

2019

# Best of Both Worlds: Blending Logic to Expand the Customer Value Model

Adam Merkle  
*University of South Alabama*

Follow this and additional works at: [https://digitalcommons.georgiasouthern.edu/amp-proceedings\\_2019](https://digitalcommons.georgiasouthern.edu/amp-proceedings_2019)



Part of the [Marketing Commons](#)

---

## Recommended Citation

Merkle, Adam, "Best of Both Worlds: Blending Logic to Expand the Customer Value Model" (2019). *Association of Marketing Theory and Practice Proceedings 2019*. 9.  
[https://digitalcommons.georgiasouthern.edu/amp-proceedings\\_2019/9](https://digitalcommons.georgiasouthern.edu/amp-proceedings_2019/9)

This conference proceeding is brought to you for free and open access by the Association of Marketing Theory and Practice Proceedings at Digital Commons@Georgia Southern. It has been accepted for inclusion in Association of Marketing Theory and Practice Proceedings 2019 by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact [digitalcommons@georgiasouthern.edu](mailto:digitalcommons@georgiasouthern.edu).

# **Best of Both Worlds: Blending Logic to Expand the Customer Value Model**

**Adam Merkle**

*University of South Alabama*

## **ABSTRACT**

The goods-dominant model of customer value involves a ratio of benefits received in exchange for sacrifices given. Service-dominant logic suggests a different view with the idea that all value is co-created by the customer. But value measurement challenges persist, and definitions of co-creation vary. These problems arise, in part, because goods-dominant thinking about value is largely set aside in the application of SD logic. Yet, the classic goods-dominant customer value model can be blended, joined, and advanced with theoretical principles from SD logic such as co-creation.

Firms no longer rely on simple product quality improvements or additional service benefits to increase value with their offerings. Additionally, they must support direct value creation through co-creative platforms. But how does co-creation interact with benefits and sacrifice in the formation of customer value? What is the magnitude of the impact on customer value from co-creation relative to benefits and sacrifice? This paper suggests a framework to explore and extend the classic customer value model with the inclusion of a co-creative component. Research propositions within the context of lateral exchange markets suggest how benefits, sacrifice, and this third component work together to increase customer value.

## **ABOUT THE AUTHOR**

Adam Merkle is a doctoral student at the University of South Alabama and the purchasing agent at Bishop State Community College in Mobile, AL. He holds an MBA from Indiana University and a Bachelor of Urban Planning from Ball State University. His research interests include service science, sales, supply chain, marketing strategy, innovation, and customer value.