SPECIAL ISSUE “Tuning the Sounds of Service: Essays in Honour of Michael Kleinaltenkamp”

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The concepts of value, value creation, and value cocreation figure prominently in service-oriented approaches to marketing studies, especially service-dominant logic. However, the meaning of these concepts is fuzzy and dependent on the theoretical context in which they are used. In addition, philosophical, economic, and sociological conceptualizations, among others, have affected the meaning of the concept of value. Harking back to Kant and Lotze, with reference to epistemology and ontology, this paper investigates the role philosophical and economic value theory can play in understanding value-related concepts in marketing studies and in the further development of marketing studies within the social sciences.

1. Introduction

According to the American Marketing Association, “marketing” is defined as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, partners, clients, and society at large.”1 Advocates of both the marketing concept and the service-dominant (S-D) logic, two very different schools of marketing thought, have underlined the importance of value for theory and practice of marketing. In the case of S-D logic, three of the five axioms include the word “value” (Lusch and Vargo 2018). In a handbook article on resource integration, Peters (2018, p. 342), with reference to Kleinentalkamp et al. (2012), lists “five themes which offer us a clearer understanding of the role of the social and economic factors in resource integration,” including evaluation (or value appraisal) and value.

Holbrook (1999, p. 2; emphasis in original) notes “that the Concept of Consumer Value constitutes the foundation, defining basis, or underlying rationale for the Marketing Concept in the sense that each party to a transaction gives up one thing in return for something else of greater value.” Gallarza et al. (2011, p. 186) “believe in the consecration of value as the most central concept at the core of marketing and consumer research.”

The concept of value belongs to the conceptual frameworks or theories stemming from many different disciplines (Perry 1967 [1926]), from epistemology, ontology, and axiology to economics, psychology, and anthropology (see Gallarza et al. 2011). Philosophy and economics have brought forth theories of value (Perry 1967 [1926]; Slavenhagen 1969) that share views and distinctions such as objective values/subjective values and value in use/value in exchange. The discussion of value-related concepts in marketing studies has not remained unaffected from the development of conceptualizations in these disciplines. Both the marketing concept and the service-oriented approaches to marketing – most notably, S-D logic – exemplify distinctions originating from economic value theories. While the criticism of economic value theories is part of the S-D logic’s founding myth (Vargo and Lusch 2004; Vargo and Morgan 2005), consumer research has augmented the economic dimension of value with a psychological dimension (Gallarza et al. 2011). Philosophical value theories are barely addressed in the S-D logic or marketing studies (regarding customer value, see Gallarza et al. 2011; Holbrook 1999; 2020). For Sokolowski (1998, p. 516), “philosophy is the intellectual activity that works with distinctions.” The same applies to marketing philosophy. As Sokolowski (1998, p. 516) further explains, “philosophy sometimes will show that a certain distinction that has been proposed or taken for granted is unreal or invalid.” For example, S-D logic’s

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marketing philosophy has revoked the distinction between goods and services and established service as new category that encompasses both. Service-oriented approaches have criticized views embodied in objective economic value theories that question the productivity of services or identify wealth with material wealth, as well as the IHIP\(^3\) paradigm (Benoit [né Moeller] 2010), which conceives of services as what goods are not. Scholarly works related to service-oriented approaches in general or S-D logic in particular dominate the prevailing understandings of value, value creation, and value cocreation at present (Baron et al. 2014).

Several scholars have pointed to an imbalance between the importance and understanding of the concept of value in marketing studies: “There remains ‘a general feeling among academics and practitioners (that) suggests we have only just begun to understand what ‘value’ means’” (Eggert et al. 2019, p. 13, quoting Lindgreen 2012, p. 4). Despite the important works on consumer value and the number of studies with the word “value” in their title (often in composed expressions such as “value creation”; see McColl-Kennedy and Cheung 2018, pp. 65 ff., Table 4.1), value is still under-researched, and value theory is underdeveloped in marketing studies. This gap has given rise to “the challenge of value research – namely, that the researcher faces a topic that is central to the marketing discipline but that suffers from various conceptual and methodological difficulties” (Gallarza 2011, p. 179). Although “in a human world (co-)creation of value is the ultimate reason or goal of service” (Löbler 2018, p. 106), value and value-related concepts such as service value measurement and optimization are considered in their “research infancy” (Löbler 2018, p. 107; Ostrom et al. 2010, p. 26). Baron et al. (2014) express the need to expand on the exploration of conceptualizations of the family of value-related concepts in the S-D logic – an objective not approachable without further research on the theoretical foundations of the concept of value.

Given this imbalance, this paper aims at two related contributions. First, harking back to Kant and Lotze, with reference to epistemology and ontology, the paper investigates the understanding of value-related concepts in marketing studies in light of philosophical and economic value theory. We focus on these theories for three major reasons:

1. Because “economics was born out of philosophy” (Nussbaum 2016, p. 229), the economic heritage of marketing studies and the long-standing common history of economics and philosophy ought not to be neglected. 
Moral philosopher and economist Adam Smith’s (1723–1790) major works, *The Theory of Moral Sentiments* (1759) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), exemplify the division into two separate disciplines. The many philosophically minded economists (Bunge 1998; Da Fonseca 1991; Rima 1986) bear witness to the common history of economics and philosophy. Common history notwithstanding, “today ... economists have veered increasingly far from the serious study of philosophy” (Nussbaum 2016, p. 230). Regarding value and value theory, Nussbaum’s academic imperative that economics still needs philosophy is extendable to marketing studies: marketing studies need philosophy. For instance, S-D logic’s basic views, propositions, and axioms are incomprehensible without considering theory traditions, which have emerged at the interface of philosophy and economics.

2. Calling for philosophical inquiry is useful for not only historical perspective but future study. As Holbrook (1999) has pointed out, no answers can be given to the questions of what can be valued at all, and by what, without referring to philosophical value theory or axiology.

3. As Holbrook (1999) highlights, the distinction between, for example, economic or social value (singular) and axiological values (plural) is decisive. Marketing studies cannot deal with contemporary challenges without referring to values (e.g., responsibility or sustainability as idea, value, or general principle).

Second, the need for value theory in marketing studies extends to conceptual and definitional issues regarding value. Value theory affects how marketing studies build empirical theory. Distinctions evoked by philosophical value theory (between, e.g., objective and subjective values, individual and general values) are useful tools with which to analyze value (co)creation in marketing studies. The currently weak position of value theory in marketing studies diminishes marketing’s potential to develop as a social science and detracts from researchers’ ability to explain patterns, structures, or mechanisms in social reality. This paper substantiates the call for philosophically based value theory in marketing studies; it presents basic constituents of this theory; and it identifies important lines of thought regarding value in economics and philosophy, including Riese’s (1973) observation of the stagnation of value theory in economics.

The paper begins with a brief introduction to two value-related frameworks in marketing studies, which reflect different value theories in economics and philosophy, followed by a similarly brief discussion of economic value theories. Next, the paper uses the lens of philosophical value theory to explore value-related concepts and phenomena, topics especially raised by S-D logic. After that,
the paper addresses the analytical potential of value theories to explain social orders. The last two sections are devoted to conclusions and limitations/further research.

2. Two value-related frameworks in marketing studies

Marketing studies, as a social science, investigate the interaction of phenomena at different levels of analysis (micro, meso, and macro) and the patterns that emerge from that (e.g., value chains, lifestyles, innovation, welfare; for a complete list, see Baron et al. 2014). “If value is what motivates resource integration” (Peters 2018, p. 342), then value can also be seen as important input factor to the social mechanisms from which patterns can emerge (Bunge 1967; 1998). Kjellberg et al. (2012) point out the role ideas and values play in the development of markets or the emergence and shape of practices. Two value-related frameworks have emerged in marketing studies, which rest on subjective and objective theories of value originating from philosophy and economics: The “creating-value-for” framework focuses on value in exchange and value capture, whereas the “creating-value-with” framework is related to the service-oriented approaches in marketing studies; it addresses value and value cocation at various levels of analysis (dyads, action fields, and service ecosystems).

According to the marketing concept, the presently dominant view in marketing studies, organizations transform resources into other resources, thereby adding value to them: “By creating value for customers, they in turn capture value from customers in the form of sales, profits, and long-term customer equity” (Kotler and Armstrong 2006, p. 5; emphasis in original). In this view, value is embodied in goods and imparted at the point of sale. Value is thus considered an objective attribute of an entity brought into being by an organization or firm; and customers express via market demand whether they expect the respective attributes to be valuable for them: “Value is ‘a property of a thing because of which it is esteemed, desirable or useful; worth, merit or importance’” (Alford and O’Flynn 2009, p. 175, quoting the Macquarie Dictionary 1987). Note that even if value is an attribute of an object, only the customer can assess the value of this characteristic. This is why consumer research amended the economic dimension of the concept of value with a psychological dimension (Gallarza et al. 2011).

In contrast, advocates of the creating-value-with view state that no entity can create value for another entity, that value emerges through valuing, and that change is the subject of valuation: “Through the act of valuation (i.e. evaluation), value comes into being as an emergent phenomenon” (Meynhardt et al. 2016, p. 2983; emphasis in original). The concept of value is defined as “an emergent, positively or negatively valued change in the well-being or viability of a particular system/actor” (Glossar 2019, p. 740). Value does not emerge through the integration of resources or production; rather it emerges through subjective valuations that take place during the course of resource use processes. This framework’s focus is on value in use or the view that value is created “by the user for the user” (Grönroos 2011, p. 288). According to this perspective, value is created through subjective assessment; value creation is appreciation (Meynhardt 2009).

Highlighting value cocation means shedding light on service-oriented approaches to marketing studies, including the German approaches addressing the coproduction of outcomes (by providers and customers) and customer integration (Haase 2008; Kleinaltenkamp 1997; Kleinaltenkamp et al. 2009; Kleinaltenkamp and Jacob 2002; Kleinaltenkamp et al. 1996); Scandinavian approaches to the cocation of value, networks, and relationships (e.g., Grönroos 2006, 2011; Gummesson 2006); and the S-D logic, which, resting on preceding perspectives in marketing studies and beyond, declares “The customer is always a coproducer” (Vargo and Lusch 2004, p. 10).

What factors or forces can bring forth value or add to the Wealth of Nations? The two value-related frameworks are different answers to the question about the origin of value. The rejection of the creating-value-for view has motivated and furthered service-oriented approaches to marketing studies. Whereas the creating-value-for view is based on objective value theory, creating-value-with shares views with subjective value theory but has also questioned important achievements of neoclassical economics.

3. Economic value theories

Rather than provide an overview on economic value theory as a whole, this section identifies only aspects of special interest for the discussion of value-related concepts in marketing studies. For instance, we shed light on views that identify economic value with exchange value (Marinov 2020), thus ignoring value in use. The distinction between value in exchange and value in use, which figure prominently in both economics and marketing studies, harks back to Aristotle (Stavenhagen 1969). Classical economic value theory separated from the mercantilist view that there is “a fixed level of value for which states compete” (Shapiro 1993, p. 61). Adam Smith, the “Martin Luther of political economy,” freed “value from the purview of state authority and locate(d) it in a broadly distributed view in the society” (Shapiro 1993, p. 61).

4 For Stavenhagen, however, Aristotelian philosophy has only made prescientific contributions to economics.
3.1. Classical and neoclassical economics

The value theory of classical economics (in particular, Smith and Ricardo) is considered objective in that the value of goods is assumed to be independent of subjective beliefs or evaluations. Production costs (labor, capital, or land) determine the value of the produced outcome or the “natural price.” Value in use and value in exchange (price) are unconnected.

As Riese (1973) points out, no homogeneous classical value theory exists (for an overview, see Rima 1986). The value theories of Smith and Ricardo exemplify this. According to Ricardo, land did not add to the value of a product but is the origin of a rent that does not affect prices. Smith believed in the major importance of labor compared with capital and land (Riese 1973; Shapiro 1993). Thus, he had already started disconnecting value theory and exchange theory – a procedure accomplished later on by Marx (Riese 1973). Marx argued that the value of a good accrues from the labor embodied in it, to be measured by the workers’ reproduction costs. The labor theory of value and the price theory remain unconnected in Marx’s analysis.

Subjective value theory (founded by Menger, Jevons, and Walras5) is an attempt to overcome the heterogeneity of classical value theory and its failure to connect value in exchange and value in use. Neoclassical theory is aimed to fundamentally reformulate value theory on a subjective basis. “Subjective” means that the value of a good depends on the amount of the good available to the subject; it does not mean that the valuing subject is a socially dis-embedded entity. As Riese (1973) explains, usefulness (Nützlichkeit) was separated from value in use, and the latter became a function of the available amount. Using ideas from Gossen’s (1854 [1899]) first and second laws, neoclassical economics established the preconditions for the development of contemporary price theory and began using “price theory” to tag the works of economists. Friedman (2007 [1962]), for example, divides positive economics into two major strands, price theory and monetary theory.

Observables expressions of economic activity (macro-level phenomena) allow for empirical generalizations or “substantive, empirical propositions” (Friedman 2007 [1962], p. 7). Friedman (2007 [1962], p. 7) argues that the distinction between price theory and monetary theory reflects an empirical generalization; that is, “the factors determining the level of prices and of economic activity can be regarded as largely different from those determining relative prices and the allocation of resources.”

These economic value theories highlight that making a distinction between value in use and value in exchange is not tantamount to having grasped the meaning of these concepts once and for all. The meaning of value in use and its role in theory changes with the theoretical lenses used to conceptualize it. Neoclassical economics views it as being ruled by Gossen’s laws. For Marx, use value “is conditioned by the physical properties of the commodity, and has thus no existence apart from the latter” (Shapiro 1993, p. 62). S-D logic departs from both the classical and neoclassical frameworks, embracing the idea that (societally embedded) subjects determine value (note that, for the analysis of service ecosystems, the S-D logic uses systems-theoretical language and focuses on the viability of systems; thus, it changes the theoretical framework). S-D log-ic disconnected value in exchange and value in use. It dis-charged the mechanisms brought to the fore by economic value theories and, with it, the patterns that can emerge from them, on the one hand, and the role these mechanisms could have played for the explanation or understanding of economic activities, on the other hand.

Marx rejects idealism but it is questionable whether a “fully adequate metaphysics of values” (Gardner 2010, p. 1) can be achieved without it. The next subsection provides a glimpse of the influence of idealist value theory on economic value theory.

3.2. German political economy in the 1800s

The publication of Adam Smith’s Wealth of Nations (1776) was no immediate success among German political econom-ists, who were still under the influence of Kant’s ethic at the time (Stavenhagen 1969). In line with Kant, value theory took on a new, idealist direction: “According to the idealist interpretation of the concept of value, goods do not become goods through labor but only because of the imagination of their value and of their suitability as means for the purpose one is striving for” (Stavenhagen 1969, p. 103, quoting Hufeland 1807). Hufeland’s view aligns with the S-D idea of change as an objective of value creation (Glossar_a 2019).

6 Nach dieser idealistischen Auffassung des Wertbegriffs werden somit Güter nicht durch die Arbeit zu Gütern, sondern aus-schließlich durch die Vorstellung von ihrem Wert und von ihrer Tauglichkeit als Mittel zu einem Zweck, den man hat und errei-chen will.

4 As Colander (2000, p. 130) points out, “the root term, Classical, was coined by Karl Marx (1847) as a description of David Richardo’s formal economics.” In contrast, “the term neoclassical was initially coined by Thorstein Veblen (1900) in his Preconceptions of Economic Science.’ As Veblen used the term, it was a negative description of Alfred Marshall’s economics, which itself was a type of synthesis of the marginalism found in Menger and W.S. Jevons with broader Classical themes in Smith, Ricardo, and J.S. Mill” (Colander 2000, p. 131).

5 Hermann Heinrich Gossen’s (1810–1858) contribution to the mathematization of political economy should be mentioned. Steiner (2011, p. 355) surmises that “Jevons and Walras, especially Jevons, must have been surprised to see how their own findings had been formulated nearly two decades previously by an entirely unknown self-taught economist.”

6 Friedman agrees on defining the economic problem and, with it, economics, by means of distinctions like material/immaterial and value laden/not value laden. He puts price theory into the nonnormative context, but he does not exclude the immaterial and value judgments from economics.
Additionally, the existence of general needs categories (Be-  
ährnissgattungen) was assumed and utility considered gen-  
eric (Geltungsnützen, based on needs categories). Interest-  
ingly, Stavenhagen, with reference to Karl Heinrich Rau  
(1868 [1826]), uses a word introduced into philosophy by  
Lotze (1887) – validity (Geltung) – to express Rau’s view that  
values may be valid in a way that expands on the subject-  
ive beliefs of individuals or the beliefs shared in communi-  
ties: “More general and ongoing utility can be ascribed to  
the generic value of goods” (Stavenhagen 1969, p. 104).5  

The ideas of political economy deserve to be reinvesti-  
gated in the light of contemporary thought in marketing  
and philosophy. Stavenhagen notes that the views of  
political economists at that time were a barrier to the  
later breakthrough of marginalism, which is based on sub-  
jective value theory and the linkage between value in ex-  
change and value in use – “an achievement of neoclassical  
theory despite the high price it paid in terms of lack in ma-

terial content or empty formalism” (Riese 1973).

3.3. Value in society and value to society

John Maurice Clark (1884–1963), institutional economist  
and one of the founders of social economics, shed light on  
negative externalities (“inappropriate values”; Clark  
1916, p. 218), inequality, and social control, among other  
things. Early in his career, Clark published two articles on  
related topics: economic responsibility and social value  
(Clark 1915, 1916). His approach is of interest for this pa-

per’s analysis in that it can be interpreted as rejection of  
price theory’s ability to cover all values of importance for  
economics and economies.

Distinguishing value in society from value to society, Clark  
(1936 [1967]) highlights the social context of value crea-

tion; value is always value in society but not always to so-

ciety. Clark (1936 [1967]), p. 50) denies that “market values  
measure ‘social value’ in the sense of ‘value to society.’  
[Therefore,] ... market values are ‘social’ only in the sense  
of occurring in an organic social character.” There is thus  
a form of social value (i.e., value to society) that affects the  
exchange value, the market value only if accordingly val-

ued (and demanded) by customers, communities, or soci-

ey: “Again, how shall we compare, socially, the products  
of two factories one which is built with an eye to such  
beauty as circumstances permit and operated so as to give  
the workers an opportunity for growth, while the other  
furnishes an environment of unrelied ugliness and a  
large percentage of ‘dead-end jobs?” (Clark 1936 [1967],  
p. 48). As long as the price of the products of the two fac-

tories is the only standard of comparison that counts, po-

tential standards originating from value spheres (or cate-
gories) other than that tagged by “efficiency” are out of  
view. As philosophical value theory has shown, there are  
other value spheres, and services marketing has already  
added effectiveness to the economic sphere.

Focusing on value in society, this paper does not address  
social value as value to society. Clark highlights that the  
neoclassical marriage of price theory and value theory  
does not cover everything of importance, including nega-
tive externalities and value to society. Clark also gives  
voice to the view that not everything that is of importance  
is measurable as well or that something that is not meas-
urable should not be considered unimportant for this reason.

Relevant to marketing studies is the development of a the-

ory that accounts for subjective valuations conducted  
throughout use processes of resources and the values to  
which these valuations refer. It is at this point where value  
and values, as subjects of a meaningful distinction, ought  
to be related to each other.

4. Using the lens of philosophical value theories

Although narrow and broad perspectives have emerged in  
philosophical value theory, this paper focuses on a narrow  
perspective, axiology, which is “primarily concerned with  
classifying what things are good and how good they are.  
For instance, a traditional question of axiology concerns  
whether the objects of value are subjective psychological  
states, or objective states of the world” (Schroeder 2016,  
Values are a conscious or unconscious source for the orien-
tation of the human performance.10 Krijnen (2006) men-
tions four value spheres – cognition, beauty, sacredness,  
and practicality. Holbrook’s (1999, p. 12, Table 1) typology  
of consumer value encompasses four intrinsic (play, aes-


thetics (beauty), ethics, and spirituality) and four extrinsic  
types of value (efficiency, excellence, status, and esteem).

4.1. Worlds, values, and validity

Philosophical value theory makes distinctions important  
for the understanding of value, including subjective/ob-
jective values and relative/absolute values. Objective or  
absolute values – truth, beauty, and morality – are categori-
al and autonomous; that is, their existence is considered  
independent of someone recognizing them, believing into  
them, or (in Max Scheler’s emotivist approach) being able  
to feel them (value qualities). Subjective values draw on  
the factual conditions of life, from which life values, con-
ditioned values, or noncategorical values originate. Values  
in which a group or even all human beings believe are not  
necessarily categorical, however.

5 “Der Gattungswert der Güter (ist) zu einer allgemeineren dauernden  
Geltung fähig.” (“The generic value of the goods (is) capable of a  
more general lasting validity.”)

9 The book chapter from which this and the subsequent quote is  
taken is a revised version of Clark (1915).

10 “Werthärtungsfähigkeit menschlichen Lebens (Denkens, Wollens, Han-
dens usw.)” (Krijnen 2006, p. 548).
Rudolf Hermann Lotze (1817–1881) was one of the most influential German philosophers in the nineteenth century (Gabriel 1989; Lindsay 1876; Milkov 2017). He drew substantial distinctions and introduced important concepts into philosophy, including that of value. Lotze associated Kant’s epistemological idealism with the assumptions, methods, and results of the empirical sciences (Lindsay 1876; Surber 1999). Lotze habilitated in both medical science and philosophy and, influenced by Leibniz, Kant, and experimental psychologist Herbart, introduced the concept of value into philosophy (Milkov n.d.; Oldemeyer 1980; Schmidt and Schischkoff 1965). Lotze (1923; first English translation 1885) distinguishes a world of facts from a world of worth in his Mikrokosmos (published between 1856 and 1864). The world of worth is the origin of distinctions such as true/not true, beautiful/not beautiful, and good/bad.

In his logic (Lotze 1887) also introduces the concept of validity (Geltung) into philosophy. This analytical tool allowed him to distinguish between the mere being of things (Sein der Dinge) and the validity of values or meaning contents. Lotze (1887, p. 217 ff.) differentiates between the “reality (Wirklichkeit, author) which belongs to the Ideas and Laws and that which belongs to things, and calling the one Being or Existence and the other Validity (Geltung, author).” As mentioned previously, Lotze advocates Kant’s epistemological idealism. With the exception of, perhaps, some structural features, recognizing a world of facts does not mean that human beings can gain knowledge about it. Taking reference to values “adds” meaning to the being of things; it thus changes “being constructs” (Seinsgebilde) into “meaning constructs” (Sinngebilde) (Krijnen 2006).

That values are relatable to things, however, does not provide evidence for differences in validity (Geltungsdifferenzen) in concrete instances. In the two-valued logic, for example, a proposition’s truth-value is either true or not true (wrong). Unless a proposition is not assessed as being true or wrong for logical or definitional reasons (logical or analytical truth or falsity), empirical evidence affects the decision about its truth-value. More generally speaking, the mere existence of values, and their potentiality as a source of distinctions, must be separated from the validity (Geltung) of a judgment that asserts, for example, that some-

thing is good. To achieve this, procedures, processes, or acts are required (i.e., “valuing” or “value creation”).

Echeverri and Skålén (2011) distinguish between value creation and value destruction, the latter (former) being a negative (positive) result of valuing and expressed in a negative (positive) variable value. Ceteris paribus, thus, value creation always leads to value – in the sense of a variable value.

4.2. Valuing and appreciation

As Meynhardt (2009, p. 210) notes, “value is created by appreciation, appreciation is creation.” Examining the meaning of the word “appreciation” illuminates the diversity of valuing procedures. The respective entry in Webster’s Dictionary (1971) records two major directions of word use, one associated with very diverse processes or bases of valuation, cognitive judgment and sensual perception, and one associated with exchangeable value:

1a) Recognition through the senses esp. with delicacy of perception; 1b) estimation, judgment (of quality or character); specific: a written or spoken critical estimate esp. when favorable; 1c) expression of gratification or approval, or gratitude, or aesthetic satisfaction; and 1d) recognition of aesthetic values that is cultivated in students esp. through courses emphasizing enjoyment and discrimination rather than historical background and scholarly method. 2) increase of exchangeable value (as of money, goods, or property) – opposed to depreciation.

According to this definition, value creation is related to a variety of activities, processes, or procedures, which may or may not be intentional, cognitive, or sensual. Definition 1a emphasizes the role of sensory perception for valuing; however, it does not presuppose extreme sensualism, Adam Smith’s view that sensation is the only source of knowledge. If only sensory perception is considered relevant, an important aspect of the meaning of “subjective” in subjective value theories is discharged: the social embeddedness of the valuing subject. Definitions 1b, 1c, and 1d allow for activities of the mind, for practices, and for sociocultural impact, including values.

4.2.1. Sensualism

Sensualism and its opposite, rationalism, are approaches to knowledge. According to rationalism, the mind, and only the mind, is the origin of knowledge. (Popper’s critical rationalism is an attempt to reconcile both views.) An approach to valuing is an approach to knowledge, and it is important to acknowledge the difference between objects and subjects of knowledge and whether objects exist independently of the mind. According to objective economic value theory, the value of the (material) object is in the object, and the individual comprehends the object

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15 According to Guyer and Horstmann (2015, n. p.), Kant’s view can be considered formal or epistemological idealism that they characterize as follows: “although the existence of something independent of the mind is conceded, everything that we can know about this mind-independent ‘reality’ is held to be so permeated by the creative, formatice, or constructive activities of the mind (of some kind or other) that all claims to knowledge must be considered, in some sense, to be a form of self-knowledge.”

16 The first German edition of the third volume was published in 1874. The photomechanical copy of the 1928 edition published in 1989 is titled Logik. Drittes Buch. Vom Erkennen (Methodologie).
with his or her sensory organs. In Smith’s view, “objects produce satisfaction because of materiality” (Shapiro 1993, p. 64); they “are the sensational cause for valuing” (Shapiro 1993, p. 61), and “sensation is the primary source of value” (Shapiro 1993, p. 59). From the outer world, via the senses, the value flows into the subject’s body. The material object affects the subject independently of the situation and the subject’s will or intent. The “Smithian body or subject faces things alone, alone in the sense that there is no linguistic or cultural mediation between the person and the satisfaction of value” (Shapiro 1993, p. 64).

Individuals cannot share sensations. Individuals can, for example, express sensory perceptions in a sentence like “I have a blue sensation,” but without reference to objective standards (e.g., a color scale), this sensation cannot be communicated and thus cannot become part of value propositions. While it can be assumed that sensory experience plays a part in value creation, extreme sensualism does not grant the mind a role in valuing, and it does not set the stage to study the connection of subjective and objective factors (e.g., social structure). In particular, sensory perception cannot explain how value in society (Clark 1936 [1967]) or value in social context emerges. Conceptualizations of value creation, based on extreme sensualism, cannot accommodate dimensions of value related to sociohistoric and cultural aspects of the situation (Clarke 2010). In addition, through the lens of marketing studies, value creation can be a purposeful activity. Sensations, however, cannot be steered by individuals; rather, they are something that happens to them.

4.2.2. Phenomenology

As the previous subsection shows, the study of value and value creation is in need of framing with reference to epistemology and ontology. In this regard, it is not clear how phenomenological perspectives relate to the idea that value is accessible through experience. The comparison of S-D logic’s definition of “beneficiary” and its fourth axiom is telling: On the one hand, a beneficiary is “a focal actor that is experiencing value (positive or negative) in a particular context” (Glossar_b 2019, p.740; emphasis added). On the other hand, according to axiom #4 (the former foundational premise #10), “value is always uniquely and phenomenologically determined by the beneficiary” (Lusch and Vargo 2014; emphasis added). Is value something the individual experiences? That is, are individuals exposed to sensations that happen to them, or do they determine value based on distinctions resulting from the activity of the mind?

Max Scheler (1874–1928) adds emotions to the list of factors through which individuals can approach values. Scheler maintained Kant’s apriorism but substituted Kant’s rationalism for the emotional life (Joas 1999). Scheler holds the view that an objective world of values exists but rejected Kant’s ethical formalism in favor of a material value ethic (Scheler 1954 [1913/1916]). Scheler argues that individuals can feel value-ladenness and that the emotional life provides them access to a class of ideal objects (i.e. values). Scheler distinguished emotional states (in that human beings feel, e.g., pain or pleasure) from the intentional feeling of value qualities (Wertqualit{"a}t).

The first-person perspective, which gives rise to first-order theories, and the attention given to the context characterize phenomenological research: “Phenomenological research explores experiences from the participant’s (first person) perspective as it emerges in context” (Becker 2018, p. 469). The first-order perspective and the scholarly interest in first-order theories are constitutive for interpretative approaches in the social sciences. Scholarly second-order theories, including theories about (1) what individuals can experience, know, or value; (2) what value spheres individuals can refer to; and (3) what general subjective or objective values prevail in situations (Clarke 2010), complement the study of value creation and valuing.

4.2.3. First- and second-order theories

The sentence “x is valuable” means x has been assessed in light of a difference in validity (Geltungsdifferenz), and value creation establishes this validity. Value creation in the sense of appreciation involves reference to at least one value sphere and establishing a difference in the assessment of x as, for example, practical/nonpractical or beautiful/nonbeautiful. Marketing studies (a family of second-order theories) draws on the economic value category on a regular basis but has also referred to what is practical, beautiful, or sacred (Klein et al. 2017).

Second-order theories on value (co)creation address, inter alia, what individuals value, for what reason, and how. Frameworks encompassing the aforementioned distinctions (Chandra 2019; Haase 2015) are important components of value theories originating from the social sciences. Meynhardt (2009) uses the lens of psychology to analyze valuation processes; in particular, he regarded the idea of human needs as a fundamental reference point. He (2009, p. 201) proposes studying valuing based on psychology, or human driving forces, calling it basic needs theory, or “robust assumptions about ‘human nature.’” This means that value (Meynhardt discusses the creation of public value) is ultimately assessed on the basis of categories, which represent individuals’ psychological dimensions, in terms of needs theory the “felt discrepancies between an actual and desired psychological state that result in a motivation to act.” Discrepancy is a reason for taking action; the standards being in effect for judgments are rooted in second-order theories from which moral-ethical,
political-social, utilitarian-instrumental, and hedonistic-aesthetical values originate (Meynhardt 2009). Houston (1986) notes that scholars have equated the marketing concept with customer orientation, and the marketing literature refers to customers’ wants or needs identified by market research and satisfied by firms through their offers. In business-to-business marketing, service providers decide what the other party considers valuable based on knowledge and information resting on communications or interactions with the other party (Salomonsen et al. 2012). At the dyadic level of analysis, “co-creation” occurs when customers are involved in resource integration processes (Kleinaltenkamp et al. 2012) – what the German services marketing literature calls “customer integration.” Through the lens of philosophical value theory, “customer integration” means customers being involved in the creation of meaning constructs associated with value propositions. The parties engaged in service exchange develop value propositions, which are “co-developed understandings of potential value” (Glossar_c 2019, p. 740). The business models of each party reflect the respective beneficiary’s interest and ability to communicate with the other party. Value propositions, or shared models of the change aspired to, rest on not only the interactors’ first-order theories but also knowledge or ideas stemming from second-order theories and disseminated by, for example, marketing education.

4.3. Value in context, resources, and resource integration

In line with Clark’s concept of value in society, Drucker (1958, p. 253) holds the view that “marketing ... has its focus on ... the individual making decisions within a social structure and within a personal and social value system.” From the S-D lens, value is “simultaneously an individual and collective phenomenon” (Meynhardt et al. 2016, p. 2981). It is a consequence of the social embeddedness of value creation that “the micro individual level of value is not isolated from a macro collective level of value” (Meynhardt et al. 2016, p. 2982; emphasis in original): “Desires, needs, and evaluative efforts are not independent from the service ecosystem in which they occur” (Meynhardt et al. 2016, p. 2983).

In addition, valuing takes place in contexts (Löbler and Hahn 2013) or situations (Clarke 2010). Philosophical value theory distinguishes between individual and general subjective values and objective values. General subjective values are shared among members of a group or community (not necessarily all members). The process of valuation “occurs within particular relationships and social contexts” (Meynhardt et al. 2016, p. 2983).

In this way, value is a social (value in society) and a contextual phenomenon (value in context); and “at the center of resource integration and creation process are humans (people), not merely acting as individuals but as social and cultural actors” (Lusch et al. 2016, p. 2961). This view is in accord with one major aspect of the understanding of “subjective” in subjective economic value theories – namely, correcting the misunderstanding that “subjective” is the opposite of “social.”

Both resource integration processes and their consequences can be the subject of valuations. Without acts, procedures, or processes of valuation, no change of meaning will occur, and, from the perspective of the respective valuators, nothing will be considered valuable. The concept of value does not establish a class of entities that exists independently of valuations. Value is not the immediate result of resource integration activities, but of valuations, and meaning constructs are both their subject and result. A resource is conceivable as a meaning construct (Sinngebilde), a valued entity, as depicted in Fig. 1.

Being constructs (Sinngebilde), or mere facts devoid of any meaning, do not exist in social reality. The differentiation of worlds as an analytical tool has no correspondence in social reality. Not all meaning constructs are resources, and meaning differences do not rest solely on values. Theoretical language or semantics informs the creation or change of meaning constructs as well. Semantics makes it possible to speak about, for example, “sustainable, long-term economic value” (Ostrom et al. 2010, p. 27) or discounted cash flow. In itself, the discounted cash flow is not a value (Meynhardt 2009) but a meaning construct.

5. Value theory, marketing theory, and social order

Value cocreation presumes actor-actor interactions at various levels of analysis, including the dyad, the action field, and the service ecosystem. Lusch et al. (2016, p. 2957) connect the “narrative of S-D logic” with value cocreation: “Value co-creation occurs through (social and economic) actors, involved in resource integration and service exchange, enabled and constrained by institutions and institutional arrangements, establishing nested and interlocking service ecosystems of value co-creation, which serve as the context for future value co-creation activities.”

![Fig. 1: Valuation and meaning constructs](image-url)
From the S-D logic perspective, the exchange of service for service is the major structuring principle underlying value cocreation at all levels of analysis. This applies to both economy and society: “S-D logic offers a map of the basics of all economies and societies” (Lusch et al. 2016, p. 2960). From a neoclassical economics perspective, price signals coordinate market activities, thus giving rise to parametric interaction (Johansen 1981) of market participants. While market actors cannot influence prices in competitive markets, value propositions are an expression of the working visible hands, or a means for the coordination of communication between co-creators of value. Value propositions inform parties about the kind of resource the other is interested in and, with it, what skills and competences as well as other resources these resource integrations presuppose.

Although neoclassical economics solved the old problem of reconciling value in use and value in exchange, it led to the erosion of value theory in economics (Riese 1973). Marketing studies’ rejection of the neoclassical solution to the problem of disconnectedness of value in use and value in exchange has reopened an old economic wound. The S-D logic has related marketing-specific subjects of value cocreation (e.g., resources, resource use processes) to subjective sources of assessment. In contrast to neoclassical economics, S-D logic does not use the concept of diminishing marginal utility to represent value in use; rather, it fills the voids resulting from marginalist models using its own framework of analysis.

Despite its criticisms of neoclassical economics, S-D logic is held captive by some neoclassical ideas. As Riese (1973, p. 465 f.) points out, even the harshest critics of neoclassical economics have accepted the neoclassical definition of “economic action” (Wirtschaften) as being devoted to the satisfaction to human needs. Against this backdrop, marketing studies should reevaluate the focus it gives to human needs in their approaches to study value and valuations. In Riese’s (1973) view, however, value theory cannot collapse into decision or action theory: He pleads for a revision of the neoclassical concept of economic action in his final analysis.13 Value theory rests on “fundamental” economic principles that exemplify specific stages of sociohistorical development. In this light, the discussion of value-related concepts in S-D logic is in line with attempts to reconcile subjective and objective perspectives, individual and general perspectives, and contextual or local meanings with abstract or nonlocal meanings of concepts (Lusch 2017; Lusch et al. 2016; Meynhardt et al. 2016).

6. Conclusions

Philosophical value theory enhances the understanding of value, value creation, and value cocreation in marketing studies for several reasons: First, it makes analytic distinctions between entities, which can then refer to each other. Most importantly, it makes a fundamental distinction between the world of facts and the world of worth, which is the origin of meaning constructs emerging from valuations. Meaningless “being” constructs (Seinsgebilde), unaffected by values, do not exist in social reality. Humans are concerned with meaning constructs.

Second, valuing establishes or changes meaning constructs (Sinngebilde). Second-order theories investigate the role played by cognitive, emotional, or sensual factors in valuation processes. Without mental activity, there is no value. As Meynhardt (2009, p. 211) has put it, “If a value is not in people’s minds, it is not real.” This use of the word “real,” however, needs clarification; it is not (in Lotze’s words) the reality of beings in the world of facts but the validity of values or standards.

Third, valuation is conceivable as a social mechanism that relates axiological value spheres, extended by value categories considered important in disciplines other than axiology (e.g., marketing studies, economics) to life worlds or first-order theories, respectively, and the worlds of theory. Marketing studies influence the norms, principles, and standards, to which actors can refer in value propositions. Both topics are of interest for an empirical social-scientific marketing theory.

Fourth, the interaction between individual-subjective values and general-subjective values is essential for contextual analyses and the multiple levels of value creation. Subjective minds recognize values that can run through a process of objectivation or decontextualization, that is, become independent of concrete minds.14 While valued entities (meaning constructs) can disappear, the values referred to throughout the process of valuation can continue to exist as objective mental phenomena in social reality, which may give rise to patterns (Frow and Payne 2019). A just social state, for example, can disappear, but the standard (justice) remains. Social orders include value orders that may turn out as common ground for Clark’s value in society and S-D logic’s value in context. While life values or conditioned values are present in communities or societies on a regular basis, objective-categorical values may affect individual or organizational action as well.

13 “Gewisse Anzeichen deuten an, daß die Herrschaft der neoklassischen Werttheorie ihrem Ende zugute. So läßt sich beispielsweise die spätkapitalistische Konsumgesellschaft immer weniger vom Bedürfnisbegriff her fassen. Eine erneute Revision des Begriffes des Wirtschaftens wird notwendig.” (“Certain signs indicate that the reign of neoclassical value theory is coming to an end. For example, the late capitalist consumer society can be grasped less and less from the concept of need. A renewed revision of the concept of doing business becomes necessary”; Riese 1973, p. 466; emphasis in original).

14 For Meynhardt (2009, p. 199), this process of objectivation stops at the group level. It is always “bound to subjects” and, thus, to concrete contexts.
Fifth, value creation is appreciation and “value cocreation” designates the cooperation or interaction of actors within dyads, networks, or systems. In the context of this paper’s analysis, value creation and value cocreation are completely different things; that is, value cocreation is not value creation conducted in cooperation. Both value creation and value cocreation take place within value orders, and, as such, they are components of value theory in marketing studies.

Finally, this paper identified components of value theory in marketing studies: (1) value spheres; (2) standards, norms, and principles; (3) valuation; (4) cocreation frameworks addressing, inter alia, *who, for what reason, and with whom* value cocreation takes place; (5) multilevel analyses of value in (and to) society and value in context; and (6) taking a critical stance regarding the values or value categories established and furthered by marketing studies (e.g., via marketing education).

7. Limitations/Further research

An exhaustive discussion of the components of value cocreation frameworks and their mutual relations is impossible within the limits of this paper. Similarly, a complete discussion of potential frameworks for the integration of social-scientific and philosophical knowledge is beyond the scope of this paper. Holbrook (1999) presents an amendment of axiological value spheres (categories) by economic and other values. Services marketing has already paired efficiency with effectiveness. Analyses of what constitutes economic value in comparison with other values (e.g., social value, ecological value) are still developing. Other important questions remain; for example, Where do values come from? and Why do individuals hold values at all (Joas 1999)?

Regarding valuing, the paper establishes the need to delve into the different approaches to phenomenology. Currently, S-D logic’s axiom #4 is under-interpreted. Diemer (1958) points out that the mere notion “phenomenon” can have contrary meanings, depending on whether one conceives of a phenomenon as *everything there is* or as an appearance of underlying spirit or reason. The first view (radically anti-metaphysical view) is related to radical empiricism or positivism (exemplified, e.g., in Ernst Mach’s sensualism), the second manifests in Hegel’s idealism or Heidegger’s existentialism. Thus, “phenomenology” is the name of a very diverse field of philosophical inquiry. Using this name explains nothing; rather, it is a starting point waiting for further investigations.

Joas (1999) bemoans the loss of a common language concerning the values that give orientation to human action. The study of marketing is, in some sense, a language engaged in discourses about value in and to society. This is highlighted in how scholars communicate economic principles or participate in societal sustainability or corporate social responsibility discourses. Service-oriented approaches have a long tradition in researching effectiveness in addition to efficiency (Vargo and Lusch 2014). A value-oriented language addressing the range of value spheres beyond the economic has yet to develop; business case language should not be confused with that. However, the S-D logic seems to be a quite multilingual project. How does system-theoretical language, as expressed in the definition of the concept of value (Glossar, 2019), relate to other languages used to the study of value and value (co)creation at various levels of analysis and their interactions? Finally, the paper is optimistic that using the lens of philosophical value theory can establish common ground for and understanding of the important concepts of value and values in contemporary marketing studies.

References


Haase, Considering Value-related Concepts in Service-oriented Approaches to Marketing Studies


**Keywords**

Philosophical and Economic Value Theory, Idealism, Kant, Lotze, S-D Logic, Social Order