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Value Co-Creation in a Manufacturing B2B Context

A Case Study based on the Supplier’s Perspective

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Abstract

**Purpose:** This study aims to highlight the supplier’s perspective in a manufacturing B2B context. The research stresses the importance of business relationships, interaction, and resource integration as value (co-) creating activities. The investigation is based on a theoretical framework, considering S-D logic, ‘service logic’, and IMP. The purpose of this study is specified in one research question; How is value created and co-created in manufacturing industry in a B2B context?

**Methodology:** The method relies on an in-depth qualitative case study of AnVa Polytech AB, a Swedish manufacturing company specialized in moulded rubber products. The research is carried out by conducting interviews with the case company’s representatives.

**Findings:** The findings contribute to the service research by examining how value is (co-) created in a B2B context as well as how manufacturing companies can become ‘servitized’ without leaving the product-centered approach aside. The authors argue that the existing theories do not cover the complexity of value co-creating activities in a B2B context, rather are more appropriate in a B2C context.

**Keywords:** Value (Co)-Creation, Manufacturing, B2B context, Supplier’s Role, Relationship-Building, Interaction, and Resource Integration.
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1. Introduction

The first chapter of this paper provides an overview of the research area. Moreover, the background of the phenomenon is presented, followed by a problem discussion, aim, and background about the investigated subject.

1.1 Background

The traditional way of thinking from a service provider point of view ‘what we can do for you?’, has moved to ‘what can you do with us?’ (Wind & Rangaswamy 2001) as well as from ‘marketing to’ to ‘marketing with’ (Vargo and Lusch 2004). For service companies, this is becoming a reality, while manufacturing companies might face difficulties involving customers in the production process. The new way of thinking turns the manufacturing industry into ‘servitization’; where products are seen as services (Ibid & Rada 1988). The transition to servitization underlines, that the combination and the extension of products to services enhance the utility and useful life of the product that the manufacturer is able to offer to its customers (Shen et al. 2012). Furthermore, ‘servitization’ not only embrace the transition from products to services, but the role of the supplier as a value facilitator is emphasized in the contribution to value co-creation. There is a lack of research done regarding the role of the supplier in manufacturing companies in a business-to-business (B2B) context (Lambert & Enz 2012), since the role of the supplier has moved from only being value creator to providing opportunities for value co-creation together with the customers (Grönroos 2011a). Manufacturing environment is considered as continuously changing and uncertain because of the ‘servitization’, while academics as well as practitioners agree that uncertainty in this industry will keep growing in the twenty-first century and will become as a challenge for most of the companies (Jain et al. 2013). Nevertheless, manufacturing companies might face a challenge; to shift its focus from the production to a service-based thinking. Price and product are no longer seen as a driving force while differentiating in the market; the relationship that the service provider has with its customer as well as other value creating activities becomes a source of competitive advantage (Ulaga &
Eggert 2006). Taking this perspective into account, “creating superior customer value is key to a company's long-term survival and success” (Ulaga & Eggert 2006 p. 120). In addition to that, long-term relationships become crucial because it has an impact on value (co-)creation. By involving customers in service activities, companies can co-create value, while benefiting both parties. Nevertheless, value creation, co-creation and the concept of value itself have been widely discussed terms in service research field (Edvardsson et al. 2011). Considering daily activities of managers working in a manufacturing company, value is perceived as:

“Having a thing that can create meaning for oneself”. ‘Customer value’ as “getting the right things at the right time and at the right cost”... “everything we do should create value for the customer”... “but we create value mostly for ourselves in terms of money”. (Senior Manager of Purchasing & Logistics 2015).

Moreover, “value is created by everyone in the company and requires team-work in order to create value for the customer”... “the customer is able to create value, not only for the company, but also for itself” (Senior Manager of Marketing & Sales 2015).

Based on these statements, it is assumed that manufacturing companies do not involve customers in their daily business operations, meaning that value is created ‘for’ and not ‘with’ customers. Value creation can be better understood by taking Service Dominant (S-D) logic approach into account, explaining how value is created in service systems, where service providers facilitate value practices that can be applied by customers (Vargo and Lusch 2004a; Edvardsson et al. 2011). Furthermore, from a service provider’s perspective, value propositions should stand as the main principle of a business strategy (Payne & Frow 2014). However, only ten per cent of firms communicate, develop, and use value propositions in a formal way, while most firms do not deliver clear value propositions (Payne & Frow 2014).
These propositions or offerings of value might not be recognized by customers because of miscommunication or undeveloped value propositions.

The S-D logic mind-set is built upon three main foundations; service, value co-creation and actor-to-actor perspective, whereas resource integration and service provision are viewed as components of value creation (Chen et al. 2012). According to Prahalad & Ramaswamy (2004a), interaction and dialogues between participating actors, such as firm and customer, becomes the locus of value co-creation. A competitive advantage can be identified when high-quality interaction is present and when the firm and the customer can jointly co-create unique experiences (Prahalad & Ramaswamy 2004a). Moreover, it is essential for the firm and the customer to become engaged in the problem solving activities. By emphasizing the importance of interaction in effective resource utilization (Grönroos 2011b) it becomes crucial to investigate how firm and customers integrate resources (Hilton et al. 2012).

1.2 Problem Discussion
During the past decades considerable attention in the literature in the Service Management field has been acknowledged with the importance of value co-creation based on the theories of S-D logic and ‘service logic’ (Chen et.al 2012). However, marketing literature has developed a simplistic and deterministic view regarding value co-creation in complex interactions that take place in B2B contexts (Lambert & Enz 2012). Moreover, how relationships and interaction between business partners contribute to sharing and applying knowledge and skills. Value co-creation still raises as many questions as it gives answers to (Vargo et al. 2008) and it becomes unclear what processes are included in the value creation regarding relationship between the service provider and the customer (Grönroos 2011a).

The theory implies a movement away from the traditional way of thinking, the Goods Dominant logic (G-D logic); defining service provider as a value creator and customer as a value destroyer to a more distinct view that implies a value co-creation process involving all participating actors; the S-D logic perspective. In a B2C setting, the S-D logic perspective emphasizes customer engagement, together
with the firm in the co-creation process, reinforces value perceived by the customer and enhances the overall business performance (Jaakkola & Alexander 2014). Hence, the evolution has moved from a divided view of service provider and customer to a new paradigm, where service provider and customer co-create value together through interaction and resource integration, enabling new business opportunities, differentiation, and customization (Galvagno & Dalli 2014; Prahalad & Ramaswamy 2004a). ‘Service logic’ approach focuses on relationship-building activities as the main facilitator of value (co-) creation (Grönroos 2011a). However, the view of International Marketing and Purchasing (IMP) in Industrial Marketing field, was the first in highlighting relationships and interactions as value (co-) creating activities, where suppliers and customers are seen as solvers of their own problems through opportunities of each other’s activities, resources, and technologies. Contrary to S-D logic and ‘service logic’, IMP extends the concept of value while focusing on the complexity of relationships and interaction between participating actors in the market. Moreover, S-D logic lays emphasis on interaction in a B2C context, while IMP focuses on interaction between multiple actors, contributing in understanding the relationships in a B2B context, which is relevant in the manufacturing industry.

The supplier's role in becoming an efficient facilitator of value while engaging the customer becomes important since the customer is no longer seen as passive and isolated target in the market, rather as active and informed provider of essential inputs in terms of resources in the value creation process (Grönroos 2011b; Prahalad & Ramaswamy 2004b; Saarijärvi 2012; Chen et al. 2013). It becomes relevant to investigate the supplier’s role in a B2B context and the process of value co-creation since there is a lack of empirical evidence in service research regarding value creation within in a B2B context in the manufacturing industry.

Resource integration as a value creation activity and as an impact on service systems has been recently discussed in S-D logic (Peters et al. 2014), where all actors in the market are seen as resource integrators (Vargo 2008). Chen et al. (2012) discusses resource integration and if customers are willing to share experiences of resource
integration together with the supplier. This means that service providers might not get access of how customers integrate their resources. Moreover, it becomes interesting to explore the supplier’s willingness of sharing experience of resource integration in a B2B context in order to comprehend the perspective of the supplier. Knowledge about the market, ability to deliver at the right time, product quality, gaining trust and commitment, and maintaining key supplier status becomes hard to control, when experience is not shared (Ulaga & Eggert 2006). Arnould et al. (2006) stresses, that there is a need for further research about supplier’s and customer’s resource integration in order to understand value creation process and service activities.

1.3 Research Aim and Question
By identifying the lack of empirical evidence in a manufacturing industry in a B2B context and being aware of challenges and opportunities in a value (co-) creation process, this thesis attempts to explore how value is (co-) created by taking into account the supplier’s perspective as well as its role, actions, and contribution to the value co-creation process. It is crucial to consider a value-based perspective regarding differentiation in a B2B relationship, which is achieved through contribution to customer value (Ulaga & Eggert 2006). It is of a high interest to find out whether the supplier has moved from a product-centric approach to a service-centric approach. Moreover, the particular interest lies on how the supplier interacts with its customers as well as how the supplier contributes to value facilitation. In addition to that, the impact of relationship-building characteristics and resource integration activities are investigated in order to understand the supplier’s value generating process. Furthermore, the study might contribute to a clarification of the ongoing debate of S-D logic and ‘service logic’ in Service Management and IMP in the field of Industrial Marketing Management because these theories are explaining concepts within the area from different viewpoints. Therefore, the aim is to empirically test these earlier statements.

The aim relates to the research question:

*How is value created and co-created in manufacturing industry in a B2B context?*
1.4 The Case Company Background

This study is based on AnVa Polytech that is located in Sunne (Sweden), which is a manufacturer and developer of moulded rubber products. AnVa was established in 1965 and currently has 115 employees in Sunne. The company was a part of Nolato AB Group until 2009. Today, AnVa Polytech is a part of AnVa Group, which offers product and service solutions to their customers. Moreover, AnVa is operating in a B2B setting; the major customers of AnVa are Volvo Cars and Husqvarna (Anva 2015). The focus is placed on rubber products, which are used as components by their customers in the production plants. Moreover, AnVa offers support services in developing and designing together with customers in order to meet customer needs.

AnVa’s vision is to produce based on customer requirements by trying to avoid production failures. The goal of the company lies on efficiency, profitability and growth (Anva 2015).

The company faced economic difficulties because of the financial crisis in 2008-2010. During the last three years, AnVa managed to retain a balanced turnover, a net turnover of approximately 129 000 000 per year (Alla Bolag 2015, Anva 2015).

AnVa Group has two production plants in Sweden and Lithuania, material laboratory and rubber compounding unit. The production plant that is situated in Sunne (Sweden) focuses on HQ, technical center, material and project development, compounding, automated production, moulding of rubber, rubber/plastic and rubber/metal products as well as assembly of systems and sub-systems. The production plant in Lithuania focuses on manual production, moulding of rubber, rubber/plastic and rubber/metal products and assembly of systems and sub-systems. Moreover, AnVa Polytech has its division in Asia, where the company is engaged in trading and tool manufacturing. (Anva Polytech AB 2015a). The company is exporting 40% of its production since customers usually have their own production plants located in other countries, while AnVa delivers directly to these countries.
The examples of AnVa Polytech products and sub-assemblies are; Fuel filler hose, Membrane CCV, Fuel distribution hose, Fuel seal, Inlet, PA66 cover & engine sea, Multi-layer, and Bushing used in cars-, trucks-, and machine tools production. AnVa Polytech business consists of Injection moulded technical elastomer parts, assemblies, rubber compound, research and development (R&D) service, and trading. They are specialized in complex rubber products adjusted with plastic and metal that can be used for a wide range of environmental circumstances such as high temperature, fuels, gases and liquids (Anva Polytech AB 2015b). These products are produced based on customer requirements and therefore adjusted to the customer needs. In addition to that, AnVa has 130 different recipes in producing rubber based on raw materials coming from other countries that are combined with chemical treatments in order to create different types of rubber. The company is a qualified partner and certified provider of international standards and provider of a high level of expertise starting from concept to delivery of their products and services.

Figure 1: AnVa’s service and development model
Within AnVa, there is no concrete definition of what value is, each manager defines value based on personal understanding. However, the knowledge of cost and price has created a common view of monetary value. The economic value is associated to high quality in order to achieve profitability and maintain long-term growth. Further, quality of the firm’s performance is measured in terms of customer satisfaction while striving towards “world-class quality” in all units of the company. According to the information provided on AnVA’s website, one way to achieve high quality is to focus on maintaining and understanding customer needs by involving customers in value co-creation activities. The company claims, that it works towards its goals by creating and transferring value along the supply chain, as well as a way to reduce waste in their own operations and those of their customers and suppliers. Moreover, AnVa utilizes resources such as skills and knowledge by supporting leadership and encouraging high motivation to employees by letting them to be responsible for their own development and constant improvement. (Anva 2015) Based on the information presented above, it becomes important to explore whether AnVa creates value; as it believes it does, or if value is (co-) created based on other activities.
2. Methodology

This section provides the underlying methodological approach followed by (1) Research Strategy, (2) Research Design, (3) Research Method, (4) Data Collection, (5) Data Analysis, and (6) Trustworthiness. The qualitative method of the research is intended to explain how the study will be carried out and analyzed.

2.1 Introduction
The method of a research explains how the study will be carried out and analyzed. By taking the manufacturing industry into consideration, value creation aspects in a B2B context will be explored. This is achieved by using, relevant theories within Service Marketing field. The main theories from this field are based on S-D logic and ‘service logic’, where aspects of two are distinguished. Furthermore, theories from Industrial Marketing are considered relevant since it provides alternative perspective on value co-creation. Finally, in order to fulfil an authoritative research, the research question is defined in a way that it contributes to the lack of knowledge within the field. (Hancock & Algozzine 2011).

2.2 Research Strategy
A case study approach is applied to the present thesis because it enables observations of value (co-) creation practice in reality since the research question focuses on understanding and exploring value creation aspects in the manufacturing industry in a B2B setting. The thesis is conducted in Sweden based on one company operating in the manufacturing industry. It is implemented by collecting relevant information from interviews with managers of AnVa Polytech AB. The respondents are chosen based on their expertise from four different departments within AnVa: Research & Development, Marketing & Sales, Purchasing & Logistics, Production, and the CEO. The present thesis is based on a qualitative research strategy. The qualitative approach emphasizes results gathered from the interviews as the main source of data in order to find relationship between theory and findings. (Bryman & Bell 2011; Hancock & Algozzine 2011).
2.3 Research Design
A research design is determined from the investigation of the research question; an appropriate research design is required in order to fulfil the aim. The case of the present thesis is representative and considered to explore a situation that exemplifies the reality - how AnVa works together with its customers, how they interact as well as other value creation activities.

The research design or planning of a research is essential in the manner as support during the investigation and writing of the thesis. This thesis aims to give an understanding on how manufacturing industries and B2B markets co-create value by investigating AnVa, which is an example of a manufacturing company that operates in a B2B context. Therefore, AnVa is the subject for the investigation. However, the aim is to handle theoretical framework, interviews as well as analysis in a way so the conclusion would provide knowledge to other companies in similar contexts, while the findings of the research might contribute to clarification of theories in practice. Theories and models are used as tools to identify drivers of value creation and relationship-building characteristics in order to design interview questions and gather information about the supplier’s (AnVa) role in interactive business situations. Moreover, case studies can have different approaches based on characteristics, type or disciplinary orientation. The investigation is on an organization (AnVa) and its behavior, structure, and manner of working, meaning that a social orientation approach becomes relevant. (Bryman & Bell 2011; Hancock & Algozzine 2011).

2.4 Research Method
The research method explains how the empirical data collection will take place as well as the theoretical framework will be defined for this research topic. The theoretical framework is developed based on the research question and the aim of the study.

The theories aim to provide a basis for the interviews, while the findings from the interviews contribute to the clarification of the theories. Moreover, theories considering the concept of value are presented from a cognitive perspective, where the different fundamental theories are applied. The theoretical framework consists
of relevant concepts; resource integration, interaction, relationship-building as well as the concept of value itself, which provides with an extensive knowledge of what the supplier's role is in facilitating value (co-) creation. Moreover, these concepts are considered in the fields of Service Marketing (S-D logic and ‘service logic’) and Industrial Marketing (IMP) in order to give a contrast of how value can be (co-) created.

The research question and developed theories are used as the basis in order to design interview questions. Furthermore, secondary information about AnVa is presented from the company’s webpage, while more specific information (primary data) is provided by the company directly to the researchers. Other sources of information (secondary data) such as financial data are reviewed from a Swedish search tool; Alla Bolag, where information about Swedish companies can be found. (Bryman & Bell 2011; Hancock & Algozzine 2011).

2.4.1 Data Collection

Conducting interviews based on a qualitative research strategy implies information gathering, which is focused on relationships, experiences, emotions and meanings (Rossetto 2014). The key participants are selected based on their knowledge regarding the case study. All five respondents are men; four of them are interviewed face-to-face in a conference room at AnVa, while one interview is carried out by phone. The researchers with the assistance of the firm, identifies the most suitable interviewees and relies on the information provided by them. Managers from each department of the company are interviewed in order to acquire the perspective of the entire company. The perspectives of the respondents complement each other because they have different functions within the company, while all of them are engaged in customer contact. This enables researchers to acquire a comprehensive picture of how AnVa works with its customers.

Interviews are held individually meaning that this will allow researchers to get closer and personalized information. Moreover, each interview lasted between 30-45 minutes. Semi-structured interviews are used since it is the most suitable approach for the case study, which allows deep, open, and free discussions (Hancock &
Open-ended questions are designed based on the theoretical framework in order to gain wider perspective from the respondents. A tool of recording interview data is used with the participants’ approval since the interviews are open and time consuming. In addition to that, handwriting is used in order to take notes of the participants’ body language and other environmental aspects, which assists researchers when interpreting the data gathered from the interviews. Lastly, interaction is investigated not only in the case study, rather used as a tool while conducting interviews and actively engaging the researchers in in-depth discussions (Rossetto 2014). Before starting the interviews, the researchers present themselves, inform about the time required and get approval of recording.

The interview questions are not designed in a structured way, rather contributing to follow-up questions. Moreover, the researchers developed 18 questions based on the relevant theories (value, value generation, service systems, resource integration, interaction, and relationship-building) followed by follow-up questions. According to Bryman and Bell (2011), the interest lies on how the interviewees perceive the reality that the researchers are investigating. Based on this information, the interview questions for the present research are designed in a way so that the interviewees’ point of view is taken into consideration as well as how the questions can be followed-up dependent on different answers. For example: “How do you define value?” and “What is quality for you?”. Furthermore, keywords are used to guide the participants in the ‘right direction’ in order to guarantee that they understand the questions correctly, but still leaving a space for the researchers to see how the interviewees understand and perceive the questions. The language during the interview process is adjusted so that the academic terms are not used, rather comprehensible and relevant for the interviewees. Moreover, the interviews are conducted in the Swedish language and thereafter translated into the English language (see Appendix 2).

2.4.2 Data Analysis

Gathered data from the interviews is characterized and coded based on the theoretical arrangement of the study in order to facilitate the connection between
the theoretical framework and the results. Moreover, it is necessary to code the data in a qualitative approach because it is more or less unstructured (Bryman and Bell 2011). However, since the interview questions are designed based on the theoretical framework it is possible to code some of the information directly into concepts presented in the theory, which is done early in the study.

Firstly, answers provided during the interviews regarding the concept of value and how it is perceived by the respondents are coded and linked to theories that consider ‘servitization’, movement from G-D logic as well as value-in-use. Secondly, results that provide information about AnVa developing together, with focus on the business actors insights in each other’s operations is connected to knowledge and experience that are shared (resource integration). Thirdly, the collected data reveals that interaction and how relationships are build are intertwined and are coded based on the perspectives of interaction and relationship-building in S-D logic, ‘service logic’, and IMP. Furthermore, answers from follow-up questions and further information from the respondents’ point of view are categorized into appropriate theory if possible or as a development of thoughts during the discussion. In addition to that, what the respondents believe they are doing, how they perform, and the researchers’ interpretation of how value is (co-) created in AnVa are taken into consideration when analyzing the results. Finally, due to the lack of theoretical evidence of value (co-) creation in a B2B context, existing theories are connected to the possible extent. Theories regarding value (co-) creation in a B2C context are used as a basis in order to compare and explore the complexity of value (co-) creation in a B2B context.

2.5 **Trustworthiness**

Reliability, validity, and replication are criteria to be considered, when evaluating research within business and management. The trustworthiness of the study is based on relevance, meaning that the study aims to contribute in fulfilling a gap within the research field. Validity is strengthened, when the researchers actually investigate and identify what is presented in the purpose. Furthermore, it implies that the findings can provide information to other manufacturing companies that operate in a B2B context.
market. Reliability is another aspect that strengthens authenticity of the study; internal reliability refers to a common understanding between the researchers. External reliability is more difficult to reach in a qualitative approach since the study can be replicated. However, because of the multiple interests (manufacturing industry, B2B context, and clarification among theories), replication is constrained. (Bryman & Bell 2011).

The trustworthiness of this research will be proved by; firstly, the researchers provide the results to the respondents and get the approval that the information can be used in the paper, which leads the study to credibility and respondent validity; secondly, the findings can be applied to other business environments in the manufacturing industry; thirdly, ensuring that the research process is conducted in an accessible manner, which means that the information is gathered from reliable sources; lastly, the researchers act in a good faith by not manipulating any parts of the research based on personal values or other intentions. (Bryman & Bell 2011).

2.6 Delimitations

The empirical data regarding value creating activities is gathered only from the perspective of a service provider because of the time frame and the study becoming too broad if both supplier’s and customer’s perspectives are implemented. The concept of value is seen as a cognitive effect of perception, rather as value defined in monetary terms. Regarding the theoretical framework, the most relevant theories are selected by limiting the researchers to employ theories that can be applied in reality since the research has a case study approach. Finally, managers from each department of AnVa are interviewed, while the perspective of other employees, who might have customer contact, is left outside because of the time shortage.
3. Theoretical Framework

This chapter is based on a literature review and concepts of the previous research, which is intended to provide a well-developed theoretical background relevant for this thesis. The presented theories will cover (1) Value, (2) Value generation and supplier’s role, (3) ‘Service logic’ in a B2B context, (4) S-D logic in a B2B context, (5) Service system, (6) Resource integration, (7) Interaction and the Model of interaction, and (8) Relationship-building through exchange.

3.1 Value

The concept of value is the most discussed term in the business research field. The researchers have different opinions about what value is and how it is created. The general approach of value indicates, that value for the customers is when, they “after having been assisted by the provision of resources or interactive process, become better off” (Grönroos 2008 cited in Grönroos 2011b, p. 242). According to Edvardsson et al. (2011), the frequent approach of value is that, while one benefits, the other one sacrifices and it is not only about the fulfillment of customer needs and wants.

From the G-D logic perspective, using a product and/or a service is considered as consumption meaning that the customer destroys value during the consumption process (Galvagno & Dalli 2014). ‘Service logic’ discussion and management literature considers value as being created in the customers’ processes, the so called value-in-use or value being created by the customers, while using goods or services. Customers create value by integrating their own knowledge and experience while using a product and/or a service. According to Grönroos (2011b), this process can be best defined as ‘value creation’ and ‘value creation process’, which results in value-in-use. However, most often value creation is explained from different angles based on who creates and who co-creates value. Grönroos (2011b) highlights, the cognitive value, which is measured as perceptions. This dimension places emphasis on trust, commitment, comfort and attraction meaning, that these characteristics have an effect on how customer perceive supplier and how value can be (co-) created.
According to Grönroos (2011b) and ‘service logic’ perspective, looking from the value-in-use point of view, it is wrong to state that the customer is always a value co-creator, rather by using resources provided by the firm, the customer becomes value creator. It means, that the customer cannot create value alone, while there is a need of resources to be shared by a service provider, and by using these resources the customer is able to co-create value.

In S-D logic, value can be defined and measured as an improvement in service system (Vargo et al. 2008). According to Songailiene et al. (2011), value can be expected, realized or potential. Expected value is about expectations and understanding of resources and capabilities of the customer, realized value includes certain service experiences, while potential value results in beliefs from certain interactions (Songailiene et al. 2011). If considering value-in-use, value can be achieved, perceived and evaluated through consumption, use or experience, which can be a long-term process of value creation (Vargo & Lusch 2004).

However, the view of IMP, contrary to S-D logic and ‘service logic’, extends the concept of value beyond value-in-use. According to Ford (2011), two kinds of value aspects could be defined: episodic value and relationship value. Episodic value can be seen as value from interaction perspective to each and every individual, but it is not clear what it includes, rather it is individual’s interpretations of specific problems at a certain time frame (Ford 2011). Relationship value is similar to potential value in S-D logic, where interaction plays a significant role. However, relationship value also takes into account the long-term perspective of experiences between specific interacting parties. Relationship value focuses more on interactions as relationship building characteristics, were individuals are able to deal with present and future problems, rather than interaction as separated activities. In a B2B context, “value for a business customer does not emerge from one resource – the core product – only, but from the whole spectrum of supplier–customer interactions that support a successful use of this core resource” (Grönroos 2011b p. 240).
3.1.1 Value Generation and Supplier’s Role

Service provider is an important player in the value creation process, who provides resources to its customers by facilitating value co-creation (value-in-use). Considering the interaction from a value creation point of view, customer’s side is placed at the front and consequently service provider is invited to join customer processes by assisting customers in the value creation, which leads to value co-creation. In a B2B context in the manufacturing industry, it would mean, that the buying company engages the selling company to join in problem solving. Furthermore, new opportunities arise for the service provider to make an impact on the process of customers’ value creation (Grönroos 2011b).

Taking the supplier’s perspective, facilitation of value creation would be as a promise made to the customers by offering “a particular combination of values - such as price, quality, performance, selection and convenience” (Payne & Frow 2014, p. 215). These value propositions provided by the firm should be differentiated in order to keep competitive advantage through their service offerings such as different types of products and services, systems and programs (Muthuraman et al. 2006).

In a B2B context, the goal of a service provider is to satisfy its customers at the full scope by focusing on value creation and ensuring cooperation that would require relationship commitment and trust by the customer (Songailiene et al. 2011; Walter & Ritter 2003). Moreover, perceived value from a supplier’s perspective is established upon capabilities and competences that can be accessed by the supplier as well as value-creating functions in the relationship-building by co-creating value with customers (Songailiene et al. 2011). Walter and Ritter (2003) claims, that it is important for a supplier to work towards benefiting itself and not only maintaining relationships for the sake of the customer. This means that the company’s primary focus is to create relationships as a secure way of earning profit, however relationships might provide customers with the opportunity to co-create value with the company.

Muthuraman et al. (2006) states that service providers create and deliver value to its customers, when performing in a B2B setting. Nevertheless, as Storbacka and
Lehtinen (2001) claims, customers have the ability to create value for themselves, but the service provider can assist in the value creation process. Furthermore, interactions are based on dialogues, where each party has the ability to influence each other’s actions and considerations (Grönroos 2011b). Therefore, “supplier’s co-creation of value-in-use for their customers takes place together with the customers” (Grönroos 2011b, p. 243) and because “the customer creates value-in-use, without the existence of interactions the supplier has no value co-creation opportunities” (Grönroos 2011b, p. 243). Contrary to Storbacka and Lehtinen (2001), this means that the customer cannot co-create value without the existence of value propositions of the service provider and the provider cannot co-create value without the absence of interaction with the customer. This implication indicates that, value co-creation is a mutually created activity, where the need of two interacting parties arises.

3.2 Service Perspective in a B2B Context
The whole business process from development to delivery as well as all office activities regarding the notion of value-in-use can be best defined by ‘value generation’ and ‘value generation process’ (Grönroos 2011b). From a ‘service logic’ perspective, the firm can only work towards value propositions, but cannot deliver value and it is service provider’s responsibility to contribute to the process of customer’s value-in-use through the value generation process (Grönroos & Gummertus 2014; Vega-Vazquez et al. 2013). In comparison to that, S-D logic claims, that “all providers are essentially service providers” (p.541) as well as describe how all participating actors in a value co-creation become effective and efficient resource integrators. Furthermore, in S-D logic, the firm and the customer are considered always to be co-creators of value and the firm can influence customers’ value creation process by engaging as value co-creators (Vargo and Lusch 2008). However, ‘service logic’ provides a different view, where firm and customer cannot co-create value without each other; therefore S-D logic and ‘service logic’ contradict each other (Grönroos 2011a).
S-D logic endorses equality between participating actors in the value co-creation process, making S-D logic essential in a B2B context. However, by viewing products as services, S-D logic perspective provides a simplified understanding, while considering the manufacturing industry. The evolutionary shift of S-D logic is incomplete; it is not a ‘worldview’, rather an actively and collaboratively developing paradigm (Vargo 2008). Moreover, the focus of S-D logic has shifted from value-in-exchange and value that is embedded to value-in-context and value that is potential and present during collaboration between interacting parties (Karpen et al. 2012; Vargo & Lusch 2008). However, it is not clear what value-in-context is, especially when considering a B2B context because the existing literature does not highlight different contexts of how value is created and co-created in B2B settings.

In S-D logic, the major focus is placed on all exchanges, which are based on service, while goods are only tools for application of resources and delivery (Vargo et al. 2006). Furthermore, the major importance is on operant resources, such as skills and knowledge. This view implies that a combination of efforts of the firm and the customer as well as other actors involved in service transactions, contribute to a co-creation of value, which “… is always determined by the beneficiary (e.g., customer)” (Vargo et al. 2008, p.148). In addition to that, firms are able to adapt to the environment by embracing knowledge from actors participating in value co-creation in order to create efficient and effective service offerings (Hunt 2000; Lusch et al. 2007). For example, customers can be a source of knowledge meaning, that firms gain information about customer needs when interacting with them. This offers the firm an ability to comprehend the environment and therefore adapt to it by creating new value propositions. Meanwhile, ‘service logic’ takes a further-reaching responsibility in supporting customer’s processes as well as everyday practices to improve business effectiveness. In a B2B context, the responsibility of the selling company becomes to support processes of the buying company by extending service offering in a value-supporting way and not only providing resources (Grönroos 2011b). The traditional way of manufacturing approach (G-D logic), focuses more on the product itself and how well it fits the process of operational efficiency. From this perspective, the customer itself has to ensure effective use of
the product so that value can be created from the product purchased. This implies that each party is responsible for its own value extraction.

One of the critical observations taken into account by Grönroos (2011b) and ‘service logic’, is that the success of the supplier does not only depend on how well the supplier is able to deal with production and administrative issues such as keeping time tables, time of delivery and how well service solution is presented and maintained for the customer. Nevertheless, it also depends on how well the supplier is able to handle customers’ engagement, when differentiating its service offerings. Moreover, when interacting with a supplier, a business customer needs support, when performing on daily business activities (Grönroos 2011b). It becomes evident, that value for a business customer is not considered to appear from only one resource (core product), rather it includes supplier’s ability to handle quality problems, service failures as well as other customer-influencing processes, while getting knowledge about, what value the customer is able to extract from the core product. (Grönroos 2011)

‘Service logic’ assumes that the usage of available resources can render value to customers. Customers are able to create ‘customer value’ for themselves by using resources such as service activities, goods, and information, while engaging in business relationships in the manufacturing processes (Grönroos 2011b). ‘Service logic’ views value creation as an interactive action as well as an involvement in the service process by all beneficiaries with an intention to become “better off” (Grönroos 2008; Grönroos & Voima 2012; Prahalad 2004). In comparison with this, Gummesson (1995) adds, that customers are using all types of resources as service, while this is creating value for them. This means, that products are viewed as services during the usage process, while product itself cannot create value. Lastly, this result in understanding of how value can be (co-)created in a manufacturing company, the role of the service provider as value co-creator, and the way customer is engaged, when purchasing and utilizing the product or service.
In particular, literature of the S-D logic highlights, that service ultimately must be experienced by the customer (Vargo and Lusch 2008). However, in order to experience, and thereby co-create value, the customer should be provided with resources by the service provider. S-D logic focuses on involving customers in the value co-creation, where customers become active resource integrators instead of taking a passive role, as observed in G-D logic, during the usage of a product/service.

3.3 Service System
Service system is described as a configuration of resources such as technology, information, people, and other service systems. In order to survive in ever changing market conditions, companies should strive to create service systems, that would support and guide customer value creation and would help to incorporate their resources in the value co-creation process (Edvardsson et.al 2011).
In S-D logic, it is stated, that value creation processes and customer experiences are a part of a service system and cannot be understood as isolation from it since both customer and service provider are active participants in supporting and guiding value co-creation process through resource integration. (Edvardsson et al. 2011).
Current research strives to answer the question if service system in S-D logic provides a better system than the one compared to the traditional (G-D logic) way of viewing service systems. The traditional way of viewing service systems is referring to G-D logic, where value is embedded in units of output (Lusch et al. 2006), while S-D logic states, that value take place during the usage of a service, which might result in positive or negative customer experience.
Resource integration is a part of a service system building, where process, usage, and integration of available resources plays an important role and where customers have to be supported and assisted with their resource integration processes in value co-creation (Vargo et al. 2008; Edvardsson et al. 2011).

3.4 Resource Integration
Resource integration in S-D logic is a central concept, where the dominant way to create value is through resource integration; firms, customers, and other individuals
integrate certain competences into complex service offerings in the demanding marketplace through interaction (Peters et al. 2014). The difference between the roles of service provider and customer is that service provider aims to benefit others and concentrate on experience sharing, while customer benefits itself and contributes to their own experience through resource integration (Chen et al. 2012; Peters et al. 2014). Considering the IMP, it provides a consistent view that individuals are not independent actors, rather a part of a service system, where resources and activities are performed by them and other individuals through connecting relationships (Ford 2011).

According to Peters et al. (2014), two distinct conceptual approaches regarding resource integration in S-D logic is suggested, resource integration as an ‘emergence’ and resource integration as an ‘interaction’. Resource integration as an ‘emergence’ might create new opportunities to co-create value, that emerges, when resources are interacting and, when they are integrated under certain interaction conditions, that are intended to perform a specific service activity (Peters et al. 2014). Regarding resource integration as an ‘interaction’, resources are not, but instead they become, while some resources might lose or gain its status depending on the usage (Peters 2014). Consequently, these two approaches are similar; however, resource interaction as ‘emergence’ is intended to be a part of a service delivery, while resource interaction as an ‘interaction’ creates resources through interaction itself.

Taking the IMP perspective into consideration, service activities are formed through a network of resource integration, meaning that resources are combined in order to become useful while building unique collections of resources (Baraldi 2014; Ford 2011). Moreover, usefulness of resources is dependent on the combination with other available resources (Ford 2011). For example, knowledge as an intangible resource creates a sustainable competitive advantage and when knowledge is applied on a tangible resource, such as product, it “can produce immediate and lasting value” (Edvardsson et al. 2011, p. 544). In a B2B context, one firm integrating resources with other firms can result in networking activities and values shared and involved by more than one participant at the same time (Baraldi 2014).
The perspective on IMP, states that products and services are viewed as “the outcome of the technologies or abilities possessed by actors” and combination of technologies is needed in order to cope with any actor’s problems (Ford 2011, p. 233). According to Ford (2011), relationships are built and maintained between two interacting parties, where technology becomes an important communication tool. In IMP perspective, service providers and customers are considered to be equal since they have common interests such as; “gain access to each other’s resources, while accepting mutual dependence” (Baraldi 2014 p. 554). Moreover, IMP provides a perspective that involves different actors in a network, when considering resource integration. Contrary, S-D logic places the focus on what customers can benefit from integrating resources together with a company (Ford 2011). There might be a gap between ‘desired value’ and ‘received value’, when actors integrate resources for others, but not share the experience of resource integration that the other part desires (Chen et al. 2012).

3.5 Relationship-Building through Exchange

In order to create successful and long-lasting relationships, there is a need for both, service provider and customer, interact in the value generation process. According to Songailiene et al. 2011, supplier perceived value includes value co-creation, co-production, and interaction of all parties in an exchange. Although, actions taken in the past matters, when working on the relationship building now and in the future. For example, if a firm was not able to manage customer needs in the past it might result in customer unwillingness to keep or continue relationship-building even if the company improved regarding actions taken in the past.

Furthermore, Customer Relationship Management (CRM) is centered upon establishing, developing and maintaining efficient and successful transactions between involved parties (Hutt & Speh 2013). Long-term relationships are built upon the success of customer retention, which is achieved through accessing customers in the target market, continuing customer dialogues, and choosing efficient ways in treating them such as personalized treatment (Hutt & Speh 2013). However, customer retention does not necessarily result in a long-term relationship,
particularly, when direct interaction is not included. For example, if the customer is buying a product from the same provider without any other interacting activities involved, the customer might switch the supplier based on other benefits.

There are different kinds of interactive activities in relationship building; (1) transactional interaction, (2) value-added interaction, and (3) collaborative interaction. Transactional interaction indicates that the firm and the customers are mainly focused on the transaction as a main economic activity, where the time frame is the main component. Further, the main focus of value-added interaction is to attract and keep customers by adjusting firm’s offerings to the customer’s needs. Lastly, collaborative interaction focuses on close collaboration and firm-customer commitment for the mutual long-term benefits. (Hutt & Speh 2013). These exchange processes should be considered as related parts, where all of them contribute to relationship-building.

### 3.6 Interaction

Customer’s and firm’s resources are intertwined during interaction and co-creation of value and can only occur when there is a direct interaction between service provider and customer. Nevertheless, “co-creation is regarded as a function of interaction and value creation as direct interactions between value-creating resources and a beneficiary” (Chen 2012, p. 1537). Hammervoll (2014) claims, that value creation process should consider both customer and service provider from an interactive point of view in order to explore how the contribution of competencies and other resources are integrated in the value creation process (Vargo & Lusch 2004; Hammervoll 2014). For example, a service provider giving advice and sharing information to its customer, also involving customer in order to gather knowledge of unspecified customer needs. By inviting customer to the interaction process, supplier might acquire new knowledge about its products and the way it can be improved (Walter & Ritter 2003).

In a B2B context, interactions can be complex since there might be different intentions among selling firms and buying firms, and other network partners, who
are active in the value creation process by facilitating co-creation experiences (Chen et al. 2012).

**3.6.1 Interaction Model**

According to theory, value (co-) creation in a manufacturing B2B context, is influenced by interacting and relationship-building activities. The Interaction Model within IMP, developed by Håkansson (1982 cited in Axelsson & Agndal 2012) is used to explain activities that take place in the processes of interaction and relationships between companies as well as how resources flow between business partners. It becomes possible to investigate the supplier’s role as value facilitator in the value co-creation process and how resources are integrated in a network context. The model (Figure 2.) takes into account the participating actors' interests, behaviors, desires, power, and relationships; according to S-D logic, this might result in different intentions among interacting parties. The model is divided into five groups of variables:

1. The interaction process in the short-term
2. The interaction process in the long-term
3. Partners characteristics
4. The atmosphere of the relationships
5. Environmental factors
The interaction model distinguishes individual business transactions (short-term interaction) and long-term processes (relations). Long-term relationships are built from short-term interactions, while participating actors are able to adapt to each other's practices and behaviors (Axelsson & Agndal 2012). As Wind & Rangaswamy (2001) pointed out, ‘what can you do with us?’, interaction processes in IMP are considered to result in long-term relationships. Moreover, IMP suggests that both parties adapt to each other in a mutual way, while S-D logic highlights, that firms are able to adapt to the customer environment through interaction. S-D logic and ‘service logic’ views supplier as a value facilitator for the benefit of the customer, while IMP provides a balance between service provider and customer through a mutual willingness to co-create value. This contradiction implies that IMP perspective is more relevant in a B2B context and according to the Interaction Model (Figure 2.), both parties have certain requirements on each other, while it becomes crucial to integrate resources through an efficient way of interacting.

Another significant factor of interaction is production process and type of business; interaction patterns are different for companies that manufacture products (AnVa) and production facilitating companies that deliver finished products to the end.
customer. Interaction is more continuous in manufacturing companies, where value is co-created by creating an organized collaboration (Axelsson & Agndal 2012). Johanson (1982 cited in Axelsson & Agndal 2012) states, that the supplier’s production process and the business customer’s production process affect interaction between the two interacting parties. Services offered as components to products, affect dialogues between the service provider and the customer, where the customer becomes more actively involved in the production process (Axelsson & Agndal 2012) and therefore the value (co-) creation process is embraced.
4. Results

In this section, the empirical results are presented. Firstly, the environment during the data collection is explained. Secondly, data from the interviews is provided with a connection to the theoretical framework. The questions asked to the respondents of this case study can be found in the appendix.

4.1 Environment

AnVa was very open, when the researchers contacted the firm regarding collaboration for a master thesis. The Manager of Purchasing and Logistics was the first person the researchers interviewed, who was very quick in responding e-mails and provided the researchers with the basic information about the company before the interviews started. The manager assisted the researchers in selecting the right candidates for the interviews and organized the schedule for the interviews based on the researchers’ requests.

When visiting AnVa, the researchers were formally greeted and provided with visitor cards, but at the same time the conversation started in a comfortable and warm manner. Before conducting the interviews, the manager showed the researchers the room, where the interviews were going to take place and offered some drinks as well as an invitation for a lunch between the interviews.

One interesting thing was that, the room was named ‘Verkligheten’ (The Reality), while there was another room named ‘Framtiden’ (The Future), which was suitable since the researchers were interested in the reality.

The researchers were offered to take a view around the factory and see the manufacturing processes, from raw materials to finished customer components. The working environment in the factory appears to be positive, where man and women in different ages are working together. Moreover, the researchers were given detailed explanation about the production and were able to ask questions of interest. After getting to know the company, it was time for the more detailed interviews.
4.2 Interviews

This part of the thesis presents the results of the interviews conducted. Four different departments of AnVa have been interviewed: R & D, Marketing & Sales, Purchasing & Logistics, Production and the CEO.

4.2.1 Senior Manager of Research and Development (R&D) Department

The major focus of R&D department is on services, problem solutions to customers and customer projects as well as product development. Moreover, this means that employees from R&D department are in a daily contact with customers and suppliers.

In the beginning of the interview, the manager has a focus on the products until the interviewer leads the respondent in talking about services as well. When it comes to services, the manager of R&D department claims, that the company helps its customers with the construction of new parts. According to the manager, the company and the customer have to work together in order to create the end product since the customer is not an expert of rubber. Moreover, AnVa offers services not only such as calculating start-up costs and project costs, but also controlling that the new products meet external requirements. The manager tries to take a customer perspective into account, by stating that the customers have much other inputs to take into consideration and this is the reason why AnVa takes responsibility over the rubber.

4.2.1.1 Value

Within AnVa, there is no common definition of what value is. According to the R&D manager, ‘customer value’ is something that the company can give for the benefit of the customer by eliminating things that the customer does not get any value from. When the interviewee is asked to define value, he smiles surprisingly and says: “what a question”. After a short pause, the manager defines value as something created by everybody in the company as well as a relation between cost and benefit. For example, in firm’s and customer’s situation, value is to provide customers with solutions meaning that it is easier to lower costs and to offer higher quality. In
addition to that, the manager means that value relates to reliability and delivering things on time.

According to the R&D manager, quality is to deliver products so that the customer is satisfied. AnVa differentiate themselves from the competitors by responding quickly and delivering at the right time. The interviewee states that a differentiation in the market leads to close collaborations with new customers. Moreover, the manager adds, that personal relations are created with certain customers. By stating this, he believes that it will not be easy for the customer to switch to another provider, while other customers might have better relations with other providers.

4.2.1.2 Value (Co-) Creation

The manager claims that, some practical things are easier to work on by being together with the customer at one place. Moreover, the respondent seems sure about, that those deeper discussions and decisions are better and easier to carry out during face-to-face meetings since communication becomes easier and problems can be experienced in practice. However, the manager states, that most of the contact with customers is through e-mail nowadays, which is both positive and negative; it is easier to prove information said and adjust time in answering e-mails, while phone contact provides extensive discussions in a short time. The respondent adds, that the employees, who have customer contact work on different levels and have different contacts with different customers. For example, AnVA use different types of channels (e-mails, phone, face-to-face);

1. With one customer these channels are used intensely and flexibly,
2. Communicating with another customer, when there is a need for it
3. With third customer, contact is taking place on phone every week at the same day and time based on the customer’s requirement.

The manager provides an example, when a customer was dissatisfied; AnVa believed that the customer was wrong and proved this by sharing information gained, while
using special technology. The customer acknowledged its mistake, but remained unsatisfied.

According to the R&D manager, economic gain is the primary goal in all aspects, also when striving to create long-term relationships with customers. Nevertheless, past actions taken by AnVa affected the company recently, when the company tried to get back a customer that it rejected ten years ago. The company perceived this as a challenge in re-creating a relationship by earning customer’s trust and offering a long-lasting relationship.

The manager is convinced, that AnVa is open in listening to its customers, learning new things, thinking in a new direction and even buying new equipment, when there is a potential to collaboration. Furthermore, the manager believes that better quality is achieved, when AnVa is providing its customers with solutions and knowledge about further design and adjustment of products. However, the respondent warns the researchers by pointing out, that AnVa is careful in providing new customers with tips and advices, while not all information is shared because customer can easily switch to another competitor.

4.2.2 Senior Manager of Marketing and Sales Department

This department is responsible in negotiating with customers regarding new and old products as well as calculations, when market or other input costs changes. Moreover, the department works towards undefined customer problems by giving advices to problem solving. The respondent emphasizes, that technical knowledge in designing solutions is a competence of another department. However, according to the manager, the Marketing and Sales department has an impact because it gets knowledge about customer needs from communicating with them.

Also, the manager of Marketing and Sales department focuses on the production rather than service, when explaining what AnVa offers its customers. However, the respondent points out in a convincing way, that service has become more important during the last five years.
4.2.2.1 Value

According to the manager, ‘customer value’ is perceived from the company’s perspective as well as what the company gain in monetary terms by keeping relationships with its customers. However, when the respondent is asked to define ‘customer value’ from a customer perspective, he states that it is created by using common efforts of the company as well as being honest and fast in responding customer requests. When the interviewee is asked to define value, he looks surprised and thinks for a while before he provides a convincible answer that ‘value’ is money, reputation, and something that can create utility. Furthermore, the manager believes that value is created by everyone in the company and requires team-work in order to create value for the customer. When the interviewer asks a follow-up question, if customers are able to create value, the respondent proudly provides a quick answer; “yes, absolutely, for us!” and after a while adds, that the customer is also able to create value for itself through offerings.

According to the Marketing and Sales manager, quality is when “a product complies with its specification” as well as when the company fulfills its promises regarding products and services. However, the interviewee paused for a while and continued by stating that AnVa strives to be more than a product provider by offering other services and this is what makes a customer more dependent on the company. Moreover, the participant means that AnVa differentiates itself by working with its customers, while offering high quality resources. AnVa does not offer finished products, while everything is processed on customer requirements.

4.2.2.2 Value (Co-) Creation

The manager is enthusiastic in answering questions about relationship and interaction. Each customer is treated in different way and depending on how important they are to AnVa. As an example, the manager states in an experienced way, that if one important customer is dissatisfied, AnVa listens to it, takes it seriously and even books a face-to-face meeting if needed.
The respondent is sure, that the gain from having relationships with customers is monetary. However, he believes that a relationship provides AnVa with security in a way that the customer will not easily change the supplier because of the lower price. The manager is confident about, that “if one have a business relationship, one can be more expensive, but still the best choice”. The manager tries to view relationships from another angle by highlighting, that the relationship does not always help, especially when it comes to the delivery; for example, if AnVa does not succeed to deliver the right products, customer will be dissatisfied, however a long-term relationship with the particular customer might make the situation not as ‘harmful’. He is convinced that relationships with customers are established, when many employees within AnVa have in one or another way contact with customers and adapt quickly to their needs. Regarding new customers, the participant claims, that it is important to know how to reach them, how to cooperate with them as well as to point out what benefits they can get, when buying products and services from AnVa.

The participant points out, that large customers have a great impact on AnVa and that the customer requirements pushes the company to progress. The manager believes that without these requirements AnVa would not be in the same position as it is today. Meanwhile, the manager confirms, that AnVa strives to create security and honesty for their customers in terms of close business relations. AnVa is clear with its offerings and what it as a company is able to do for its customers. According to the interviewee, collaboration with customers has become more and more difficult since AnVa delivers and has contact with customer production plants in other countries. The respondent doubts, whether communication will lead to a relationship, when there are differences in language and culture.

One way of getting in touch with new customers is through social media, a customized website, and daily newsletters. According to the interviewee, e-mail has become the major communication tool not only, when communicating with customers, but also within the company since people are no longer interested in verbal communication. However, the respondent prefers face-to-face interaction,
but states that it has become more relevant and comfortable to use technology while communicating. The most common way of communicating with the customer is by e-mail; however, he believes that phone contact is more common among senior employees of business customers.

The manager mentions the same example as provided by the manager of R&D department regarding actions taken in the past affecting a relationship between AnVa and the customer, when the company rejected the customer ten years ago. The manager is continuing the discussion in a joyful mood, by providing another example about a more challenging situation, when AnVa attempted to attract a new customer, who had an opinion that AnVa was too expensive. AnVa demonstrates to the potential customer, what it has to offer in terms of high quality combined with long-lasting relationships as well as becoming more cost effective in the future because of the expansion.

According to the respondent, trust is to be honest, even if it is a negative thing, not beautify the reality, serve customer in a way that has been promised while this is easier done in Scandinavian markets and more difficult in other markets.

The interviewee offers a further example, when AnVa tried to convince a customer to design a product in a certain way, while the customer was not willing to take the information shared into account, while the costs became high for the customer. The company and the customer disagreed about the solution; however, because of a strong relationship between them, the participant has a feeling that they were not angry even if they had different viewpoints. This situation resulted in a considerable amount of communication that mostly took place through phone and e-mail because of the geographical distance. However, the respondent is strongly convinced that if both parties are not reaching a common agreement, the dominant way is face-to-face meeting.

4.2.3 Senior Manager of Purchase and Logistics Department

This department contributes to cost effective solutions while providing final result to the customer. The Purchasing and Logistics department is mostly involved in
everyday contact with customers, while mostly working with customer orders, order changes, new requirements, and meeting customers.

The respondent prefers to use a combination of technology and personal meetings while interacting with customers. Likewise, the R&D manager and the manager of Marketing and Sales, this manager has a focus on production activities, indicating, that money are earned from the delivered products. He believes that all other activities are considered to facilitate and/or improve the production.

4.2.3.1 Value

According to the interviewee, ‘customer value’ includes quality; getting the right things at the right time and at the right cost. However, the interviewee highlights, that other undefined inputs result in ‘customer value’ such as ‘extra service’, the way of delivering, the way of interacting, and doing its best. Nevertheless, the respondent defines value as; “having a thing that can create meaning for oneself”, and as an example, he states that, a product can only acquire value if there is a need for using that product. Moreover, the manager suggests in a convincing way that, everyone contributes to value creation directly or indirectly. For example, an employee standing by the machine creates value directly into the product. In order for AnVa to understand customer needs, customers have to define what is valuable for them, not only through planning report, but also in other ways, for example, during meetings. The interviewee claims, that “everything we do should create value for the customer”... “but we create value mostly for ourselves in terms of money that is a driving force”.

According to the participant, customer dissatisfaction is handled depending in what way the customer is dissatisfied, for example, if the product is not functioning the way it is promised, AnVa offers product guarantee meaning, that the promise should be fulfilled. Besides that, AnVa is engaged in investigating customer satisfaction regarding both, products and services.

According to the manager, quality is to fulfill not only the requirements of the products at the right time, but also undefined needs by offering ‘extra service’. The
interviewee believes, that AnVa distinguish itself from its competitors by being certified, which is a customer requirement. Moreover, placing efforts on delivering at the right time and based on the customer needs as well as high product quality.

4.2.3.2 Value (Co-) Creation

According to the respondent, there are three ways of thinking while working with customers: value-thinking, cost-thinking and economic-thinking. He believes that resources are not only values, but also costs and monetary resources. These can be interpreted in different ways depending on what intentions a specific person has as well as on personal aspects.

The manager suggests that it is absolutely valuable to create a good relationship, which leads to better production solutions, both technically and logistically, when finding a mutual way of working with customer. However, a face-to-face meeting with the customer is more effective, when the business actors agree upon common value assessments.

The participant provides a comparison; even if AnVa would face a delivery failure to a close business customer, this would not have a strong negative impact, since the customer might value earlier experiences with AnVa.

According to the interviewee, time and money can be saved, when established relationships exist with customers, since it is a long process during the product creation and development together with the customer.

As the manager emphasizes, long-lasting relationships differs from newly formed collaborations not only on a B2B level, but also between individuals, for example, new employees of the business customer create a need to build new relationships. However, he has confidence in believing that, it helps to have a good reputation and a strong brand from the business customer perspective.

The manager states that, one cannot buy the trust, but instead he relies on a process of professional performance. AnVa uses different channels of communicating with customers and suppliers; e-mails, phone, personal meetings as well as using special technological program, where no face-to-face interaction is involved. In explaining
this, the manager states that enterprise resource planning (ERP) is used as a tool to collect, store, manage, and interpret data in the manufacturing business processes. This technology enables large orders, which benefits both the company and the customer in their production planning.

Likewise, the previous respondents, this manager highlights that, e-mail has become the most common communication tool.

The manager provides general information about different approaches in working with different customers; each department has its own way of working with customers as well as with every department of the business customer. For example, technical department has one way of working with its customers, and have to be at the same level, when it comes to knowledge sharing with the business customer, while Marketing and Sales department works directly towards buyer.

Furthermore, business partners influence each other on several levels because customers own the product, while AnVa owns the process of manufacturing the product. AnVa is an expert on rubber, while business customers are experts in the end-products. AnVa has a high impact on its customers in the stage of the product development. Moreover, interviewee indicates, that one way of involving customer is by taking the challenge to meet and understand customer. For example, when a customer needs a rubber that can handle different conditions, AnVa has an opportunity to design a product that would meet customer expectations.

Relationships must result in some kind of business, but must include mutual collaboration.

### 4.2.4 Senior Manager of Production

This department works towards improving products and decreasing costs, where all of AnVa’s employees have a possibility to contribute with their own ideas on how these improvements can be achieved. The interviewee states that 99% of the company's focus is placed on the production, however, he points out that, more focus should be placed on services in order to improve and reduce costs.
4.2.4.1 Value

According to the respondent, ‘customer value’ is defined as products and/or services that customers are willing to pay for. He views value from two perspectives: in monetary terms; what the customer pays provides value for the company, secondly, the company provides customers with value in terms of quality, knowledge and experience. Moreover, the manager believes that, value for customers is linked to their needs and what they demand. When the demand is high, value is created, but in some cases value can be created if something exceeds the expectations; the customer gets more than expected.

The manager answers shortly, but convincingly, when the researchers ask him what quality is in his opinion: “quality is the right things at the right time”, meaning that customers get their orders as requested.

4.2.4.2 Value (Co-) Creation

The respondent meets his customers, when there is a need to fix failures by solving the problems for further improvement. He usually has contact with customers via phone and e-mail. However, the interviewee highlights that, personal meetings are even more valuable by customers and therefore crucial for AnVa.

The manager believes that, being involved in contact with customers through face-to-face meetings creates relationships. However, in the beginning of collaboration, AnVa is careful with sharing experience and knowledge about its products. According to the manager, customer, who has an established relationship with AnVa gets more information and advices as a more customized treatment. For example, orders that do not provide AnVa with economic gain are still accepted since it strengthens relationship with customer. According to the respondent, actions taken in the past have had an impact on the former customer, who changed the supplier to a cheaper competitor, however, decided to go back to AnVa based on earlier experiences regarding service and quality.
4.2.5 CEO

The CEO of AnVa is responsible that the company fulfills its goals, but he is also engaged in customer contact.

4.2.5.1 Value

The respondent claims, that ‘customer value’ is “when one can charge the customer for the work performed and the customer is satisfied”. Moreover, the CEO states, that ‘customer value’ is about making sure that customer gets what it wants and that what the customer is not willing to pay for is unnecessary to put resources in. When the CEO is asked to define value and explain how value can be created, he laughs a little and indicates that it is a strange question. Further, the interviewee, relates value to ‘lean production’ by stating that AnVa creates value for the customer by reducing waste, which is achieved by not offering products and services, that the customer is unwilling to pay for.

Likewise, the manager of Production department, the CEO points out, that a demand creates value and that, anyone, who has a need, can create value. After a short pause, the respondent says that, it is difficult to know who creates value and continues by stating that, value is created through a value chain during the production.

According to the CEO, quality is to deliver based on customer preferences. He highlights, that AnVa is a manufacturing company and that the ‘right quality’ is to deliver on customer requirements regarding time and resources. The interviewee states, that the focus is “on the production, without doubt, but our strength is also that we develop on customer requirements”.

4.2.5.2 Value (Co-) Creation

The CEO provides a comparison between major and minor customers regarding customer contact; if it is a major customer, AnVa has dialogues regarding technique, development and logistics, and not only with the Marketing and Sales department as in the case of minor customers. He highlights, that minor customers need to be ‘chased’ in order to not to lose them, while major customers are bounded because of an established relationship with AnVa.
According to the participant, the most common way of communicating with customers is through e-mail, especially with customers that AnVa has an established relationship with. The interviewee claims, that it is little disappointing, that phone contact is no longer relevant since it is a better way of explaining and understanding. However, he prefers face-to-face meetings and on-site visits with new customers, while e-mail is preferred on a daily contact with existing customers. According to the respondent, it is a ‘must’ to visit the existing customers from time to time in order to keep the long-lasting relationship. Moreover, he suggests, that it is important to visit and invite customers to on-site meetings in order to understand if there are any problems, that needs to be solved or if new improvement is needed. Likewise, the other respondents, the CEO highlights, that AnVa’s competitive advantage is its engagement from the initial collaboration by developing and designing together with customer.

The CEO is absolutely convinced that good relationships result in economic gain because it is business and not a charity. He believes that relationships help to keep customers and since it is difficult to find new business partners it is crucial to keep the existing customers. Moreover, it is convenient for customers as well, to have one supplier that understands their needs. Though, he relies on, that one should not exaggerate regarding customer contact, while moderate contact is the best way to get to know the customer and its needs. It is crucial to get a feeling, be honest and open in order to not to lose a business deal.

Customers are able to influence AnVa by setting high requirements, which the CEO believes, improves business operations. The interviewee proposes that it is possible to influence the customer by offering more than what a customer is expecting. The respondent confirms, that business relationships are about getting to know each other, in a long-term collaboration one knows the ‘playing rules’, while it is a challenge to learn how to work with new customers. Lastly, he has confidence in believing, that trust is related to honesty and fairness.
5. Discussion and Analysis

In this chapter, the theoretical framework is connected to the results of the case investigated. Moreover, the findings are discussed based on the theory as well as critically reviewed in order to provide theoretical evidence and cover the knowledge gap in the service research field.

5.1 Value in a Manufacturing B2B Context

Nowadays, ‘servitization’ is affecting most of the companies and manufacturing industry is not an exception. As a manufacturing company, AnVa faces a challenge by viewing products as services indicating that AnVa’s products are extended to services, the useful life of product is prolonged and the role of the supplier as a value facilitator becomes more apparent regarding value co-creation process. However, the findings indicate that there is a growing demand to get more than a product in combination with specific characteristics (Ibid & Rada 1988). Although, AnVa’s core service is to deliver products to its customers, the company has in practice recognized that customers have higher requirements. Moreover, their support services are intended to deliver quality in order to meet customer requirements and be used as a differentiation in the market while creating a competitive advantage (Ulaga & Eggert 2006). According to AnVa’s Service and Development Model it is necessary to work in creating value along the supply chain that would benefit both the supplier and the customer through their business operations (Anva 2015). This perspective indicates that AnVa creates value and delivers products to its customers that facilitate customers’ value co-creation. Support services are considered important when establishing a long-term relationship in order to retain customers, while this leads to an opportunity for both parties to become trustful partners and co-create value together (The Manager of Purchasing & Logistics). Moreover, trust and long-term relationship result in customer retention or as the The Manager of Marketing and Sales states, the customer becomes dependent on the company, while value activities function as a linkage between performance and profit. Finally, value co-creation process can be facilitated through the company’s support services and long-term relationships since the customers require more and the supplier acquires an opportunity to offer more.
The role of the supplier as a value facilitator has become important when involving customer in company’s business operations (Grönroos 2011b; Prahalad & Ramaswamy 2004b; Saarijärvi 2012; Chen et al. 2013). The respondents consider value as a monetary term and are surprised when asked to define value from a cognitive point of view; each of them offers an interesting reflection on what value might be. However, AnVa facilitates value co-creation for their customers by engaging in solving customer problems, helping customers developing their operations, and creating relationships. Consequently, value is not considered as the service marketing literature suggests. Following this line of reasoning, it becomes important for everyone in the company to contribute in a value creating activities by providing customers with services (not only products) in order to embrace their needs. Moreover, this study indicates that product-centered providers interpret value as an economic relationship between cost and benefit (The Manager of R&D). The Manager of Purchasing and Logistics believes that employees of the company are able to create value directly into the products; as the traditional way of thinking (G-D logic) suggests, value is embedded in units of outputs (Lusch et al. 2006). The consequence might be that manufacturing companies remain product-centered, even if value creation activities are performed. Though, the company is engaged in value creating activities since it realizes that money can be earned by engaging and creating relationships with customers during business transactions. According to Grönroos (2011b) and ‘service logic’, such activities are considered to be as the main facilitators of value co-creation. Moreover, S-D logic suggests that goods can mediate value if they are perceived as services. In the case of AnVa, value is embedded in the products and can be realized when support services are taking place.

A value-based perspective implies that suppliers work as value facilitators in order to contribute to ‘customer value’ by involving customers with an intention to become “better off” (Ulaga & Eggert 2006; Grönroos 2008; Grönroos & Voima 2012; Prahalad 2004). The respondents perceive ‘customer value’ as something that can provide an advantage for the company at the forefront, by leaving customer side apart. However, it becomes obvious that the company is taking customer perspective into account, even if it has a mindset based on economic thinking, by developing together with customers based on their requirements (The CEO).
The existing theory suggests that ‘customer value’ is no longer only about the needs of the customer, but more about how value can be created by the customer during the usage of a product (Edvardsson et al. 2011; Grönroos 2011b). The findings of the study propose that value-in-use is more distinct in a B2C context; for example, in a B2C setting, a customer co-creates value, when driving a car provided by the firm. In a B2B context it becomes complex; how can a spare part for a car create value-in-use for the car producer (business customer). This study suggests that consumption and usage can be seen as a part of the business customer production process, where a business customer can create value-in-use during production rather than consumption (Vargo & Lusch 2004; The Manager of Marketing & Sales). Moreover, with the assistance of AnVa, business customers are able to develop and get knowledge about components and thereby increase value-in-use. Consequently, this study suggests that value-in-use in a manufacturing B2B context is more likely to be considered as ‘value-in-production’.

Songailiene et al. (2011) states, that expectations, understanding of resources, and customer capabilities of using provided resources enables value co-creation. Additionally, S-D logic highlights value as something that can be perceived, achieved and evaluated during usage, consumption or experience (Vargo & Lusch 2004). The Manager of Production claims that low customer expectations can generate value to the customer. This study suggests that, customer expectations and perceived value depend on the knowledge the customer has regarding the product manufacturing process. However, further research regarding value (co-) creation in a manufacturing B2B context from a customer perspective is necessary in order to investigate how customer perceive, achieve and evaluate value during production (Vargo & Lusch 2004).

5.1.1 ‘Value-in-Production’

AnVa helps its customers in constructing and developing components into products and follow-up changes in rubber production process since customers have a lack of knowledge and need resources (physical inputs and knowledge) provided by the firm in order to create value; as ‘service logic’ suggests, customer is not able to co-
create value alone without any contribution of the service provider. In a manufacturing B2B context, the customer needs resources provided by the supplier in order to create ‘value-in-production’. Based on this study, customers of AnVa are not expected to understand the resources applied during AnVa’s production process, as The Manager of Purchasing and Logistics states; AnVa owns the process of manufacturing the product, while customers own the product. However, it becomes necessary for AnVa to understand customer’s ‘value-in-production’; what resources a business customer needs in order to facilitate value co-creation. Therefore, contrary to ‘service logic’, S-D logic is relevant in a B2B context because the supplier is able to influence customers’ value creation process by providing resources and co-creating value together.

5.2 Resource Integration in a Manufacturing B2B Context

AnVa’s goal is not only to benefit the customer as Chen et al. (2012) and Peters et al. (2014) indicate, rather the focus is placed on experience sharing as a relationship building activity, which in turn, leads to economic gain. In a B2B setting, where both provider and customer are manufacturing companies; the products produced by the provider become as a resource in the production of the business customer, meaning that the customer is able to integrate other resources and thereby contribute to value co-creation experiences (‘value-in-production’).

In the case presented, AnVa shares knowledge and skills with customers, who have an established relationship with the company. Furthermore, the company is careful in providing new customers with advices (information and knowledge) since the customer might switch supplier and co-create value together with a competitor instead, by using resources provided by AnVa (The Manager of R&D). Moreover, AnVa’s way of being careful in sharing experiences with new customers might result in customers not perceiving the ‘desired value’, while the ‘received value’ can inhibit value-co creation because of customer dissatisfaction (Chen et al. 2012).

As presented in AnVa’s Service and Development Model (Figure 1; Anva 2015) and in the examination of resource integration, AnVa is open to its customers by considering their
requirements as useful information for improvement as well as allowing them be engaged in their own development (The CEO; The Manager of Marketing & Sales). By integrating resources provided by their customers, AnVa faces new opportunities in co-creating value with its customers. Likewise, customers are able to co-create value by integrating resources (knowledge and information) offered by AnVa. Moreover, when competences and capabilities are mutually combined into a complex service offering it creates a competitive advantage for the company (Peters et al. 2014; Songailiene et al. 2011).

S-D logic suggests, that the customer can benefit by integrating resources together with the company (Ford 2011). The findings provide a controversial picture, where value is not co-created, when one major customer of AnVa was not willing to apply provided knowledge into their production activities (Edvardsson et al. 2011; The Manager of Marketing & Sales). In this specific situation, the customer had to pay for its mistake by not applying the resources provided by AnVa and thereby value was not co-created. Moreover, since The Manager of Marketing and Sales specifies, the company experiences difficulties in collaborating with customers located in other countries since it becomes complicated to integrate resources in such a context. This becomes challenging for AnVa to co-create value through resource integration because there is a need for a common understanding of how resources can be used. This indicates that the company is limited to co-creation activities that are performed in a distance since the value co-creation process might not be efficient, while close collaboration is needed in order to ensure effective sharing of resources.

5.2.1 ‘Unnecessary Resources’

An unexpected finding revealed, that ‘unnecessary’ resources in the stage of product development and design are removed if it does not benefit the customer and if it does not contribute to value creation for the customer (The Manager of R&D). Also, the CEO refers to ‘lean production’, which means that ‘unnecessary’ resources should be left aside; implying that a supplier can facilitate value co-creation process by eliminating resources and not only by integrating resources as highlighted in the existing theory. It becomes evident that the supplier must have a long-term
relationship with the customer in order to understand what might be ‘unnecessary’ for the customer in order to ensure effective resource integration. Therefore, contrary to IMP perspective, usefulness of the resources does not always depend on combining and building unique collections of resources (Baraldi 2014; Ford 2011). Moreover, in AnVa’s case, resources have to be removed if it is ‘unnecessary resources’ and if it does not contribute to benefits for the customer this way providing a possibility to build unique collections of resources so that the supplier and the customer are able to co-create value through the usage of ‘necessary resources’.

5.3 Interaction and Relationships

Resources are usually incorporated through interaction between two parties; however physical resources can be intertwined without direct interaction. This implies that the customer can interact with the producer’s service system represented by the product, meaning that the product functions as a link between the customer’s and the producer’s value creating processes. For example, the customers of AnVa might co-create value on delivered products without direct contact by adding its own resources. This leads to a discussion considering service provider and customer as value creator and/or value co-creator, while S-D logic suggests, that the firm and the customer are always co-creators of value and that the firm is able to influence customer’s value creation process (Vargo and Lusch 2008). In the case of AnVa, considering a B2B context, it becomes evident that the business customer is able to influence and challenge AnVa regarding product development and design. Furthermore, ‘service logic’ perspective highlights the importance of interaction, where value can be co-created, while this is not always the case in manufacturing companies (Grönroos 2011a). Service-centered companies are not able to co-create value without any human interacting activities, while value-co creation in product-centered companies does not necessarily depend on the interaction between actors, but rather on resources integration and interaction between service systems. AnVa is not only using traditional ways of communicating with its customers; ERP technology provides the company and the customer with an opportunity to a better integrate resources without direct interaction, which leads to effective production planning.
Moreover, using the technology without human interaction is still one way of integrating resources that results in value co-creation. However, regarding support services (product development and design) offered by AnVa as well as changes during the process are only able to be performed through human interaction.

According to the results presented, AnVa has an opportunity to participate in customer problem solving together with the customer by offering services such as development and design (The Manager of R&D). As the Manager of R&D points out, AnVa is willing to invest in new equipment, if it is necessary in order to meet customer needs. This becomes one way to facilitate resource integration through AnVa’s supply chain as well as contribute to value co-creation. Moreover, by offering ‘extra service’ (The Manager of Purchasing & Logistics), AnVa becomes engaged in the business customer problem solving through effective resource utilization, which according to Grönroos (2011b) is a value co-creating activity. AnVa is able to provide high quality and ‘extra services’ by assisting the customers in the value creation process and the price is adjusted thereafter. It is important to differentiate value propositions offered to customers since AnVa is not the cheapest producer and provider of manufacturing goods, it facilitates value creation by combining quality, performance, and product guarantee (The Manager of Purchasing & Logistics; Muthuraman et al. 2006; Payne & Frow 2014). The case company lost one of its customers because of the high price and insufficient value propositions, but the customer came back to AnVa since it was not “better off” and valued earlier experiences (The Manager of Production; Grönroos 2011b). This can be viewed as value-in-context in a B2B setting and based on potential value considering a time perspective; past experience and relationship resulted in future collaboration and value co-creation. Consequently, value propositions offered by AnVa, provide customers with an opportunity to create value for themselves as well as an opportunity to co-create value together (Storbacka & Lehtinen 2001).

Walter and Ritter (2003) observations can be applied to the case company presented in this research; a company can benefit itself by creating a relationship with its customers. The company’s CEO is convinced that good relationships will definitely lead to economic
gain, while the customer acquires an opportunity to co-create value together with the company through interaction. Consequently, manufacturing companies performing in a B2B context should focus on relationship-building, which leads to a secure way of earning profit. It becomes evident, that there would be no economic gain without the relationships, meaning that the company has to invest equal efforts in building relationships, when focusing on profit. The Manager of Marketing and Sales emphasizes that long-term relationship might have an impact in such situations that concern customer dissatisfaction; a relationship does not always help to restore a product and/or service failure, however trust and commitment facilitates the situation (Songailiene et al. 2011; Walter & Ritter 2003).

Considering three types of interactive activities (transactional, value-added, and collaborative) in the relationship building, AnVa as a manufacturing company is engaged in transactional business interaction activities, where both parties are involved through exchange (Hutt & Speh 2013). Nevertheless, since AnVa has an increased obligation to focus on services, value-added interaction as well as value-based thinking plays a crucial role because the goal is not only to keep customers, but also adjust the company’s products and/or services to the customer needs through collaboration. As a service provider, fulfilling its role by offering value propositions to the customer and ability to co-create value.

IMP perspective suggests that; (1) value co-creation through separated interactions with customers, usually occurs with new customers or with non-returning customers, this is more applicable in a B2C context, where a relationship between the provider and the customer is not necessarily needed in order to co-create value; (2) value co-creation as interaction, takes place with a purpose to create a relationship and handle future problems together in order to co-create value; this is consistent with AnVa and the B2B context (Ford 2011). Moreover, the Interaction Model (Figure 2) provides a more distinct picture of short-term and long-term relationships by taking environmental aspects into consideration. This study aims to extend the role of the supplier and how a supplier that operates in a B2B market is able to co-create value through interaction.
Anva is careful in sharing information with new customers, even if the goal is to create a long-lasting collaboration. The balance between the information shared and the information required might influence both parties since it might affect the relationship-building in the long-run. Furthermore, according to the Interaction Model presented, interests and behaviors of service provider and customer affect the long-term relationship (Håkansson 1982 cited in Axelsson & Agndal 2012). In AnVa’s case, the relationship-building can be affected if the supplier is unwilling to share knowledge in the stage of short-term relationship (The Manager of R&D; The CEO), while this might result in customer unwillingness for further cooperation and long-term relationship-building activities. Moreover, as the CEO responds, AnVa and its business customers have to get to know each other before integrating resources and only then, when the ‘playing rules’ are ensured, relationship-building activities will take place. The result is that value co-creation does not occur by itself, rather it has to be nurtured. Still, new customers remain as a challenge for AnVa because of its carefulness in sharing resources, which inhibits individual business transactions and long-term relationships become more difficult to achieve. Interaction and mutual adaptation is an effective way to integrate resources based on each other’s requirements while building a long-term relationship in co-creating value. Based on the case study, in a B2B context, it is clear that the supplier and the customer are more equal regarding engagement and cooperation. Meanwhile, S-D logic and ‘service logic’ places the responsibility on the supplier as a value facilitator. However, value facilitation should not only be seen as the supplier attempting to benefit the customer, rather both parties should facilitate value co-creation through mutual willingness to co-create value (The Interaction Model). Business customers, who have an established relationship with AnVa, become engaged in the value co-creation process through different interacting activities. Different communication tools are used when interacting with customers; all the respondents agree that e-mail has become the most common way of interacting. Moreover, interacting through e-mail can be a sufficient way of co-creating value when considering that dialogues are saved and the participating parties can respond at their convenience (The Manager of R&D). However, interaction through phone
enables a more extensive discussion and a more efficient way of explaining and understanding each other (The Manager of R&D; The Manager of Marketing & Sales; The CEO). The results indicate that face-to-face and on-site meetings are needed in the beginning and when there is a need of sharing information regarding changes, but also to show interest and keep long-lasting relationships (The CEO). It becomes evident that interaction through all communicating channels can result in value co-creation; it depends on what interaction concerns and what kind of relationship the interacting parties have with each other. The Manager of R&D explains, (1) that with one customer different channels are used intensely and flexibly, (2) with another customer only when there is a need for it, and (3) when contact is taking place on phone every week at the same day and time. Moreover, different employees at AnVa interact in different ways with different customers, the entire company has one relationship to one business customer and a different relationship to another customer, thereby interaction patterns are different.
6. Conclusions and Recommendations

The last chapter of this study provides an answer to the research question while fulfilling the aim of the study. The conclusion is carried out based on the previous chapter; Discussion and Analysis. Furthermore, a clarification of the existing theories is presented while considering the manufacturing company operating in a B2B setting. Lastly, this chapter provides suggestions for further research.

6.1 Conclusions

The aim of this research was to contribute to a better understanding regarding the role of the supplier in the value (co-) creation process, operating in a manufacturing industry in a B2B context. This is achieved by developing a more comprehensive conceptualization of supplier's ability to create and co-create value together with the customer through value generation, integration of resources, interaction and relationship-building activities. Finally, this study raises and answers the research question; “How is value created and co-created in manufacturing industry in a B2B context?”, by contributing to the lack of service research.

A manufacturing company with a product-centered approach and economic thinking is able to facilitate value creation by embracing customer needs and offering support services in combination with products. Based on this research, it might be difficult for manufacturing companies to move from the traditional way of thinking and view products as services. This is not necessarily negative since ‘servitization’ is practiced when the mindset of ‘what can you do with us?’ (Wind & Rangaswamy 2001) and ‘marketing with’ (Vargo and Lusch 2004) is implemented in the business strategy. Service-centered companies are not able to co-create value without any interacting activities, while value-co creation in product-centered companies does not necessarily depends on the interaction, but rather on resources integration.

A company operating in a manufacturing B2B context ensures effective resource utilization by engaging in customer’s problem solving through interaction, which results in facilitation of value co-creation. In a B2B context, customer requirements are considered as a driving force that pushes the company to progress further.
However, in order to achieve a competitive advantage, resource integration through interaction between supplier and customer is essential; where competences and capabilities are mutually combined. In addition to that, in order to attain effective resource integration a common understanding of resources is crucial. Interaction as a repeating activity in a B2B context and mutual willingness to integrate resources leads to value co-creation as well as establishing a relationship, which leads to a secure way of earning profit. Business actors with an established relationship and understanding of each other’s requirements and capabilities are able to integrate resources in a more efficient way; the supplier can facilitate value co-creation by eliminating resources that are ‘unnecessary’ for the customer's value creating process.

The Interaction Model and IMP can be applied in a B2B context, however it does not take into account the complexity of multiple actors; (1) interaction between individuals (supplier’s employees and business customer’s employees), (2) interaction between and across departments, (3) interaction between businesses; for example, different ways of interacting with different customers depend on the embedded relationship between the supplier and the customer. Moreover, value-in-context with a time perspective is dependent on earlier customer experiences of interaction with a specific person, part of the company, or earlier experience from the entire company.

Our final note is that IMP is more suitable to explain a B2B context, while S-D logic and ‘service logic’ emphasizes B2C environments. Moreover, value facilitation should not only be seen as the supplier attempting to benefit the customer, rather both parties should be seen as equal facilitators of value creation. Lastly, it is not possible for a manufacturing company to become completely ‘servitized’ as S-D logic proposes, but rather combine products with services in order co-create value.

6.2 Future Research
By focusing on understanding the supplier's role in a manufacturing B2B context, there are some certain limitations in the interpretation of the results, which provides suggestions for the further research. The findings of this study rely on a single case
company and therefore need further research from multiple manufacturing companies operating in a B2B context in order to become fully transferable to other companies.

This paper emphasizes the role of the supplier in a B2B context, while there is a need to highlight the customer perspective by investigating how value is created and co-created by taking into consideration customer’s perspective. Moreover, extend the concept ‘value-in-production’ by studying how customers perceive, achieve and evaluate value during usage, consumption or experience (Vargo & Lusch 2004). Lastly, both supplier’s and customer’s perspectives should be investigated in order to fully understand value (co-) creation in a manufacturing B2B context.

Furthermore, the study revealed another aspect that requires further understanding and investigation from both the supplier’s and customer’s perspectives. Companies performing in a manufacturing B2B context might experience difficulties in dealing with customers located in other countries, while cultural aspects becomes crucial, when integrating resources, interacting and creating relationships. By considering cultural aspects and investigating value co-creating activities in such a context provides a more comprehensive picture of the reality.
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Appendix

Interview Questions for AnVa

1. Can you describe AnVa?
   - Products and Services
   - How does your day look like?
   - What is quality for you?
   - What is the major focus of your business, the manufacturing itself or other services?

2. How do you work with your customers?
   - Different ways with different customers (example)?

3. What is ‘customer value’ for you?

4. How do you define ‘value’? Do you have a common definition within AnVa?
   - Who do you think creates value?

5. How do you keep in touch with your customers?
   - What opportunities do your customers have to get in touch with you?

6. How do you prefer to have contact with your customers, through face-to-face or through phone/email/other possible tools? Why?

7. If a customer is dissatisfied, what do you do to improve?

8. What do you do in order to differentiate yourself from the competitors? (regarding price, quality, performance, selection, convenience or something else...products, services, systems and programmes)?

9. What do you gain from building relationships with your customers?

10. What impact can customers have on you based on their requirements?
   - How do you think you influence your customers?

11. How does your department contribute to the improvement of products/services?

12. Do you provide your customers with an advice on how to use the product?
13. Have you ever had any experience that the customer provides you with a new knowledge about your product? Have you had any improvements regarding the product after that?

14. What do you expect from interaction with your customers?
   - How does close relationships differ from the ones that are performed in a distance/ new created relationships/collaborations?

15. Have you had situations such as customer unwillingness to have a relationship with you? Why?

16. Have you ever felt that actions taken in the past had an impact on relationships with the customers? Positive/ Negative?

17. What do you do in order to earn customer’s trust?

18. How do you deal with product/service failures?