

WORKSHOP: THE EMERGENT LOGIC OF MARKETING

This workshop aims to introduce the theoretical and practical endeavours applying the new dominant logic of marketing that focuses on the usage of a product or service rather than the exchange phenomenon. This logic, called service dominant logic, is presented by Vargo and Lusch (2004) and has been extensively used in academia and practice.

The workshop includes four sessions about service dominant logic and its main related concepts. Session 1 introduces service dominant logic implying that value is co-created by customers rather than created by companies. Therefore, customer resources are highly engaged in the value creation process. Accordingly, session 2 deals with customer resources. Furthermore, the concept of customer value, as a core concept in service dominant logic, is conceptualised and operationalised in session 3. Finally, session 4 presents a practical way of analysing customer value consistent with service dominant logic, called outcome driven innovation. This method is used for defining new product development strategies based on the analysed customer value.

Session 1: Service Dominant Logic – 4-5 hours

The session introduces the emergent logic of marketing: service dominant logic. This logic suggests that competency is exchanged between company and customer rather than product. Therefore, value is co-created by customer and is not created by company. In fact, in order to co-create value, customers integrate resources including products, services and their own resources. The aim of this session is to provide students with the theoretical background of the service dominant logic and its potential practical implications.

Main references:

- Vargo, S.L. and Lusch, R.F. (2004), “Evolving to a New Dominant Logic for Marketing”, *Journal of Marketing*, Vol. 68, No. 1, p. 1-17.
- Vargo, S.L. and Lusch, R.F. (2006), “Service-Dominant Logic: What It Is? What It Is Not? and What It Might Be?”, in: Lusch, R.F and Vargo, S.L. (editors), *The Service Dominant Logic of Marketing*, M.E. Sharpe, New York, p. 43-56.
- Vargo, S.L. and Lusch, R.F. (2008), “Service-Dominant Logic: Continuing the Evolution”, *Journal of Academy of Marketing Science*, Vol. 36, No. 1, p. 1-10.

Session 2: Customer Resources – 4-5 hours

In service dominant logic, customer resources play a crucial role in creating experience. Based on this logic, value is co-created by customers and, in particular, by customer resources. This session focuses on customer resources involved in product or service consumption. It includes conceptualising and operationalising customer resources such as skills, knowledge and social resources. Although companies usually work on their resources to provide a better product or service, the importance of customer resources in creating customer experience is discussed in this session.

Main references:

- Arnould, E.J., Price, L.L. and Malshe, A. (2006), “Toward a Cultural Resource Based Theory of the Customer”, in: Lusch, R.F and Vargo, S.L. (editors), *The Service Dominant Logic of Marketing*, M.E. Sharpe, New York, p. 91-104.
- Alba, J.W. and Hutchinson, J.W. (1987), “Dimensions of Consumer Expertise”, *Journal of consumer research*, Vol. 13, No. 3, p. 411–454.
- Bristow, D.N. and Mowen, J.C. (1998a), “The Consumer Resource Exchange Model: an empirical investigation of construct and predictive validity”, *Marketing Intelligence and Planning*, Vol. 16, No. 6, p. 375-386.

Session 3: Customer value – 4-5 hours

This session aims to understand the concept of customer value with the focus on value-in-use and experiential aspects of value such as aesthetics and play. In fact, in service dominant logic, value is co-created by customers in the usage stage of the consumption. This session expands the understanding of service dominant logic and its implications in practice by going through the concept of customer value.

Main references:

- Woodruff, R.B. (1997), “Customer Value: The Next Source for Competitive Advantage”, *Journal of Academy of Marketing Science*, Vol. 25, No. 2, p. 139-153.
- Woodruff, R.B. and Flint, D.J. (2006), “Marketing’s Service Dominant Logic and Customer Value”, in: Lusch, R.F and Vargo, S.L. (editors), *The Service Dominant Logic of Marketing*, M.E. Sharpe, New York, p. 91-104.

- Holbrook, M.B. (2006), “The Resource Operant, Skill Exchanging, Performance Experiencing, Knowledge Informed, Competence Enacting, Co-producer Involved, Value Emerging, Customer Interactive View of Marketing versus the Concept of Customer Value”, in: Lusch, R.F and Vargo, S.L. (editors), *The Service Dominant Logic of Marketing*, M.E. Sharpe, New York, p. 208-223.

Session 4: Outcome Driven Innovation – 4-5 hours

This session aims to present a novel way of analysing market opportunities for new product or service development. The core of this method is jobs and outcome analysis. In fact, students learn to analyse customer value (value-in-use) through jobs and outcome analysis which is consistent with service dominant logic.

Main references:

- Ulwick, A.W. (2002), “Turn Customer Input into Innovation”, *Harvard Business Review*, Vol. 80, No. 1, p. 91-97.
- Ulwick, A.W. (2005), *What Customers Want: Using Outcome Driven Innovation to Create Breakthrough Products and Services*, Mc Grow Hill, New York.