recipients, can use to create value through the firm's offerings (Vargo and Lusch, 2004; Grönroos, 2008). Firm and customer co-create value so both parties are better off. Jointly better off by receiving "technical, monetary, and perceptual benefits" (Grönroos, 2009).	Examines how value fits within marketing in the twenty-first century.
3	Hilton 2008	Co-creation relates to the value received by the customer through usage, consumption or experience. Value occurs at the time of use, consumption or experience and is therefore "value-in-use".	S-D logic, consumer experience of services. The context: provision of self-service.
4	Hollebeek and Brodie 2009	The level of perceived value created by virtue of interactions, over and above the value derived from consuming the service itself (Vargo and Lusch, 2004, 2008; Prahalad and Ramaswamy, 2004). Value may also be co-created through interactions between service customers amongst themselves (Gruen et al., 2007).	Wine channels, service orientation, and branding implications based on consumer involvement and value co-creation properties.
5	Prahalad and Ramaswamy 2004	Co-creation experiences are the basis of value. Customer-Firm interaction is locus of value co-creation; Variety of co-creation experiences through heterogeneous interactions; Personalization of the co-creation experience. An individual-centered co-creation of value between consumers and companies. Uniqueness affects the co-creation process and co-creation supplants the exchange process. The DART model of value co-creation.	New way of thinking about creating value with customers.
6	Barile and Polese 2010	Value is not merely engendered inside a production process and reflected in the market sales price (value-in-exchange), but is the outcome of a co-creation process (Vargo and Lusch, 2008). Value is then perceived and co-created by customers, not drawing value just from the product itself but from its use, transformation and consumption (value-in-use) (Vargo and Lusch, 2008). Service then becomes the mutual benefits and the mutual satisfaction of co-creation processes.	Combine service science and S-D logic with the network and systems-based theories of many-to-many marketing and the viable system approach (VSA).
7	Songailiene et al. 2011	All value is co-created and then appropriated and perceived by all the actors involved (Vargo and Lusch, 2004; Lusch and Vargo, 2006). All value is co-created and then appropriated and perceived by all actors involved (Vargo and Lusch, 2004; 2008). Consequently, interaction within a business dyad will result in three different perspectives: value creation for the customer, value creation for the supplier, and joint buyer-supplier value creation (Ulaga, 2001).	Conceptualisation of supplier perceived value (SPV) in business relationships for B2B services. Logistics firms.
8	Sterling 2008	Prahalad and Ramaswamy propose four building blocks for co-creating value with customers – the DART Model. Since experience based offerings involve the customer directly, opportunities for co-creation become abundant in those settings.	A non-profit theater's strategy focuses on experiences

It has been stated that value is experiential and meaning-dependent (Babin and James, 2010). Several authors view that consumers actively co-construct their own consumption experiences, and as a result co-create unique value for themselves (Prahalad and Ramaswamy, 2004; Fyrberg and Juriado, 2009). Value occurs through networks of actors and experiences, due to the fact that both subjects and objects create meanings and thus value. In this category of studies, value creation is viewed in a variety of settings: networks and systems, existing literature as well as B2C and B2B contexts. Service-dominant logic (Vargo and Lusch, 2004; 2008) has greatly influenced the existing descriptions of co-creation of value as have the contributions of Prahalad and Ramaswamy (2004). Similarly to the premises of S-D logic, Prahalad and Ramaswamy (2004) argue that the conventional world in which companies and consumers had distinct roles in production and consumption, and in which products and

services contained value, and markets exchanged this value (from producer to consumer) needs to change. They propose a shift from a model in which value creation occurs outside the markets to a model in which the consumer becomes the very basis of value (Prahalad and Ramaswamy, 2004). The authors in this category comply with Prahalad and Ramaswamy (2004) that the co-creation depends highly on individual experiences. Each person's uniqueness influences the co-creation process and the co-creation experience. (e.g. Hollebeek and Brodie, 2009; Fyrberg and Juriado, 2009; Babin and James, 2010 and Hilton, 2008.) Prahalad and Ramaswamy (2004) contend that the future of competition relies on the fact that co-creation of value occurs through personalized interactions that are meaningful and insightful to a specific consumer.

Songailiene (2011) states that it is usually assumed that the co-creation of value requires a close relationship between producers and customers. Typically, this is easier in a business-to-business context, where the numbers of customers and suppliers are relatively low and the capabilities and needs of each partner can readily be assessed. As a result of the close relationship between actors value is co-created and then appropriated and perceived by all the actors involved. He bases his description strongly on S-D logic but also incorporates the views of (Ulaga and Eggert, 2002) in order to clarify that different perspectives of value exist: value creation for the customer, value creation for the supplier, and joint buyer-supplier value creation.

It has also been stated that there is a need to understand the process of co-creation, which could be accomplished through key 'building blocks' (DART): dialogue, access, risk assessment and transparency (Prahalad and Ramaswamy, 2004; Sterling, 2008). This category, which represents the descriptions that emphasize experiential elements of co-creation of value, base their ideas mainly on the works of Vargo and Lusch (2004, 2008), Prahalad and Ramaswamy (2004) and Grönroos (2008).

4.2 Descriptions emphasizing the relational aspects of co-creation of value

The analysis revealed that 18 articles described 'co-creation of value' with an emphasis on the relational aspects of co-creation of value (in accordance with the criteria noted above). These studies are listed in Table 3. Relational capabilities explain what firms in

relationships can do for each other, the functions they will conduct, and the width and importance of these functions (Gebauer et al., 2010). In a business-to-business relationship, the processes are ones which the customer organization uses to manage its business and its relationships with suppliers (Payne et al., 2008). An enhanced understanding of relationship value is important for managers involved in business relationships (Ngugi et al., 2010). The co-creation framework created by Payne et al. (2008) which describes business relationships is divided into three: Customer value-creating processes, Customer & Supplier value-creating processes and Encounter processes.

Table 3. The descriptions emphasizing relational aspects in co-creation of value

	Author	Description of 'co-creation of value'	Setting
1	Andersson Cederholm and Hultman 2010	Stressing the relational, processual aspect of value. When the interaction between producer and consumer is critical for the realization of the service proposal, this becomes an important aspect of value co-creation (Prahalad & Ramaswamy, 2004)	Small tourism and hospitality businesses; "commercial homes"
2	Calin 2009	Prahalad and Ramaswamy (2004) suggest that value is co-created by companies together with their customers, a relational approach. Customers are partners in the value-creation process (Deighton and Narayandas, 2004) Flexibility of the marketing structure and processes during the participation, interaction and implementation stages should be considered within an extended model of value co-creation.	Synthetic model of flexible marketing systems capable to enhance the value co-creation process.
3	Dahlsten 2004	Co-production considers value creation as synchronic and interactive, not linear and transitive (Ramirez, 1999). With the customer as co-producer, the interaction between the parties should generate more value than a traditional transaction process. The interaction implies a longer relationship, a refined role distribution and the possibility to acquire more knowledge (Wikström, 1995). Co-development.	Female customers in Southern California influenced the development of a Volvo car by continuous involvement in the project.
4	Gebauer et al. 2010	The involvement of both the customer and the producer is required to create value. Irrespective of the degree of intangibility involved in a given offer. Value co-creation necessarily involves interactions between a supplier and its customers, during which the customers produce value for themselves with assistance from the service provider (Storbacka and Lehtinen 2001).	A framework to help organisations manage the value co-creation process within Swiss federal railway operator (SBB).
5	Ngugi et al. 2010	Through value co-creation resources of the companies involved are combined and new combinations of capabilities developed, thereby enabling firms to achieve something that none of the parties could have achieved alone. The creation of value requires both the supplier and the customer to develop relational competences in addition to their existing internally-oriented capabilities.	Relational capabilities developed by small and medium-sized suppliers in relationships with larger customers.
6	Kasouf et al. 2008	The process of involving the customer in value creation activities. Customer involvement can be due to collaboration in the product development process, and it can also occur after acquisition as the customer learns to use the product to create value for him/herself.	The implications of SDL for entrepreneurship.
7	Komulainen et al. 2007	This study combines the views of the Nordic School and S-D logic by viewing service as a process where the service is co-produced with customers, and where value is thus partly co-created with customers and partly sole-created by the customer in its own processes.	Examines why retailers' perceptions of the value of a novel technology-intensive mobile advertising service differ.
8	Oh and Teo 2010	The roles of producer and consumer are not distinct; they interact jointly and reciprocally to co-create value through the integration of resources and application of competences. A foundational premise of S-D logic is that value is defined by and co-created dynamically with the consumer rather than statically embedded in the output.	Aspects of physical and virtual retail channels. Hybrid commerce service-delivery system.
9	Maklan et al. 2008	Co-creation involves working participatively with customers to enhance the value they get when buying and using goods and services. It enables firms to understand and respond to deeper and more valuable customer needs, and reduces the inherent risks of innovation.	Social networking.

10	Marandi et al. 2010	In SD-L customers contribute to the co-creation of value through their own resource integration activities – that value is created with customers rather than for customers (Vargo and Lusch, 2008). A basis for fundamentally reappraising the respective roles of the organisation and customers in the innovation process.	Demonstrate that consumers can co-create value with service providers in different ways.
11	Ng 2010	It is the customer that determines value and co-creates it with the firm at a given time and context best for the customer to achieve the outcomes they want. In the understanding of value co-creation, there is a need to understand the role of the customer in the firm's processes and systems, and the role of the firm in the customer's processes and systems. Value co-creation therefore implies customer resources to realize the value to become central towards achieving end benefits.	This article considers four major movements which the author believes would have an impact on the future of pricing and revenue models.
12	Payne et al. 2008	The value co-creation process involves the supplier creating superior value propositions, with customers determining value when a good or service is consumed. By successfully managing value co-creation and exchange, companies can seek to maximize the lifetime value of desirable customer segments (Payne and Frow, 2005).	The nature of value cocreation in the context of S-D logic; a conceptual framework for understanding and managing value cocreation.
13	Storbacka and Nenonen 2011	S-D logic assumes that value creation occurs in various practices when the customer integrates resources ("use-value") (Vargo and Lusch, 2008). Hence, it is the customer who creates value and the goal of a provider is not so much to make or do something of value for the customer as it is to mobilize customers to create value for themselves (Grönroos, 2008).	General theory of the market, by defining markets as configurations.
14	Nenonen and Storbacka 2010	The S-D logic (Vargo and Lusch 2004, 2008) proposes that value is co-created as actors interact to apply resources. Payne et al. (2008) provide a framework illustrating the process of value co-creation.	Business models as a broader conceptualization of value co-creation.
15	Vargo 2011	S-D logic is essentially a value-co-creation model that sees all actors as resource integrators, tied together in shared systems of exchange – service ecosystems or markets. In this way, markets are characterized by mutual value propositions and service provision, governed by socially constructed institutions.	Provides insight into the complexity of markets by investigating markets as configurations and systems.
16	Yazdanparast et al. 2010	It suggests that value cannot be embedded in either the factory or the distribution process; rather, it is co-created with customers (Lusch and Vargo 2006). S-D logic emphasizes the role of service as the heart of value creation, exchange, and marketing.	The purpose is to explore logistics service value through (S-D) logic .
17	Grönroos 2008	Discussing the differences between value-in-exchange and value-in-use, the paper concludes that value-in-exchange in essence concerns resources used as a value foundation which are aimed at facilitating customers' fulfilment of value-in-use. When accepting value-in-use as a foundational value creation concept customers are the value creators. Adopting a service logic makes it possible for firms to get involved with their customers' value-generating processes, and the market offering is expanded to including firm-customer interactions.	The purpose of this paper is to analyze the meaning of a service logic as a logic for consumption and provision, respectively.
18	Lusch and Vargo 2006	Value can only be created with and determined by the user in the 'consumption' process and through use or what is referred to as value-in-use. Thus, it occurs at the intersection of the offerer and the customer over time: either in direct interaction or mediated by a good, as indicated in FP3 (goods are distribution mechanisms for service provision). The second component of co-creation is what might more correctly be called co-production. It involves the participation in the creation of the core offering itself. It can occur through shared inventiveness, co-design, or shared production of related goods, and can occur with customers and any other partners in the value network. It embraces the idea that value creation is a process of integrating and transforming resources (FP9), which requires interaction and implies networks. Similarly, the central S-D logic notion of co-creation of value is an interactive concept.	Five recurring, contentious issues among collaborating scholars, as they attempt to understand the full nature and scope of S-D logic, are identified. These issues are clarified and refined.

Within this category the contexts, the types of papers and focuses differed greatly. Andersson Cederholm and Hultman (2010) focuses on the hospitality; Dahlsten (2004) elaborates on female customers participating in co-development projects; Gebauer et al. (2010) depict the value co-creation process within the Swiss federal railway operator; and in addition conceptual papers present ideas on the future of marketing (Grönroos, 2008, Lusch and Vargo, 2006; Vargo, 2011; Payne et al., 2008). In addition the future of markets (Storbacka and Nenonen, 2011; Nenonen and Storbacka, 2010) and pricing (Ng, 2010) are approached. Within the B2B context is addressed with thoughts on the logistics and retailing sectors. At least 11 of papers base their descriptions of co-creation of value on service-dominant logic (Vargo and Lusch 2004, 2008), but in

addition references to the ideas of Prahalad and Ramaswamy (2004), Ballantyne and Vary (2006) and Payne (2008) are used solely or to complement other authors. Gebauer et al. (2010) sheds light on other literature on value co-creation by mentioning that four similar terms can be discerned: (1) “pro-sumption”, (2) “servuction”, (3) “co-production”, and (4) “co-creation”.

When emphasizing the relationship dimensions of co-creation of value, the following descriptions emerge from the articles. Value is co-created when customers and providers engage in dialog and interaction during product design, production, delivery, and consumption (Yazdanparast et al. 2010). Gebauer et al. (2010) agree with S-D logic (Vargo, 2009) in that a relationship represents the networked, interdependent, co-creative, nature of value creation through reciprocal service provision. Several of the papers in this category agree with S-D logic in that co-creation refers to the basic principle that the participation of both the customer and the producer is necessary to create value. (e.g. Gebauer et al., 2010; Nenonen and Storbacka, 2010; Payne et al., 2008; Ng, 2010) Central to S-D logic is that the customer is always a co-creator of value (Vargo and Lusch, 2004, 2008). This highlights the development of business relationships through interaction and dialog (Payne et al. 2008). Several of the papers agree with the foundations of S-D logic (Vargo and Lusch 2004, 2008) in that service is the basis of exchange, which is a process. As elaboration of this, the “old” production-oriented logic, in which value is understood to be embedded in products/services (value-in-exchange) is being replaced with a “new” logic in which there is no value until an offering is used (value-in-use). (e.g. Payne et al., 2008; Ojasalo, 2010) Grönroos (2008) suggests that value-in-exchange only exists if value-in-use can be created. In practice, goods/services may have exchange value in the short term, but in the long run ‘no or low value-in-use’ equals to ‘no or low value-in-exchange’. Hence, value-in-use is the value concept to build upon, both theoretically and managerially. Grönroos (2008) also ponders, “if customers are value co-creators, what is the role of the firm? Are firms the main creators of value, or what are they?” It has been stated that through ‘co-creation of value’ the resources of the companies within a relationship are combined and novel combinations of capabilities developed, thereby enabling the firms to achieve something that none of the parties could have achieved alone. Thus, the creation of

value necessitates both the supplier and the customer to develop relational competences on top of their existing 'internal' capabilities (Ngugi et al., 2010).

This category is closely entwined with the first one on experiential aspects of co-creation of value as its key benefits lie in its potential to raise customers' perceived service quality levels, and elevated customer experience levels (Payne et al., 2008; Gebauer et al., 2010) This links us well to last category of co-creation value.

4.3 Descriptions emphasizing both experiential and relational aspects

The analysis revealed that 6 articles described 'co-creation of value' with an emphasis on both experiential and relational aspects of co-creation of value (in accordance with the criteria noted above). These studies are listed in Table 4. This category elaborates further on S-D logic as the papers of the founding fathers of the logic fell into this category. The papers described here provided the most overarching descriptions of co-creation of value and equally stressed the importance of the relational and reciprocal dimensions as well as the phonological aspects which imply that the value co-created is always uniquely experienced by the beneficiary.

Table 4. The descriptions emphasizing both experiential and relational aspects in co-creation of value

	Author	Description of 'co-creation of value'	Setting
1	Dobrzykowski et al. 2010	High quality interactions between the firm and its customers enable the co-creation of unique experiences which satisfy customers and advance the firm towards competitive advantage (Prahalad and Ramaswamy, 2004). The extent to which the worth of a product or service is determined by the beneficiary as derived by the participation of suppliers, the focal firm, and the beneficiary.	This paper explains in detail how effective outsourcing decisions can be made.
2	Merz et al. 2009	Value is always co-created with customers (and others), rather than unilaterally created by the firm and then distributed. S-D logic acknowledges that value is always uniquely and phenomenologically determined by the beneficiary as it uniquely integrates resources of the provider with other market-facing, public, and private resources—thus, what might be considered "value-in-context" (Vargo et al., 2009). This implies that exchange is relational (FP8; Grönroos, 1994; Gummesson, 1998) and that firms cannot deliver value but only make value propositions. Thus, S-D logic embraces a process-oriented logic, which emphasizes value-in-use, in contrast to the traditional output-oriented models, which see value in terms of value-in-exchange.	Historical account of the branding literature connected to the evolution in marketing as captured by S-D logic.
3	Ojasalo 2010	"Co-creation" means collaboration in the creation of value through shared inventiveness, design, and other activities (cf. Ostrom et al. 2010). According to Vargo & Lusch (2006), "There is no value until an offering is used – experience and perception are essential to value determination." When value is co-created, the supplier contribution is a value proposition that can support customer's value creation processes, and the customer contribution is the value actualization (Gummesson 2008). Co-creation means joint creation of value by the provider and the customer (Prahalad & Ramaswamy, 2004).	This study aims at increasing understanding of the concepts "co-production in services" and "value co-creation".
4	Plé and Cáceres 2010	According to S-D logic, the customer is always a co-creator of value, which is posited as being inherently interactional and phenomenological (Vargo and Lusch, 2008). In other words, S-D logic holds that the value of a good or a service does not exist per se, but is a function of the way customers perceive the contextual experiences enabled by this good or service (Woodruff and Flint, 2006). As a consequence, firms can merely deliver value propositions, from which customers derive value-in-use.	Possibility that the interactions between service systems cannot only co-create value, but also lead to value co-destruction.

5	Vargo and Lusch 2004	Value is defined by and cocreated with the consumer rather than embedded in output. Value is perceived and determined by the consumer on the basis of “value in use.” The consumer is always involved in the production of value. In using a product, the customer is continuing the marketing, consumption, and value-creation and delivery processes. Value is not embedded (value in exchange), but rather realized in use (value in use). Enterprise can only offer value propositions; the consumer must determine value and participate in creating it through the process of coproduction. Service provision and the cocreation of value imply that exchange is relational.	New perspectives are converging to form a new dominant logic for marketing, one in which service provision rather than goods is fundamental to economic exchange.
6	Vargo and Lusch 2008	“The customer is always a cocreator of value” It is also implied by the relational orientation specified in FP8. (FP’s are the foundational premises on the basis of which SDL has been built.) We more directly emphasize interactivity and networks. We have always considered value to be phenomenologically determined. We believe that this orientation is implied by the term “service,” as we have defined it. Value is uniquely and contextually interpreted. service—is the foundation of all economic exchange. Value is always uniquely and phenomenologically determined by the beneficiary	This article highlights and clarifies the salient issues associated with S-D logic and updates the original foundational premises (FPs) and adds an FP.

According to the conventional perspective on value, each company occupies a position in a value chain. Value is added to inputs and forwarded to the customer, who is the next actor in the chain (Ojasalo, 2010). During the past few years, the meaning of value and the value creation process have been rapidly shifting from this supplier company-centric view to customer experiences (Ojasalo, 2010). A key driver of this change in way of thinking has been S-D logic created and developed by Vargo and Lusch (2004, 2008) in numerous publications, all which have not been taken into account in this review. S-D logic is based on 10 foundational premises. These have already evolved from the original ones published in 2004 and will most probably continue to evolve. In fact the authors proclaim that “we do not “own” S-D logic but rather that it is more of an open-source evolution that we tried to identify, punctuate, and advance in our initial article and then elaborate and refine through subsequent work, while encouraging other scholars to do the same” (Vargo and Lusch, 2008).

S-D logic (e.g. Vargo and Lusch, 2004, 2008) states that value is always co-created with customers (and others), rather than unilaterally produced by the firm and then distributed. Goods (and services) are identified as vehicles for service provision. The customer is an operant resource, rather than an operand resource. S-D logic recognizes that value is always uniquely and phenomenologically determined by the beneficiary as it uniquely integrates resources of the provider with other market-facing, public, and private resources. This entails that exchange is relational and thus firms can only make value propositions. (Merz et al., 2009.) Thus, S-D logic holds a process-oriented logic, which accentuates value-in-use, in contrast to the conventional output-oriented models, which see value in terms of value-in-exchange. (Ojasalo, 2010; Plé and Cáceres, 2010; Merz et al., 2009.) Dobrzykowski et al. (2010) describe co-creation of value as *‘the*

extent to which the worth of a product or service is determined by the beneficiary as derived by the participation of suppliers, the focal firm, and the beneficiary.'

The joint perspective on value creation has been adopted in marketing literature, but understanding its antecedents in other contexts could advance a more comprehensive view of co-creation of value in different kinds of relationships.

4.4 'Co-creation of value' within customer-supplier relationship research

In addition to exploring the descriptions of co-creation of value in recent studies, the aim of the review was also to find out how 'co-creation of value' has been addressed in contemporary customer-supplier relationship and buyer-supplier relationship research. It turns out that it has not (in accordance with the criteria noted above). Value creation in accordance with the criteria noted above) has been explored in the context of customer/buyer-supplier relationships (Table 5).

Table 5. Description on value creation in customer-supplier relationships

	Paper	Description of value	Setting
1	Walter and Ritter 2003	The paper discusses the concept of value and distinguishes between different value-creating functions. The paper develops a theoretical framework of value drivers by discussing the impact of adaptation, trust, and commitment on value-creating functions. Paper discusses direct or indirect realization of economic goals.	Suppliers do not only maintain relationships with customers for the customers' benefits but also for their own sake.
2	Doran 2002	The findings of this case, aligned to the developments of the "modular supply model", suggest that the nature of buyersupplier relationships will change as the value-creation ratio moves from vehicle manufacturers to global first-tier modular suppliers. Loosely exchange value, but not really value at all.	The characteristics of synchronous manufacturing within an automotive context.
3	Ryssel et al. 2004	Relationships can create value for both parties involved (e.g. Achrol, 1997; Andersen et al., 1994). However, value creation depends on special relationship characteristics, including trust and commitment (Morgan and Hunt, 1994).	A model conceptualizing the impact of IT deployment on inter-organizational buyer-seller relationships is developed. Using an empirical study German firms..
4	Sytc and Gulati 2008	Value appropriation, in which each company's performance is determined by how much value it captures from the pool of value generated by the partnership. To capture value, companies first need to create it, and this is where the second process comes into play: value creation. dependence on one's business partners brings significant benefits to value creation in interorganizational relations.	Interviews were conducted with managers and purchasing agents working in the automotive industry. Survey data on automotive industry.

Three of the four papers suggest that business relationships are of vital importance for companies. Ryssel et al. (2004) elaborate that value creation and the use of IT in a relationship depends on relationship characteristics such as trust and commitment. Walter and Ritter (2003) also refer to trust in their paper by creating a theoretical framework of value drivers by discussing the impact of adaptation, trust, and

commitment on value-creating functions. They also identify that when establishing inter-organizational relationships, firms expect benefits, which result either immediately in the specific relationship (directly) or from its impact on future business or on other connected relationships (indirectly). Sytch and Gulati (2008) add that if managed well, dependence on one's business partners brings noteworthy benefits to value creation in business relationships. They contend that it can boost the overall pool of value to be distributed and, as a result the performance of a company. Although some elements of 'value-in-use' are mentioned, the papers follow a rather goods-dominant mindset (value-in-exchange).

Seeing as co-creation of value had not been discussed in the chosen context and value creation only presented a few articles, it was decided to see how value has been addressed in customer/buyer-supplier relationships (in accordance with the criteria noted above). The findings can be seen in Table 6.

Table 6. Descriptions of value within customer/buyer-supplier relationships

	Paper	Description of value	Setting
1	Cater and Cater 2009	Customer satisfaction is conceived as mediating the relationship between the elements of relationship value (price, product quality, delivery performance, supplier know-how, time-to-market, service support and personal interaction) and attitudinal and behavioural customer loyalty.	The paper's purpose is to broaden knowledge of customer satisfaction and loyalty in business-to-business markets
2	Bönte and Wiethaus 2007	Value of knowledge	The paper analyzes knowledge leaks within 2 scenarios: one-shot buyer-supplier relationship and for repeated relationships.
3	Briscoe et al. 2004	Managing value-added processes from "suppliers' supplier to the customers' customer." This finding reiterates the need for customers to speak with a common voice and then to back up the talk with action and resources.	Supply-chain management in the semiconductor industry
4	Büyükoçkan 2004	To obtain better results and customer satisfaction, companies have to listen the voice of the customer and produce value added products and services by reducing the cycle time.	Corporate responsiveness in an organizational information network framework.
5	Cannon and Homburg 2001	One method for creating value is to reduce costs in commercial exchange. The authors develop a model that explains how supplier behaviors and the management of suppliers affect a customer firm's direct product, acquisition, and operations costs.	Costs mediate the relationship between buyer-supplier relationship behaviors; 500 buying organizations in the United States and Germany.
6	Lee and Yang 2000	The knowledge value chain model consists of knowledge infrastructure, the process of KM , and the interaction among those components resulting in knowledge performance.	The knowledge value chain model as a knowledge management (KM) framework
7	Bamber et al. 2004	Efforts of maintenance management can contribute a value added perspective to the third party assessment process	How maintenance management contributes to overall quality standards.
8	Claro et al. 2006	The value of trust and the effects of transaction specific investments for the relative degree of collaborative joint efforts, and also to assess the moderating effect of the information network on such joint efforts.	Perspective of the buyer making the joint effort decision and draws on transaction cost economics, relational exchange and network perspectives; Flower wholesalers

9	Cox 2004	Mutuality and the search for value capture (profitability) are not fully commensurable in business relationships, but that, since "win-win" is not an absolute but a variable concept	Supply chain management sourcing strategies are unlikely to be implemented successfully.
10	Sanchez-Rodriguez 2009	Based on the relational view of the firm, the authors propose that strategic purchasing is an antecedent of supplier development practices and can create value for the buying firm.	The key features of SP and SD practices are tested using structural equation modeling through field research on manufacturing companies
11	Graham. and Ahmed 2000	Two modes of supplier relations (active and non-relational respectively) and two types of supplier "value-added" (low and high respectively).	Examines buyer-supplier relations from a value chain perspective in the UK aerospace sector.
12	Hansen 2009	Technology and information sharing in B2B relationships engender integrated value chains. Service-centered adopted in B2B relationships; responsiveness, empowerment, trust (both supplier and supplier representative), and information sharing.	Focusing on large scale buyer-supplier relationships; paper provides some guidance on which customer levels (in a value chain) an organization should focus
13	Subramani 2004	Relationship-specific investments enable suppliers to both create value and retain a portion of the value created by the use of Supply chain management systems (SCMS) in interfirm relationships.	SCMS implemented by one large retailer support hypotheses that relationship-specific intangible investments play a mediating role linking SCMS use to benefits
14	Miller 2008	Value to the customer is reflected in the selling prices that comprise revenues. Value for the supplier is reflected in the profit (or loss) from the relationship.	This article provides an overview of customer profitability, including benefits, application and use, calculation alternatives, and best practices.
15	Noor et al. 2010	Relationship satisfaction is becoming critical in business relationships and it has been found that successful business relationship has contributed in lowering transaction costs and foster greater economic value. Commitment.	The study investigates the consequences of relationship satisfaction on trust and commitment; car dealers.
16	La Londe and Raddatz 2002	Cost of poor quality analyses are a powerful supplier evaluation tool for determining non-value-added processes and identifying the most significant opportunities for cost reduction without loss of quality or service.	This article demonstrates how to use two tools and shows how they can have a profound impact on customer-supplier relationships.
17	Payne and Holt 2001	Nine core streams of value literature are discussed: consumer values and consumer value; the augmented product concept; customer satisfaction and service quality; the value chain; creating and delivering superior customer value; the customer's value to the firm; customer-perceived value; customer value and shareholder value; and relationship value.	An existing multiple stakeholder model of relationship marketing, the six markets model, is introduced and is integrated with key concepts from the value literature to produce a conceptual framework for relationship value management.
18	Eriksson 2007	Cumulative values of cooperation are much higher in lasting relationships than in occasional transactions. Thus, the best way to facilitate cooperation between rational players is long-term contracts.	Explain a lack of cooperation in buyer-supplier relationships within construction and facilities management.
19	Terpend et al. 2008	Four types of value derived from buyer-supplier relationships: operational performance improvements, integration-based improvements, supplier capability-based improvements and financial performance outcomes.	The focus of academic researchers on types of value being extracted from buyer-supplier relationships has changed between 1986 and 2005.
20	Vipul et al. 2007	The proposed model uses prioritized fuzzy constraints to represent trade-offs among the different probable values of the negotiation issues	Negotiation-to-Coordinate (N2C) mechanism; the interactive nature of the buyer-supplier relationships for dynamic environments.
21	Uлага and Eggert 2002	The paper aims at contributing to a better knowledge of (1) relationship value in business-to-business markets, (2) measures of relationship value, and (3) the interaction of relationship value dimensions.	Study investigates the dimensions that form relationship value.

In the studies discovered for analysis, value has had very different kinds of meanings. Cater and Cater (2009) discuss customer satisfaction in a 'value-in-use' way of determining that customers' perceived value as one of the most important determinants of satisfaction. But they approach the issue with a 'value-in-exchange perspective by limiting the investigation to relationship benefits and direct product costs (price) as the

antecedents of customer satisfaction and loyalty. Several of the papers identify information and knowledge sharing or management as the antecedents to relationship value (e.g. Bönthe and Wiethaus, 2007; Büyüközkan, 2004; Lee and Yang, 2000). Briscoe et al. (2004) suggest that managing value chains with an end-to-end perspective is complex. Büyüközkan (2004) agrees and states that coordination and integration between business and manufacturing units in the value-adding chain requires attention. Cannon and Homburg (2001) underlines the exchange nature in buyer-supplier relationships by proposing that one method for creating value is to reduce costs in commercial exchange. Claro et al. (2006) in turn suggest that trust, specific investments and the information from the network have managerial implications for the coordination of a buyer-supplier relationship, and thus they combine use and exchange perspectives in order explain coordination in buyer-supplier relationships. Management is addressed also by Ulaga and Eggert (2002) in assessment of relationship value dimensions of satisfaction and trust as well as Cox (2004), as their paper demonstrates although all companies are involved in supply chain networks, this does not mean that they manage them effectively. They adopt a transactional view to relationships and within that frame discuss mutuality, win-win, relationship alignment and value capture (Cox, 2004). Sanchez-Rodriguez (2009) on the other hand introduces strategic purchasing (SP) and supplier development (SD) as constructs that could have the potential to contribute to the success of relationship marketing efforts. Based on the relational view of the firm, the authors propose that SP is an antecedent of SD practices and can create value for the buying firm. Purchasing strategy is also discussed by Graham and Ahmed (2000). With the notion that long-term, companies can benefit from *more open and trust-based relationships rather than the previous "value-based" approach that was designed specifically to ensure effective cost reduction*. Hansen (2009) is the only author in this category to adopt a more co-creational perspective on buyer-supplier relationships by examining the evolution of buyer-supplier relationships towards more cooperative relationships. This paper provides description of changes in sales force roles and measures, including the roles of responsiveness, empowerment, trust (both supplier and supplier representative), and information sharing not previously found in the literature (Hansen 2009). In addition this category includes a paper examining the buyer-supplier relationships published in four prominent U.S.-based

academic journals between 1986 and 2005. Terpend et al.'s (2008) review shows that the focus of academic researchers on types of value being extracted from buyer-supplier relationships has changed over the years. For instance studies on buyer-supplier mutual efforts have increased. Despite the change in focus, the authors found that scholars have primarily investigated four types of value derived from buyer-supplier relationships: operational performance improvements, integration-based improvements, supplier capability-based improvements and financial performance outcomes (Terpend et al. 2008).

5. Discussion

Within the marketing discipline there has been a struggle to develop an accepted general theory as well as more specific theories unfolding significant phenomena (Babin and James, 2010). Similarly, although not in the marketing discipline, Terpend et al. (2008) call for new theory. They believe that future research needs to *'recognize the restrictions of a single theoretical perspective and adopt multiple theories to clarify how buyer practices and buyer-supplier mutual efforts influence the derivation of value from these relationships'*. A variety of theories have been utilized to explain value extraction in buyer-supplier relationships: e.g., organizational economics, resource dependency theory, transaction cost economics, resource-based theory, relational theory, game theory and learning theory (Terpend et al., 2008). The phenomena these academics seek to address with new theory relate to the creation of value.

Within the conventional value chain approach, companies and customers have distinctive roles of production and consumption (Ojasalo, 2010). Now, value and the value creation process as notions are quickly changing from a supplier company-centric view towards customer experiences and joint value co-creation (Ojasalo, 2010; Plé and Cáceres, 2010). As covered in this review, co-created value is the experienced and perceived value created by interactions of actors, from the perspective of a unique individual. (Vargo and Lusch, 2004, 2008; Prahalad and Ramaswamy, 2004) Understanding relationship value is vital for academics and practitioners alike, who are involved in business relationships. Within the business world, undermining the value of relationships and value creation, may lead to lost business opportunities (Payne et al.

2008) However with the exception of Terpend et al.'s (2008) review on value within buyer-supplier relationships, surprisingly little attention has been paid to co-created value within this context. Similarly on the practical side, apart from Prahalad and Ramaswamy's (2004) DART model, very little has been written on what the co-creation process involves and how co-creation should be analyzed.

6. Conclusions and implications

Based on a systematic literature review, this study has reviewed literature on co-creation of value. The research questions for this review were two-fold. The first question was:

1. How has the notion of 'co-creation of value' been described in recent literature?

The descriptions found were categorized accordingly:

- Descriptions emphasizing experiential aspects
- Descriptions emphasizing relational aspects
- Descriptions emphasizing both experiential and relational aspects

As a result it was found that most descriptions refer to either S-D logic (articles by Vargo and Lusch), Prahalad and Ramaswamy (2004) or to Grönroos (e.g. 2008) and the Nordic School. The categorizations showed that although out of the 32 articles analyzed, only 8 articles emphasized the 'experiential' aspects, whereas 18 papers put emphasis on the 'relational' aspects of co-creation of value. The remaining 6 papers used both elements in their descriptions. This could indicate that there is a need for more studies that focus on the experiences and perceptions related to co-creation of value. Most of the papers were conceptual or research papers and in fact several of the authors called for more empirical studies on co-creation.

The second research question was:

2. How has 'co-creation of value' been addressed in contemporary customer-supplier relationship and buyer-supplier relationship research?

The results showed that the concept of 'co-creation of value' (using the criteria mentioned in the methodology) has not previously been used in the context of customer/buyer-supplier relationships. Value creation appeared only in 4 papers within this context, of

which one paper really did not contribute to the phenomenon at hand. Thus the notion of 'value' was explored in the chosen context, only to find out that value has been used in a very limited way in the recent literature. Within this pool of papers value is given the following descriptions: trust, customer satisfaction, interaction, information and knowledge sharing, knowledge management, revenue, and price to mention the main ones. Trust is commonly used as a basis for value creation, but due to the vagueness of trust as a notion, perhaps it should be broken down to more comprehensible and manageable relational elements. A majority of the papers viewed relationships with a strong exchange focus, leaving room for further elaborations with a more value-in-use perspective. It would also be interesting to discover under what conditions value can be co-created in different kinds of relationship and what are the antecedents of co-creation of value. Relationships are not static, and neither is co-creation of value, and thus longitudinal studies could contribute relevant insight.

Like all studies, the present review has certain acknowledged limitations. First, the articles assessed in the literature review represent only a small sample of the vast number of publications that have treated the concept of co-creation of value (in one way or another) over the years. By limiting itself to the period from 2005 to 2007, the study is able to provide only an overview of the huge number of articles that include the concept of co-creation of value. Nevertheless the review has the worth of having focused on recent publications and on presenting the lack of studies on co-creation of value within a certain context. Secondly, it is recognized that the content analysis was relatively superficial. For the future, the present study should encourage researchers to adopt research that explores the antecedents of co-creation of value in different types of relationships. Also, although the notion of 'dyads' have been deemed by many as outdated, remembering that networks are built from dyads between actors is important. In theory it is relevant to understand the networked nature of value, but in practice sometimes just one relationship between two actors is difficult enough to manage. Perhaps it all depends on the level of abstraction and the unit of analysis.

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