VOLUME 10, ISSUE 1, 2015

ISSN 2045-3345

ISSN 2045-3345

RESEARCH JOURNAL OF ECONOMICS, BUSINESS AND ICT

RESEARCH JOURNAL OF ECONOMICS, BUSINESS AND ICT

MARKETING STRATEGY FOR DEMOCRATIZING VALUE CREATION

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ABSTRACT

Purpose: This article analyzes the role that marketing has played as a vanguard in initiating the democratization of value creation. In other words the article explains the how marketing strategists propose the value creation concept as a means of integrating the interests of shareholders, the workforce, and that of the stakeholders. Thus, this article claims that the marketing-oriented perspective on value creation proposes a re-conceptualization of the value in use and value in exchange theories, conceptions of the social responsibility of organizations, strategies for increasing social capital, and conceptions of the nature of the agora (initiating a resurgence of the classical notion that the marketplace is a forum for generating social and economic value).

Problem: The literature on value creation has been inadequate in providing a comprehensive explanation of how the value creation concept can be applied in a way that resolves the dichotomy between shareholder value and stakeholder value which is, as well, a reflection of the dichotomy between economic and social value theory. By explaining how the application of the concept (as a business strategy and/or business model) integrates the value-added, the value creation, and the co-creation of value concepts the article indicates how the value creation concept is a multi-dimensional strategy for satisfying all stakeholders.

Design: This article uses the Structuration model of social formation as the theoretical basis for explaining the value creation concept as an integration of the value in exchange (firm-centric) and value in use (customer-centric) perspectives on value theory. An exploratory study is used as a method for analyzing the social-economic impact of the marketing value creation concept (using Sweden - frontrunner in innovation generation and the home of pioneering literature in value creation - as a context for analysis).

Results: The democratization of the value creation concept portrays the market as a public platform where individuals interact to co-create the means for maximizing the satisfaction of material and higher order needs. Because culture itself is increasingly mediated by integrated global commercial networks (which include the impact of commercial media on culture) marketing specialists have undertaken the social responsibility of promoting a Structuration type structure-agent interaction as the means of co-creating social-economic reality.

Conclusions: Marketing has evolved from concentrating on selling concrete products to becoming a relational process for the construction of social reality. Marketing is an aspect of the infrastructure of society that facilitates value (benefit) being determined in the process of co-creation (i.e. shared notions of well-being, meaning, sustainability, survivability, and common goals for maximizing material satisfaction) which the marketing specialists believe is the key to holding social units together (including economic units).

JEL CLASSIFICATION & KEYWORDS

■ A13 ■ PERFORMATIVITY ■ DEMOCRATIZATION ■ THE AGORA ■ INFRASTRUCTURE ■ TRANSVECTION ■ INTRINSIC

INTRODUCTION

"A New Economy with No New Economics! (i.e. there was never a new economics to go along with the new economy" (Varian, 2002).

The technological age has brought about a shift in the industrial paradigm away from an internal, assembly-line, production-based approach to organizational operations with the external focus merely centered on selling what the company produced toward one where the external domain (e.g. the realm of the market and that of the stakeholder as a partner in value creation) becomes as essential to company success as internal operations. The increased significance placed on external capital accompanies the conviction that the added value that the shareholders desire, the value creation and knowledge generating dynamics that is desired by management, and the satisfaction of both material and higher order values desired by customers demand a market orientated approach to improving organizational and economic performance. The early marketing pioneers of the value creation concept recognized that there was an emerging transformation in the way organizational activity was conceived that was demanding value management. They realized that the emergence of electronic communications, telecommunications, and the knowledge-based economy were initiating a shift toward emphasizing value creation, value congruence, the core values of organizations (especially as they relate to the organization's mission and vision), an emphasis on customer satisfaction, and a shift from marketing being the domain of the sales department to marketing encompassing a domain that permeates all aspects of internal and external operations (e.g. especially in terms of engaging with the general society as a part of the effort to effectively manage external capital). It was in this sense that early marketing pioneers began to conceive of marketing as a pervasive social activity whose aim is to create satisfaction and sustained positive interaction with individual customers and the general public (Kolter & Levy 1969, p. 10 & 12).

From the perspective of marketing strategies for the technological age value has two essential components: it can be perceived as the quality that a product or service has for satisfying the mind, heart, and spirit of stakeholders and the second component conceives of value as a quality of a relationship which is the basis of how value is produced. Thus, marketing specialists understood that increasing the value added dynamic demands internal and external relationship management (Kotler, Kartajaya, & Setiawan, 2010, p. 39-66). In short, throughout the second half of the

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last century and on into the first decade and a half of the 21st century marketing has had a profound revolutionary impact on theoretical conceptions for creating social-economic value which is tantamount to re-conceptualizing value theory. This article analyzes the vanguard role that marketing plays in the re-conceptualization of the value concept by proposing that the value creation concept is a means for satisfying individual interests, for accomplishing the mission of organizations, and for improving society as a whole. This article explains the insight that marketing demonstrated by envisioning value creation as "The future of the evolving economy, the evolution of value through individuated experiences, and a small step forward that can lead to a paradigmatic leap in economic thinking" (Chakrabarti & Ramaswamy, 2013, p. 3). In fact the new value concept proposed by marketing is a strategy for democratizing value creation and, in addition, as David Lichtenthal and David Wilson argue, the concept affirms Adam Smith's notion of a free market where a providential force prompts value creations that are beneficial for individuals and for the general society (Lichtenthal & Wilson, 1992, p. 191-207).

Britain's Prime Minister David Cameron describes the democratization of value creation as "A huge cultural change where people feel both free and powerful enough to help themselves and their own communities by unleashing community engagement so that decisions [are made by] people. It's about liberation - the biggest, most dramatic redistribution of power [and] it's about empowering [people so that they will be] in charge of their own destiny" (Cameron, 2010, p. 1-3). British society has initiated the co-creation of value concept with the anticipation that it will promote an interaction between the structure (the government) and the collective public body (agents) that will result in the government (policy-makers) and the market (business leaders and economists) collaborating with the public to collectively co-create The Big Society (Carmeron, 2010, p. 1-3; Clegg, Carter, Kornberger,& Schweitzer, 2011, p. 150).

However, the point is that Britain's social marketing projects (otherwise also referred to as The Good Society, One Nation, and People Powered Services) reflect various government parties of the British society who all propose that the co-creation of value concept integrates the forces of government, commerce, and the civil society: (1) by networking which is made possible by advances in information communication technology, (2) by employing a marketing approach to social-economic development, and (3) with Structuration as a model for social interaction (Lees-Marshment & Pettitt, 2010, p. 115- 125; Kippin & Lucas, 2010, p. 3-13; Finn, 2011, p. 138).

This article uses the Structuration model of social formation as the theoretical basis for explaining the value creation concept which is emerging as a dominant feature in recent marketing theory, research, and literature. The value creation concept is an integration of the value in exchange (firm-centric) and value in use (customer-centric) perspectives on value. This article also explains the value creation concept as a means of reconciling what had heretofore been a dichotomy between social value theory and economic value theory by explaining the role that the concept plays in the democratization of value creation (Edvardsson & Tronvoll, 2013, p. 20-24). The democratization of value creation is defined as individuals interacting within a social network to decide what values shape their social-economic reality (Edvardsson & Tronvoll, 2013, p. 20), is a profound decentralization of the forces that shape the impressions the public have regarding the popular trends that establish value preferences (Ramaswamy & Gouillar, 2010, p. 7), and is a social network forum in which agents interact to co-create the values they believe will satisfy their material and higher order interests plus, in addition, the socially contracted values that shape their existing social reality (Vargo, & Adaka, 2012, p. 213-215).

Marketing acts as an interdisciplinary discipline that intersects with media, organizational behavior, the social sciences, and political economics (thus increasingly political marketing). In this respect the scope of marketing has evolved to the point of having an interface with organizational theory, economics, the media, telecommunications, art, and social theory. Thus, analysts stress the need for new theoretical and methodological frameworks for researching marketing (i.e. for studies regarding the multi-stakeholder framework or, in other words, the value connection between the shareholder, the workforce, and the general society; for a new theoretical explanation of the connection between rational choice and humanity's pursuit of higher order values (the connection between rational calculations and value choices plus the role of knowledge generation in value creation; thus the interface between marketing value theory and economic value theory (Grandori, 2013, p. 3 & 9-17).

This article explains the factors connected with how marketing rose to become a mediator for the value pursuits of the public and the market. Furthermore, the article addresses the question of how marketing came to take charge of the organization's social responsibility, the role of marketing in sparking social entrepreneurial activity and social learning, and for social innovation (e.g. increasing social capital). Finally, there are two questions that are important to putting the marketing value concept into perspective. The first is how does the interface between the value theory espoused by both marketing and social value theory influence economic value theory and economic performance. Secondly, there is a question concerning how/why marketing has come to vanguard organizational notions of social responsibility, social entrepreneurial dynamics, and for social innovation (and again how this impacts economic performance). The following section explains the theoretical framework underlying the rise of marketing as a mediator between the value pursuits of the market and the public (also pointing out its implications for organizational performance). Section three is an exploratory study that analyzes the social-economic impact of marketing and how the value creation concept began to take a lead-role in social responsibility (using Sweden - frontrunner in innovation generation and the home of pioneering literature in value creation - as a context for analysis). The final section suggests the implications for future research and the contribution to science.

Marketing Mediates Market and Public Value Pursuits

"Companies that make steady gains in mind share and heart share will inevitably make gains in market share and profitability" (Kotler, Keller, Brady, Goodman, & Hansen, 2009, p. 311).

"Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (American Marketing Association, 2004).

As implied earlier in this article the concept of marketing dates back to the classical Greek "fountainhead" of Western

Civilization's intellectual heritage to the model of the agora. That is to say that the foundational principles of Western Civilization's social economic theory stem from the notion that the market (agora) is a cite where politike koinonia (civil society) engages in social interactions, commercial exchange, and deliberation regarding good governance (by means of persuasive rhetoric) as part of the endeavor to achieve politeia (the good life/society) (Powell, 2007, p. 35). In other words the founding principles upon which the Western conception of political economy, management (Aristotle, 1959; 2004), and democracy (Raaflaub, Ober,& Wallace, 2008) are based prescribe creating wealth by means of a process for co-creating value that is mediated by market forces and takes place in collaboration with the public in a public arena (social forum).

In fact the classical concept of value theory (established as an essential aspect of early Greek social- economic and management principles) continued to be the primary view on creating societal and economic value up to the era of classical economics, was clearly an influence on Adam Smith's value theory, and continues to be fundamental to the contemporary value creation concept (Aristotle, 1959, p. 9-13, [I. 1: 8-30]; Smith, 2007, p. 18; & Vargo, Maglio, & Adaka, 2008, p. 146-147). Adam Smith instituted classical economics with his claim that the wealth of a nation (e.g. societal flourishing, prosperity, satisfaction of individual interests, and achieving the common good) is generated by means of social-economic networks where individuals from diverse stations in the society - based on their freedom of association - add value to the value chain, increase knowledge, and generate innovations (Smith, 2007, p. 6-8). That is to say that Smith - in accordance with his understanding of pre-classical economic philosophy - introduced into classical economic theory the notion that satisfying intrinsic value needs, the development of one's inner self (morally and intellectually), plus individual and social flourishing, and wealth generation all "Have a social and external aspect, or rather a democratic sociopolitical locus and [that] our personal development and human flourishing require the dialogue at the agora of the polis" (Tassopoulos, 2014, p. 124).

Smith acknowledged that there is a wealth producing potential that naturally occurs when market forces operate on the basis of freedom of association and exchange. Smith proposed that providential forces work in a way that can only be described as an invisible hand - a natural force - that benefits both the interests of individuals and that of the general public when agents are allowed to freely interact in pursuit of their material and higher order interests (Howell & Pearce, 2001, p. 63-69). The genius of Smith lies in the fact that he conceived of a way in which the dynamics that occur as a result of public interactions, communications, and exchange creates "the market place of ideas" which generates outcomes that are in the best interest of individuals while, at the same time, increases what is most beneficial for society (Voltmer, 2013, p. 23-50). Thus, Smith envisioned the market as a center for interactive public engagement that results in social dynamics that would reduce the problem of heteronomy (natural, social-psychological, and/or political-economic forces directing one's actions) plus he conceived of a way of resolving the tension between self-interest and moral sentiments.

However, the question remains - which this section of the article addresses - what is the theoretical framework that social marketing specialists draw from to shape Western Civilization's social- economic principles into a social force that plays a dominate role in both reconciling and mediating the market and public's notions of value? This section of the article addresses this point by explaining the development of the theoretical framework for the marketing value creation concept; the theoretical connection between the value creation concept, organizational performance, and economic performance; plus how marketing has established a theoretical means for satisfying shareholder profit interests in a way that is compatible with stakeholder interests thus in a way that reflects social responsibility. In addition, this section explains the connection between the ancient agora (as a model for market activity and value creation) and the development of the theoretical framework upon which contemporary marketing emerged as a force to reconcile social value and economic value theory.

Marketing specialist Philip Kotler defines marketing as that aspect of organizational and economic activity that mediates the relationship between human needs and the available market resources for satisfying those needs (Kotler, 2003, p. 1). Kotler explains that "Marketing has evolved through three stages: in the first stage, marketing was transaction oriented, focused on how to make a sale; in the second stage, marketing became relationship oriented; in the third stage, marketing has shifted to inviting costumers to participate in the company development of products and communications" (Kotleret al., 2010, p. 3, 6& 11). In short Kotler describes the development of contemporary marketing practices as progressing through three periods: firm and product centric marketing, consumer-oriented marketing, and value-driven marketing (Kotler et al., 2010, p. 9).

The concepts upon which these practices are based reflect a compilation of a wide range of disciplines and theoretical perspectives that include theories on organizational behavior, theories on consumer behavior and consumer choice, insights from social psychology and behavioral psychology, from the theoretical framework that grounds economic philosophy, influences from neuro psychology (e.g. neuro psychological in regards to research concerning what are the individual's deepest longings, desires, and below conscious impulses which neuro marketing specialists believe are, in effect, powerful subliminal triggers that motivate human behavior), plus there is a significant aspect of the field that is based on aesthetics, creativity, communication theory, and media communications.

That is to say that, on the one hand, marketing specialists draw from a comprehensive frame of reference for the construction of the concepts and principles that make-up the scientific framework for explaining and predicting the aspects of human behavior that have to do with market exchange (Saren, 2010, p. 26-29). On the other hand, because of its interdisciplinary scope the field of marketing has been subject to paradigm debates that range from the role of the market in the social sciences; ethical concerns regarding the use of persuasion and/or propaganda and the ethical implications regarding marketing as a strategy for manipulation; epistemological truth and the significance of reliable information for effective market functioning; plus the connection between shareholder interests, those of the stakeholders, and social responsibility.

The first era of marketing was influenced by the work of the Wroe Alderson who stands out as out as one of the founders of the early 20th century functionalist approach to marketing. Alderson's theory of marketing was based on the interdisciplinary knowledge compiled from the various social sciences, business, economics, and philosophy - which includes ancient Greek value theory (Dixon, 1990, p. 337-338). Although he was influenced by the industrial age

notion that increasing wealth is connected with increased production, accumulation, and consumption he also believed that marketing is a discipline that facilitates the "Meet[ing of] buyers and sellers in market transactions, each side having tentatively identified the other as the answer to its problem" (Alderson,1957; 2001, p. 42). Alderson highlighted the value concept in his theory by stressing that transvection (the process by which an end product is placed in the possession of a client) increases the value-added to the company which means that the company's performance is improved.

The first era of marketing was also influenced by Behaviorism Psychology's approach to human motivation and Frederick Taylor's introduction of scientific management (both of which dominated organizational theory during the first half of the 20th century). Taylor's notion of motivation coincided with Behaviorism's assumption that increased production could occur by increasing worker incentives or the manager could use threats and punishment to prevent undesired behavior. Early approaches to advertising were based on the notion that consumer choice is moldable (e.g. that people are determined to respond in a predictable way given the right stimulus). Thus, with the rise of mass communications ads were beginning to be strategies for shaping what is now called "the consumer culture" by mass producing marketing appeals that would stimulate mass consumption in a way that complemented the early 20th century organizational assumptions about mass production, the motivation underlying human actions, plus assumptions about social psychology, economic performance, and wealth production. "Advertising would become the centerpiece of a program to sell not only products but also a new way of life in which consumption erased differences and buying became the equivalent of a form of commitment to the democratic process" (Croteau & Hoynes, 2014, p. 180).

The second era of marketing occurred with paradigm changes in organizational theory in regards to human motivation (with Humanistic and Positive Psychology emerging to dominate during the second half of the 20th century), with the decline of the Taylorism hierarchy and control approach to organizational leadership, and with the rise of Peter Drucker's notion of the knowledge-based economy, the knowledge worker, and a market oriented approach to improving organizational and economic performance (which demanded adding the value creation aspect of value theory to its value-added counterpart) (Bontis, 1999, p. 436-437). The second era of marketing was based on the declaration that "Marketing is not the art of finding clever ways to dispose of what you make, it is the art of creating genuine customer value. It is the art of helping your customers become better off. The marketing watchwards are quality service and value" (Kotler, 2003, p. xii). Thus, marketing took a turn toward embracing social responsibility which was also manifest in terms of devising a theoretical strategy for generating improved organizational and economic performance in a way that creates better value outcomes for the overall society (Kotler & Levy, 1969, p. 10-15; Andreasen, 2002, p. 3-13).

The influence that prompted marketing specialists to take social responsibility as one of the core aspects of their task is connected with the extent to which there is a multidisciplinary scope to the practice of marketing. As the impact of Humanistic Psychology on organizational behavior began to heighten there was also a corresponding Humanistic influence on the practice of marketing (Kotler, 1987, p. 269-283). However, in addition there is the fact that the Humanistic influence in marketing was also connected with the way in which German Idealism influenced notions of the democratization of value creation (i.e. notions of a participatory liberal democracy that is constituted on the basis of an engaged civil society) that was expressed in scholastic works dealing with aesthetics/art, social criticism/critical marketing, communication theory, semiotics (signs), and social psychology (Fine, 1981, p. v & 193-194; Mick & Oswald, 2006, p. 31-43; Lévi-Strauss, 1963, p. 297).

The Humanistic Psychology impact on organizational behavior, on the theory and practice of marketing, and on the social sciences, thus on society as a whole prompted marketing specialists to have an identity change (which means they no longer merely saw themselves as salespersons nor as just scientists but there was an increased appreciation for the artistic and aesthetic sides of the profession). It was the artistic and aesthetic aspects of the identity that compelled marketing specialists to acknowledge "That marketing organizations design, produce, and promote the material, manifestations of culture and endeavor increasingly to influence the beliefs and attitudes, if not the values of the intended customers" (Martin & Schouten, 2014, p. 241). In this respect critical marketing strategists (e.g. marketing theorists who were concerned about social and cultural theory plus marketing's role in reconciling the power difference between the established elite and the general public) discerned a means for resolving a long-standing dichotomy in Western social theory that stems back to Immanuel Kant's attempt to rectify the shortcomings in Western society that inhibited the realization of the Enlightenment ideals. Marketing specialists believe that the creative and aesthetic aspects of their profession are expressed best when they promote a balance between the material value endeavors that dominate economic value theory (based on utility driven, quantitative, rational calculations) and the substantive value rationality that reflects what is considered to be of intrinsic and ultimate value (Weber, 1963, p. 85; Veblen, 2005, p. 64). Thus, to project a balance, to best portray the interdisciplinary input into its methodology, and to highlight a balance between science and aesthetics contemporary marketing specialists were convinced that marketing's theoretical strategy must reflect a balance between economic value theory and social value theory.

Marketing specialists realized that the established view of positive economics as standing distinct from other social sciences and the positivist economic assumption that it is the exclusive monarch over the social sciences hinders the attempt to reconcile the dichotomy between economic value theory and social value theory. If marketing is to balance its own scientific endeavors with its aesthetic and artistic endeavors its value theory must reflect a balance between positive economics (with its scientific rigor) and the normative aspects of economics (Weber, 1963, p. 22-26; Dirksmeier, 2014, p. 61-62). Thus, marketing offered an alternative perspective on the relationship between the market and the general public by proposing Structuration as a strategy for satisfying the interests of shareholders and the stakeholders (e.g. by means of the co-creation of value concept).

A primary feature of the contemporary value theory is that role designations become less pertinent as all social agents engaged in exchange play a part in integrating social-economic resources in the endeavor to co-create value. "We argue that these complimentary, reciprocal, generic roles of resource integration and service provision transcend the 'producer–consumer' divide or, more specifically render it meaningless. In this sense the market exists because we rely on one another, for mutual well being" (Vargo & Lusch,

2011, p. 181 & 184). Thus, the marketing value creation concept is a theoretical depiction of the reason we have interactions in society. In this respect the value creation concept challenges the established view of a differentiation between what is best value-wise for the company (and/or the economy) and what is best value-wise for individuals. That is to say that, "The concept of shared value, in contrast, recognizes that societal needs, not just conventional economic needs, define markets" (Porter & Kramer, 2011, p. 1-4). In fact contemporary marketing specialists began to accept the theoretical claim of social scientists who assert that organizations, institutions, and the economy are all embedded within a system that in liberal democracies is co-constructed on the basis of interaction between the structure and individual agents (Giddens, 1984, p. 26; Parsons, 1991, p. 3-4). Thus, the proponents of the marketing value theory claimed that if value creation was thought of in terms of the early Greek agora market model then exchange would not be a matter of "give and take" but the market would be a center where people interact to co-create mutually satisfactory and beneficial outcomes (Ramaswamy, 2011, p. 196).

Putting the marketing value concept to the test

This article claims that marketing strategists have initiated a means for co-creating value in a way that satisfies the value interests of individuals, is profitable for knowledge-based organizations, plus enhances the innovation and entrepreneurial activity of economies, thus improves economic performance. This claim is based on the proposition that organizations are embedded in economic systems thus any theoretical strategy proven to enhance the performance of the organizations in the system is tantamount to being a strategy for improving the performance of the overall economy. Thus, the value creation concept promoted by marketing strategists concurs with the systems theory perspective on social-economic activity in that they both assert that the economy is embedded in the overall social system and all aspects of the system are interactive networks for integrating all social resources for the benefit of other segments of the system (Vargo & Lusch, 2011, p. 184).

The question this section of the article addresses is how is the claim regarding the multi-dimensional and multi-level effectiveness of the value creation concept tested? The assumption is that by doing an exploratory study of the strategies Sweden uses to apply the value creation concept the factors that make it effective as a business strategy and model will become evident. Sweden is chosen as a model for demonstrating the desired results because Sweden continuously scores first place on the European

Innovation Scoreboard, has a highly respected standard of living, balances technological and economic development with environmentalism, and is noted for defining flourishing in Holistic terms. Sweden is also chosen because its position in innovation performance is connected with effectively applying the value creation concept in both private and public organizations as well as devising performance measurement devices in order to identify the indicators that are important for improving performance in multi dimensions: e.g. for structuring multi-level incentives for more effective value management, for developing performance measures that indicate how the stock market value of an organization is increased by accounting for value intangibles, for developing indicators for how to effectively manage human resources and increase relational capital, for increasing stakeholder capital, plus for effectively integrating market and economic resources.

Sweden is recognized as a social-economic system that employs an interactive and integrative strategy for co-creating value (which includes generating innovative knowledge, improving social relationships, enriching cultural life, enhancing the eco-aesthetic dimensions of culture, and improving the competencies of the members of the society) (Swedish Innovation Strategy, 2012, p. 9-11 & 30-51; European Cultural Parliament, 2006, p. 7 & 10). In this respect to gain insight into how Sweden enhances individual, organizational, economic, and social performance one must analyze how Sweden implements its society-wide strategy for marketing the value creating concept. An examination of Sweden's pioneering role in promoting the value creation concept reveals that Sweden employs a multi-dimension and multi-level strategy for improving performance that has resulted in being ranked first in the nations that implement policy drivers for improving business and economic activity plus Sweden provides guidelines for integrating environmental and social performance into investment processes (Semenova, Hassel, & Nilsson, 2010, p. 266 & 273). Thus, the Swedish model suggest that four levels of the value creation concept must be operable for the concept to have a society-wide impact:

1. "Value creation depends on the relative amount of value that is subjectively realized by a target user (or buyer) who is the focus of value creation" (Lepak, Smith, & Taylor, 2007, p. 182).
2. Value must be defined in terms of "The difference between the (comprehensively accounted) value of a firm's output and the (comprehensively accounted) cost of the firm's inputs" (Kay 1995, p. 19).
3. "Value creation as an outcome of value management (human resource management) which is proving to enhance the performance of the organization when managers conscientiously motive an alignment between the value commitments of the workers and organization's mission, vision, and values" (Pfeffer, 2003, p. 30).
4. Co-creation is thought of as interconnecting the economy with the overall society in such a way that "An enterprise can be seen as a nexus of engagement platforms and the economy as a nexus of enterprises, with competition centering on individuated co-creation experiences that yield unique value to each individual in space-time" (Chakrabarti & Ramaswamy,2013, p. 6).

This is partially due to the fact that the Swedish management and social economic scholars who promote the value creation concept and who emphasize values management have also been pioneers in devising organizational and economic performance measures that test the effectiveness of the application of the value creation concept: for increasing the triple bottom line, as a means for making the best use of public resources, for knowledge and innovation generation, plus for increasing stakeholder satisfaction and social capital. Outstanding examples are The Miljöcentrum Report, the application of the Balanced Score Card in the public sector in Sweden (Kollberg & Elg, 2006, p. 1-18), The Skandia Navigator (a prototype model for managing value intangibles), The European-wide Committee for Standards (The International Business Publication, 2011, p. 184), and The Swedish Environmental Protection Agency (the Swedish version of a premium management performance measure instrument developed by the European Commission's Eco-Management and Audit Scheme).

Swedish marketing principles function to effectively integrate the social and political-economic resources of the society in order to co-create an increase in quality, excellence, value,

and the enjoyment of life by conceiving of marketing as a performative discourse that is inclusive of the normative, value-producing aspects of exchange (Kjellberg & Helgesson, 2007, p. 137, 141, & 155). That is to say that the term performativity is applied to Swedish marketing because its discourse is based on the Structuration model that calls for structures (i.e. the market in terms of a system of interaction and exchange) and agents to dialogically co-constitute the means for realizing a more satisfying and enriching life experience for individuals and society. "The performativity of value refers to the idea that exchange value does not represent the preexisting market value of material forms, but rather - like identity, value, and meaning - value is [co-created] as social actors use resources to construct social identities and to negotiate social values with others" (Sherlock, 2014, p. 5-6).

Swedish marketing specialists were amongst the first to implement values management as a means of creating the competitive advantage plus a sustained high level of organizational and economic performance. Consider, for example, Volvo' marketing strategy for The New VolvoV70 AWDCross Country, "Life, liberty, and the pursuit of just about everything you please - a car that can not only help save your life but save your soul" (Cincinnati Magazine, 1997, p. 15). It is clear that there are several dimensions of value that this marketing strategy appeals to: Holistic well-being, environmentalism, security, safety, peace of mind, freedom, and the experience of what pleases. Volvo's branding success is based on its assuring quality, safety, and security plus, in addition, the brand appeals to higher order values that are connected with what the customers find highly meaningful (Keller, 2013, p. 38-39, 72-73 & 92). The values that Volvo appeals to are consistent with values portrayed by Swedish ads.

However, the issue that this section of the article addresses is the connection between Swedish marketing principles and Swedish economic performance (i.e. the fact that Swedish companies have three out of the top five positions and seven out of the top ten for best performing companies in the Nordic region - based on a mix of four metrics: sales, profits, assets and market value (Forbes, 2012). In other words Volvo's strategies have been highly successful because they create a complementary connection between overall management of the organization's internal assets and strategies for managing external assets by placing marketing in a more central position in organizational processes and as a core component in the organization's strategies for value creation. Swedish organizations do this by wedding two aspects of their organizational activity (e.g. the endeavor to effectively manage internal and external relational capital is wedded to the endeavor to effectively manage internal and external communication networks) (Grönroos, 1994, p. 7-10; Achrol & Kotler, 1999, p. 147-154).

In this way the marketing function became a means for facilitating a profitable exchange between the structure and the agent (i.e. marketing became a core yet pervasive aspect of the knowledge-based organizational structure by emphasizing that internal values management is the basis of profitability, knowledge generation, innovation, and value creation, thus is the key to customer satisfaction and customer loyalty). Olsen et al. describe this marketing oriented approach to improving organizational performance as a means of creating superior quality by making strategy, mission, and procedures congruent (Olson, Slater, & Hult, 2005, p. 48). In other words marketing prompted an organizational shift to the relational and communication network model for improving performance which is made operable by transforming the external knowledge generated by marketing communication networks into the fuel for the value creating dynamics of the internal operations, procedures, and communication networks.

The assumption is that the shift in organizational focus from the exchange value and transaction orientation to a market orientation results in generating knowledge of how to increase effectiveness and efficiency (Olson et al., 2005, p. 49; Håkanson & Prenkert, 2004, p. 87-88). Improved performance results from relational capital becoming the source for motivating internal value creation. However this is coupled with consumer relations management which is also the means of generating the knowledge needed for innovation, improved service, creating products and services of higher quality, and the value creation needed to increase external value satisfaction. The outcome of cooperation and networking is that internal and external resources are more effectively integrated thus can be used more effectively and efficiently. "Hence, such resources are given economic value on the basis of how they are combined with other resources, and the overall effectiveness of the business unit is consequently enhanced by the realized outcome of co-operation; this means that through co-operation the use of resources of a focal business unit becomes closely related to some resources of a co-operating partner, which will improve their value" (Håkanson & Prenkert, 2004, p. 86-87).

CONCLUSION

Contemporary marketing theory promotes a democratic approach to value creation which includes the notion that social and economic value concepts are complementary. The current strategies for marketing reflect the classical Greek agora model of the market as a public platform where individuals interact to co-create the means for maximizing the satisfaction of material and higher order needs. In this sense the market is not only defined as the center of exchange of material items related to consumption but the agora is "the market of ideas" where the members of the society interact in generating knowledge that they consider will enrich their lives, make life more rewarding, and make life more meaningful. Because culture itself is increasingly mediated by integrated global commercial networks (which include the impact of commercial media on culture) marketing specialists have undertaken the social responsibility of promoting a Structuration type structure-agent interaction as the means of co-creating social-economic reality. Thus the concept of value creation has altered the traditional conception of the firm as the producer of value and the customer as the destroyer of value (i.e. in the prior business thinking the value the company creates immediately begins to deteriorate when the customer makes a purchase and eventually is destroyed when the customer consumes and/or disposes of the product) (Vargo & Lusch, 2012, p. 3). In the old way of thinking, the customer is a hindrance to value sustainability.

Leif Edvinsson - cited in the London Business Press list of the 50 most influential thinkers in the world - argues that the concept of value creation "In the knowledge economy, not only applies to organizations in the private or public sector but also to entire nations. If intangibles are important to organizations, they are also important to the productivity and competitiveness of nations as a whole" (Edvinsson & Bounfour, 2004, p. 55). Edvinsson points out that the traditional one-dimensional performance measurements (i.e. traditional financial reference points) overlook a far greater percentage of organizational value assets (internal as well as external) that represent a source of available capital that can be drawn upon for increasing profits. He asserts that

the public sector seems to be even worst in terms of their persistence in maintaining a focus on the traditional "bottom line" perspective on assets. Edvinsson stresses: "we need to go further and focus on the organizational and dynamic dimension of socio-economic performance in terms of the organizational dimension, cities, communities and/or regions, as well as at macro-economic levels" (Edvinsson & Bounfour, 2004, p. 58; Miller, 2015).

In short marketing has evolved from concentrating on selling concrete products to becoming a relational process for the construction of social reality. According to Vargo & Lusch (2011, p. 184), marketing plays a role in social-formation in that it facilitates stakeholder participation in the process of co-creation value (i.e. shared notions of well-being, meaning, sustainability, survivability, and common goals for maximizing material satisfaction) which the marketing specialists believe the key that holding social units (including economic units) and society in general together. "That is, society is the result of the necessity of mutual value creation through mutual service provision, as implied by Plato (360 BCE/1930)" (Vargo & Lusch, 2011, p. 184).

This article is particularly relevant to resolving the gap between the value-added intentions of the shareholders (an increase in the bottom line) and the marketing emphasis on customer satisfaction. That is to say that the article illustrates how the marketing function has become the central feature of organizational strategy. The article indicates that the knowledge based economy - accompanied by a technology enhanced integration of social and economic resources - has enabled to customer to play a more vital role in the resource network. In other words when marketing takes on a central and strategic role in the company there is improvement in the firm's performance (Klaus, Edvardsson, & Kandampully, 2014, p. 2). This article contributes to body of scientific literature that theoretically explores the connection between economic value theory and social value. In this respect the article indicates how organizations can be devoted to increasing the value added aspect of their activities while at the same time acting in a way that is socially responsible. In that sense the article provides an explanation of how the marketing value creation concept increases benefits for individuals, organizations, and economies.

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