

**Investing in Resources to Create
Customer Value:
The Organisational, Strategic and
Performance Implications**

Thesis submitted for Doctor of Philosophy

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ABSTRACT

This qualitative, case-based study examined how managers conceptualise customer value and translate customer learning into customer value creating processes. The study considered a sample of high and low performing firms operating in non-dynamic and dynamic market environments to investigate market and firm-level effects. It was found regardless of whether a firm operates in a non-dynamic or dynamic market environment, managers approach customer value as a time dependent and tri-dimensionally construct. In order to operationalise customer value, managers need to constantly consider:

1. The attributes or benefits that are embedded in or customers can associate with the firm's products and services,
2. The consequences achieved by customers when using or being provided with the firm's products and services, and
3. The goals and purposes which are achieved by customers after they use or received the firm's products and services.

In other words, in order to create optimal levels of customer value, managers must be able to map the configuration of activities that need to be undertaken at the firm to the configuration of commercial and assurance-based benefits customers want to have delivered to them through the firm's products and services at different points in time. They must then be able to map these activities and benefits to the combination of resources that can realise them. This includes the combination of dynamic capabilities

which the firm uses to develop products and services that can help customers cope with change and have their idiosyncratic problems addressed.

However, it was found that firms that operate in dynamic market environments tend to invest in and develop more structured and ordered approaches to customer learning than the firms that operate in non-dynamic market environments. They also rely more on bottom-up/top down decision-making processes to develop the firm's customer value delivery strategy than firms that operate in non-dynamic market environments. Firms that operate in non-dynamic market environments tend to use top-down decision-making processes and are more likely to lever off their strategic planning processes to develop their customer value delivery strategy than firms that operate in dynamic market environments.

Consistent with these findings and the RBV literature, it was found that the high performing firms were better at creating value for their target customers across three customer value dimensions. Their managers were also better at identifying when it was in everyone's best interests to differentiate between customer groups, and integrate and link critical customer learning and decision-making processes. This includes processes that promote strategic and operational forms of customer learning, and continual customer value learning and performance tracking.

In summary, the study demonstrated that heterogeneous firm performance can be explained by the way managers at different firms are able to conceptualise customer value, how they develop their customer value delivery strategies, and their differing abilities to integrate key customer value learning and decision-making processes. Moreover, it demonstrated that a firm is more likely to sustain a competitive advantage and be persistently high performing if it develops a core customer value learning and customer value delivery competency.

DECLARATION

This work contains no material which has been accepted for the award of any other degree of diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan or photocopying, subject to the provisions of the Copyright Act 1968.

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