The Initiators of Changes in Customers' Desired Value

Results from a Theory Building Study

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This paper presents research findings from a qualitative, grounded theory study of changes in customers' desired value in the U.S. automobile industry. Customer-desired value is distinguished from customer-received value and customer values through a review of the value literature. Within this literature review, the authors note that no marketing research has yet focused on understanding why customers change what they value from suppliers, research that would help marketers predict what customers may value in the future. Findings from the first known study of this kind provide a theoretical model of the initiators of changes in customers' desired value. This model is discussed with supporting depth interview passages. It is argued that understanding why customers' desired value changes will help marketers more precisely predict what customers may value in the future, and that the model proposed here can act as a diagnostic tool for analyzing business customers. © 2001 Elsevier Science Inc. All rights reserved.

INTRODUCTION

What will customers value from suppliers in the future? The supplier that answers this question correctly for its own customers, before the competition does, creates a source for a strong differential advantage. But are such predictions possible? The answer should be yes if, (1) customer value change is caused by knowable initiators

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Predicting customer-desired value creates competitive advantage.

of change and (2) suppliers develop foresight about the future state of these initiators. However, despite numerous studies concerning the meaning of customer value (e.g., [1]), how customers perceive value [2], and ways to uncover what customers currently value (e.g., [3]), we could not find any research that examined how and why business customers change what they value from suppliers. The results reported in this paper offer an initial step toward closing this gap.

Customer value research is gaining momentum in both academic (e.g., [4]) and practitioner marketing literature (e.g., [5]). The literature offers a multitude of meanings of the customer value concept: an attribute tradeoff between product quality and price [1, 6]; a tradeoff between specific categories of benefits (i.e., functional, social, affective, epistemic, aesthetic, hedonic, situational, holistic, and convenience) and specific categories of costs (i.e., monetary, time, risk, human energy) [7]; all product attributes and the positive and negative consequences that result from customers' use of those product attributes in the form of value hierarchies [3, 4]; seller behaviors within buyer-seller relationships [8–11]; emotional, practical, and logical worth for customers [12]; and product, possession, and use worth to customers [13]. One distinction critical to this research is that customer value may be categorized as either received value or desired value [4]. *Received value* refers to the value customers actually experienced through specific product–customer interactions. *Desired value* refers to the value

that customers want to receive from products/services and their providers.

Building on the desired value conceptualization, some researchers point out that customers' desired value changes over time. Typically, they call for research to help marketers predict that future by studying how customer-desired value changes (e.g., [14]). If changes in customers' desired value are not random events, but rather caused by specific factors influencing customers, then we should be able to predict these changes based on knowing these factors.

This issue is important because businesses have been struggling with customers' changing desires for many years. The business press is replete with references to the fact that change, including changing customer desires, is inevitable in today's seemingly accelerating market environment. Certainly there is ample advice being provided on ways companies might deal with their dynamic, even chaotic, markets [3, 15–18]. Some even try to circumvent the need to predict value change by advising companies to take control and drive change themselves [19]. While predicting customer-desired value change may be difficult, there is no evidence to suggest that it cannot be done. The rewards of doing so are likely to be great. For example, forewarning of impending customer value change can provide lead-time for often-lengthy product development and testing cycles. Such lead-time could allow a company to beat its competitors to market with innovation.

The advice provided to businesses to date rests on little scientific understanding of how and why customers' desired value changes. Despite recent calls for empirical investigation into the issue [4, 14], no findings have yet been reported on initiators of change. The purpose of this paper is to provide findings from an exploratory study that focused on understanding what causes changes in customers' desired value to occur. Findings from a grounded theory study conducted within the automobile manufacturing industry suggest that a general process leading to change in customers' desired value quite likely

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Prediction requires an understanding of change processes.

does exist for business customers. If so, recognition and monitoring of this process may provide suppliers with the necessary lead-time for differential advantage.

The purpose of this paper is to present results describing the initiators of customer value change. We begin with a review of customer value research followed by an overview of the research methodology employed in this study. We then present a theoretical model to explain how change begins, followed by a discussion of contributions to the marketing literature, managerial implications, limitations, and future research.

CUSTOMER VALUE RESEARCH

Most discussions of customer value research tend to adopt a received value conceptualization. That is, value is conceptualized as a customer's perceived net tradeoff received from all relevant benefits and costs (sacrifices) delivered by a product/service/supplier and its use [14]. Too often, there is a tendency to concentrate customer value on product quality and price. For example, many authors treat customer value as a customer's perceived received quality-price tradeoff [1, 6, 20–27]. Customer-desired value is a quite different kind of perception. Here the customer perceives what he or she *wants to have happen* in a specific kind of use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal [14]. Similar notions are found in the satisfaction literature, such as desires [28, 29], desired service [30], ideals [31], or desired expectations [32]. Importantly, customer-desired value is a broader notion than merely desired attributes of a product/service/supplier. Flint et al. [14] position desired value as the entire bundle of product attributes and resulting consequences, both positive and negative, and monetary and non-monetary, that the customer wants to have happen. It is changes in these preferences for both attributes and consequences that businesses are trying to predict: "What attributes and consequences will my customers want? What sacrifices will they be willing to make? What tradeoffs will they want to make?"

Sometimes the concepts of customer-desired value and personal values are confused, perhaps due to the similarity of the terms. Consequently, we must first differentiate customer-desired value from the concept of personal values.

Personal values are the central, core, enduring beliefs that guide customer behaviors across situations. They reflect people's desired "ultimate end-states of existence" [33]. Personal values research has become extensive in its own right and is reflected in familiar concepts drawn from Maslow [34] and Rokeach [35] as well as from List of Values (LOV) [36–38] and Values and Lifestyles profile [39] research. Personal values are abstract, centrally held, implicit beliefs that guide behavior. They are specific to individual customers as well as to individual customer organizations, as in organizational values [40, 41]. They are enduring and independent of product use situations. Customer values may help drive what customers desire from products, services, and providers, as depicted in the value hierarchy [3], but *they are not the same as customer-desired value.*

While personal values, by definition, are likely to remain fairly stable, changes in customer-desired value are likely to be more volatile, due to the many possible changes that can occur in customers' use situations and use occasions. From experience across these uses, customers learn to want or value new and different attributes/consequences from suppliers. The issue that we address is whether there are any patterns to the factors or forces that drive that change process.

Several authors provide some insights to the forces that might drive changes of this kind. Woodruff and Gardial [3] propose that macro-environmental forces (economic, social, technological, governmental, and natural forces), customer use situation changes, competitor innovation, and emerging new markets drive customer desired value change. Zeithaml et al. [30] suggest that enduring-service intensifiers, personal needs, explicit promises, implicit promises, word of mouth, and past experiences help to form customers' desired level of performance. These forces could be viewed as supplier actions

Today's buyers feel tension.

(e.g., service intensifiers, explicit and implicit promises, past experiences where supplier actions are concerned), changes within customers' organizations (e.g., word of mouth, past experiences where consequences are concerned), or suppliers' competitor changes (e.g., past experiences with other suppliers). Finally, Flint et al. [14] suggest that certain events within customers' environments may trigger changes in desired value. These events were classified as supplier changes, customer changes, and macro-environmental changes. None of these models, however, have been examined empirically.

Rather than test empirically any one of the many existing models of customer value change, all of which seem plausible but speculative and different, we decided to conduct new theory building research. Therefore, the study's objective was to build a theory describing how and why changes in customer-desired value occur. We wanted to conduct this research within a business-to-business context because buyer–seller relationships are complex, strategically and financially important, and long-term relative to consumer buyer–seller relationships. Key customers may even expect a supplier to anticipate their future needs.

METHOD

Overview of Grounded Theory

We chose a qualitative, theory building methodology to address the research objective of this study. Discovery through theory building research is helpful when previously developed theories do not appear adequate to answer the current question. Attention to this kind of research has become common in marketing [42–53]. Grounded theory [54] was chosen as the methodology for this study because of its specific objective of building theory from qualitative data and interpretation [55]. Grounded theory represents both a way of thinking about social phenomena and a qualitative research methodology for theory construction concerning those phenomena [55–58]. It is especially useful for the study of change because it focuses on understanding human processes oc-

curring in specific situations [57, 59]. Space limitations prohibit a complete overview of grounded theory procedures. Details of these procedures can be found in available grounded theory texts (e.g., [55, 57]).

Sampling

The central phenomenon of this study was change in customers' desired value. We explored this change with business customers within the automobile manufacturing industry. The level of analysis chosen was the individual manager, rather than buying centers or customer companies, because individuals' desired value likely differs within and across customer organizations. The primary data collection method was in-depth personal interviews. During a 6-month period in 1997, 22 such interviews were conducted with purchasing-related professionals within 9 manufacturing companies in the auto industry. Participants generally held positions as purchasing managers, design engineers, materials managers, and production managers. Participants' companies manufactured automobiles, wiring harnesses, brake systems, bearings, wiper blade systems, pistons, fuel systems, fine-blanked metal components, and composite manifolds. Corporate annual revenues ranged from $50 million to over $150 billion.

Consistent with grounded theory guidelines, we did not, a priori, decide on a sample size. Instead, the number of interviews was dictated by the progression of theory development, a grounded theory technique known as theoretical sampling. This technique allows for theory to emerge from analyses of data from initial participants (i.e., in this case, interview transcripts), which, in turn, guides selection of appropriate subsequent study participants. For example, initial analyses of purchasing manager interviews indicated that we needed to obtain the perspectives of design engineers as well. Had we preselected only purchasing managers, we would have missed the opportunity to explore the engineering perspectives. Similarly, we ended up interviewing production managers and managers across a wide variety of organizations. Sampling ceased at 22 managers, as it became clear that,

at that point, redundant data were being collected. Data redundancy suggested that we had captured the breadth and depth of phenomenon understanding that we desired.

Interview Design

Interviews explored participants' personal, lived experiences with value change [52, 53]. It was assumed that participants' descriptions of actual experiences would yield sufficiently rich data from which to construct a theory of change. The interviews began with participants describing their jobs and how those jobs had changed in the recent past. Those discussions invariably extended to changes in participants' goals and objectives, and eventually to changes in what participants desired from their supplier relationships. The interviews also incorporated an ethnographic technique from cultural anthropology called "grand tour" [60, 61]. Specific experiences were continuously probed for depth below surface responses. Although participants were able to freely recall experiences with a dynamic environment, digging below surface responses required many probes. A few examples of such probes were: Tell me more about that. How did that make you feel? What happened next? What happened before that? Can you describe that in more detail? Interviews lasted between 45 minutes and 1 1/2 hours. All interviews were audiotaped, transcribed verbatim, and then analyzed by the lead author, the principal investigator.

Analyses Process

Interpretations of the interview transcripts were based on multiple readings of each transcript in order to capture a holistic image of the participant's stories, followed by part-by-part interpretation of key thoughts throughout each transcript. Each transcript was then treated as a part of a larger whole comprised of multiple transcripts. In all cases, interpretations of parts (whether pieces of a transcript or entire transcripts) were continuously compared to each other and the whole, following grounded theory's constant comparative method. This procedure was facilitated by the use of the NUD*IST™ computer program, where hundreds of concepts were coded and categorized. Constant refinement of concept definitions and interpretations were tied to specific words and lines within the transcripts. Data collection, analyses, and memoing (writing memos to oneself and to co-researchers about interpretations) in grounded theory reflects a constant tacking back and forth, where previous data collection and analyses informs subsequent data collection and analyses (i.e., the previous theoretical sampling discussion). Thus, the theory emerges over time, without any clear distinction between data collection and data analyses. This emergent design is crucial to the success of qualitative theory building studies [55, 57].

The NUD*IST™ program facilitated both memoing and constant comparisons, all the time tying codes and memos to specific transcript lines. Transcripts ranged from 5,000 to 15,000 words, roughly equivalent to between 20 and 58 pages of text. Interpretative analyses took place over 10 months, requiring over 1,040 hours of analyses or 47 hours per transcript. In addition to interview transcripts, documents were collected where appropriate and meetings were observed, providing additional data with which to compare interview transcript interpretations. Codes, categories, and interpretations were eventually integrated into theoretical frameworks.

Assessing Trustworthiness of the Findings

Both the process of data collection and interpretation as well as the findings were evaluated for trustworthiness. Credibility, transferability, dependability, confirmability, and integrity—criteria established for interpretive research [62, 63]—were addressed throughout the study, as were the overlapping grounded theory criteria of fit, generality, understanding, and control [55]. The specific actions taken to extensively address the trustworthiness of the study and its findings are provided in Table 1. Al-

Buyers depend on suppliers to reduce tension.

though primary data collection and analyses were conducted by the principal researcher, other researchers provided varying degrees of objectivity, enabling a thorough review of both process and conclusions. For example, one researcher (and co-author) acted as a second independent analyst throughout the study, enabling expansion and modification of the principal researchers' interpretations. Four additional researchers acted as detached, expert auditors of the process and findings at various points during the study.

RESULTS

This study found that customers perceived that they have changed what they value from suppliers. Further, a process emerged from the data involving environmental forces, participants' efforts to deal with them, and new desires of suppliers to deliver value that differed from participants' previous desires. Interpretations presented

in this section are supported by many passages from all 22 transcripts as well as additional supporting documents.

Customers Do Change What They Value

All 22 participants recalled changes that they valued in suppliers. This finding is important because participant experience with changes in desired value was necessary in order to explore why those changes occurred. Some of these desired value changes represent broad shifts in how customers wanted to interact with suppliers. Through personal experiences, they talked about such desired value-related change as from:

- suppliers delivering products such as automobile components to suppliers delivering integrated systems such as entire instrument panels.
- focusing on supplier-product characteristics to also focusing on supplier-person performances such as product design and production assistance.

TABLE 1
Assessing Trustworthiness of the Study and Findings

Trustworthiness Criteria	Method of Addressing in this Study
Credibility	• Spent one year in the field conducting interviews and finalizing data analyses
	• Principal researcher interacted with five research team members throughout data collection and interpretation for modifications to the process and additional interpretations of the data
	• A 16-page summary of initial interpretations was provided to the participants for feedback. Participants confirmed that interpretations reflected possible interpretations of aspects of their worlds
Transferability	• Conducted theoretical sampling. Participants varied along the lines of job tenure, position type, position level, company type, and company size
Dependability	• Had participants reflect on many experiences covering recent events as well as events that occurred up to 5 years prior to the interviews
Confirmability	• Provided over 200 pages of interpretations and supporting text to a co-researcher for independent interpretation. This resulted in expanded and more refined interpretations
	• Provided a summary of preliminary findings to four other team members who acted as auditors. Each member was provided a different transcript or two with which to compare the interpretations. As a result of this procedure, interpretations were further refined
Integrity	• Kept the interviews professional, of a non-threatening nature, and anonymous
Fit	• Addressed by the methods used to address credibility, dependability, and confirmability
Understanding	• Presented an executive summary of findings to participants and confirmed that interpretations reflected their worlds
Generality	• Ensured that interviews were of sufficient length and openness, so as to illicit many, complex facets of the phenomenon and related concepts
Control	• Ensured that some variables within the theory were aspects over which participants or suppliers would have some degree of control

Suppliers can choose to be proactive
or reactive.

- suppliers being brought in late on projects to suppliers becoming involved early on projects.
- transactional exchange relationships to long-term partnerships.
- a product focus to a focus on ideas.
- supplier performance only to supplier attitude (as an attribute of the supplier) also.
- suppliers knowing their own business to knowing the customer's business equally as well.

- suppliers knowing their own markets to suppliers knowing customers' markets as well.
- cost meaning price to cost meaning all monetary and non-monetary negative consequences of a supplier relationship.

At a more specific level, there were many changes in what participants wanted suppliers to do. These desires reflected changes in what participants valued from their individual supplier relationships. Figure 1 categorizes these specific changes in desired value as either desired supplier attributes or desired consequences, where what is valued from suppliers now are supplier attributes, which result in desired benefit consequences. Figure 1 suggests attribute–consequence linkages, with each supplier attribute leading to the appropriate desired consequence above it. The supplier attributes are presented in columns linked to their primary customer consequence. However, the attributes within one column may also lead to other consequences (e.g., supplier doing end-user market research may lead to better performing customer market research systems).

The model described in this paper describes a process that led to both broad supplier interaction and specific supplier behavior value changes desired by study participants. Participants' stories collectively revealed this process by which dynamic environments *eventually* resulted in changes in customers' desired value.

Drivers of Change in Customers' Desired Value

MODEL OVERVIEW. Figure 2 presents a model of change in customers' desired value that emerged from the data. We begin with a brief overview of this model. The central phenomenon leading to customer value change is customer tension. This tension had multiple dimensions (affective strength, perceived extensiveness, temporal dynamism) and was driven by a number of forces within customers' environments (i.e., changing customer demands, changing demands internal to customers' organizations, competitor moves, changes in suppliers demands and performance, and changes in the

CUSTOMER DESIRED CONSEQUENCES

Desired Benefit: People Know More	Desired Benefit: People & Systems Perform Better	Desired Benefit: Customer Has Greater Control
Supplier do end-user market research	Supplier become QS900 certified	Supplier give price reductions
Supplier teach customer	Supplier be involved in programs early	Supplier let customer into supplier's operations
Supplier be willing to learn from customer through workshops	Supplier develop new products	Supplier let customer contract for supplier's materials
Supplier provide cost saving ideas	Supplier improve manufacturing processes (e.g., spc)	Supplier do self certification
Supplier share cost information	Supplier be proactive, anticipate need changes	Supplier deliver systems versus components
Supplier share technology information	Supplier set up EDI and other electronic interface systems	Supplier provide more services
Supplier share process information	Supplier customize packaging	Supplier help customer get into supplier's supplier
Supplier be assertive, tell customer when he is wrong	Supplier become global	Supplier let customer dictate supplier's pricing structure
Supplier provide product testing	Supplier demonstrate continuous improvements	Supplier take warranty responsibility
Supplier respond to surveys	Supplier take more risks	Supplier take product design responsibility
Supplier interact with more people in customer's organization	Supplier dedicate resources	Let customer manage supplier's growth
Supplier understand customer's culture	Supplier "cascade" improvement ideas faster	Let customer inspect/grade supplier
Supplier enroll in customer's training programs	Supplier push design envelope	Supplier carry inventory for supplier
Supplier apply lessons from previous vehicle to new one	Supplier start bar-coding	Supplier sign paperwork to show accountability

(left margin label: SUPPLIER ATTRIBUTES)

FIGURE 1. Examples of changes in customers' desired value.

macro-environment). Additionally, customers' perceptions of their (either their own, the department's, or the company's) current knowledge levels, performance levels, and control levels with respect to being able to succeed in a dynamic environment produced tension.

The five customer environment changes categorized in Figure 2 are most likely interdependent. For example, technological changes (a macro-environmental change) may drive changes in materials (e.g., metal alloys) that customers want to use in their product manufacturing (an internal change), resulting in engineers demanding that purchasing managers buy different alloys. This internal demand might make purchasing managers tense as they attempt to incorporate new supplier capabilities searches into their already hectic schedules. Seeking these interdependence complexities among tension driving categories was beyond the scope of this study. Future research should address these interrelationships. However, for
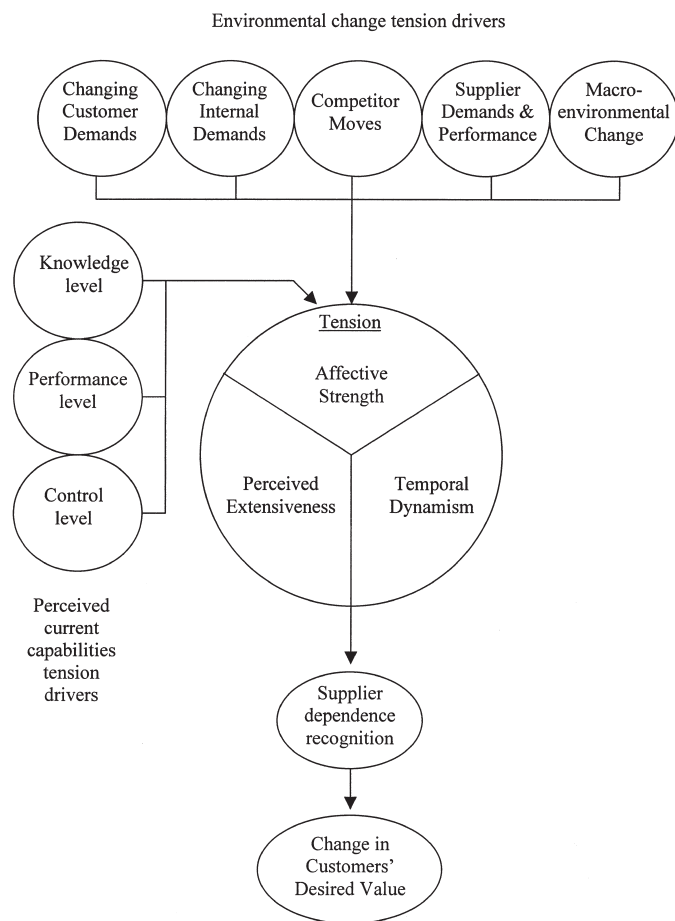

FIGURE 2. **Drivers of change in customers' desired value.**

now, merely categorizing them is enough to reveal that a multitude of changes, individually and in combination, produced customer tension.

Customers recognized their dependence on suppliers in reducing the tension that they were feeling and, as such, altered the value they desired from them. Specifically, they came to recognize that suppliers delivering different kinds of value (e.g., coordinating the delivery of systems instead of individual components) would enable customers to improve their abilities to respond to their environments, which would reduce the tension they were feeling. Thus, changes in desired value for this study's participants seems to have emerged from attempts to reduce tension produced by a number of factors both internal and external to participants' organizations. Although participants each experienced different levels of tension at different times driven by different forces, the common thread appears to be that tension and a perception that suppliers were needed to help reduce it were necessary precursors to changes in desired value.

TENSION.   Customers described many ways in which changes in their environment were creating tension for them. Tension appears to have three dimensions: (1) affective strength, (2) perceived extensiveness, and (3) temporal dynamics.

Affective strength. The affective strength of tension represents emotional stress. Participants talked about emotional reactions such as panic, fear, and anxiety. It was reflected in participants' stories of uneasiness as they performed their jobs, the scarcity of available time to meet increasing demands, and the perceived scarcity of skills possessed by either themselves or their organizations to respond to changes taking place in their environment. Tension also was reflected in perceptions of being pulled in many different directions, a strong sense of urgency toward changing oneself and/or one's organization, uncertainty, increasing pressure, increasing accountability, anxiety, and fear.

Participants described this tension in many ways. For example, Ken (a pseudonym for one of the engineers) described what it felt like for his organization to expect his department to be the technological experts, while vehicle design teams were specifying new materials about which he and his team knew very little.

> Ken: . . . That was something that some of the advanced groups and even here in engineering, we've got to study this. We've got to write the specifications for that. And then, all of a sudden the next thing we knew the design guys were using them! *Jesus Christ, we've got to get to the*

head of this parade somehow! We're running like mad to try to get to the head of the parade!" [emphasis added]

Forces caused participants to feel tension as a distinct state of mind and body that was most often uncomfortable and unpleasant. The affective manifestations of tension were depicted in emotion words such as "scary," (Ursa) "it's tough" (Nick), "being pulled in many different directions" (Steve), "anxious" (Beth), "scrambling around" (Zach), "pain" (Christine), "chaos . . . stepped up urgency . . . significant emotional event" (Ernest), and "bleeding . . . panic" (Greg). For example, in the previous passage, Ken saw company design teams adopting new technology (change internal to his organization driven by a macro-environmental change, technology advances) and experienced a feeling of inadequate knowledge (current state tension driver). Clearly, he did not enjoy feeling as if he was "running like mad" and "try[ing] to get to the head of the parade." Ursa's transcript passage provides another example of the tension and stress that all participants expressed. In the first passage, Ursa felt tension (e.g., "worry") as a result of internal organizational changes. In the second passage, she felt tension (e.g., "scary" and "yelling at me") as result of her auto manufacturing customers changing their demands to just-in-time (JIT) delivery.

> Ursa: . . . then there was always that *worry* about whether, you know, are they centralizing purchasing? *What's going to happen to my job?*
>
> . . . They're doing a lot of just-in-time, but I think a lot of suppliers to automotive are probably keeping just-in-case inventory, you know . . . *it's scary.* It's a *scary thought* if your supplying to a just-in-time facility. . . . If I don't have the steel, *they'll be yelling at me!* [frustrated laughter]

Perceived extensiveness. A second dimension of tension that emerged from the data was perceived extensiveness. While the affective strength dimension depicts *what* tension is, perceived extensiveness depicts *where* it may exist—in one individual, in an isolated group within the customer organization, or throughout the organization. For instance, participants sometimes perceived that tension extended beyond themselves to departmental tension and even to corporate tension.

Individual tension was reflected in participants' stories of personal experiences. Manifestations at this level were reflected in participants' workloads and abilities to control their daily activities. For example, Nick explained how changing requests made it difficult for him to plan his day and, thus, increased his workload. In some cases,

Nick feared that failure to respond to increasing demands on his time would have significant ramifications elsewhere in his company or in the supply chain, such as shutting down a plant's production line, which can have cost consequences in hundreds of thousands of dollars. Individual tension was also inferred from participants' use of personal pronouns such as "I."

> Nick: Well, a lot of times whatever *I* plan to work on, a lot of times it doesn't happen. Things are always changed around, so it's tough to really plan out *your* ["my" implied] day. A lot of things just come up spur of the moment. . . . [emphasis added]
>
> . . . Well, I'd say probably the biggest thing is that *my* workload has significantly increased. [emphasis added]
>
> *So the work flow has gradually increased over time.* And it's sometimes difficult to . . . You're trying to meet a deadline on a certain project, sometimes it's difficult to meet that if an issue or production problem comes up. Obviously, *stopping the line in a plant gets a lot of attention.* [laughs] *You've* ["I've" implied] got to have your priorities set with whomever in the platform (internal teams) to resolve the issue. And there's just the normal day-to-day things, *you* ["I" implied] never know from one day to the next, how many you're going to get. [emphasis added]

Beyond the individual perspective, participants described tension that manifested itself throughout their groups or departments. Participants described more extensive tension at this level than at the individual level. At the individual level, participants might have been feeling anxious, nervous, or torn apart while other people moved along smoothly. At the group level, participants described worlds where many people possessed a strong sense of urgency. Here participants often explicitly used or implied the use of words such as "we" to refer to their own departments. Other departments or groups within the corporation were referred to as "those people" or something similar to distinguish between "them" and "us."

> Ken: At the pace *we're* working at with the reduced workforce, *those people* [in our company] who try to plan and keep work plans and everything, are almost kinda frustrating *to deal with* because, you know, they're trying to make little flow charts and action plans and things like this. That's very important work, and I really shouldn't denigrate it, but at the same time, you know, *you're trying to catch up to the bus and get on board.* It's tough dictating a memo at the same time! [emphasis added]
>
> Steve: . . . in order to get projects pushed over the line quicker . . . I've seen *us* get pulled in so many different di-

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rections because you may be working on springs, okay . . . *Each plant* has it's own idea with springs and *we* put together a strategy of how *we're* going to do that and it just seems like *you* ["we" implied] can't focus enough time to getting the whole thing done. You might get part of it done, but not all of it. [emphasis added]

Zach: . . . *We* were scrambling around trying to coordinate with the customer to get approval to use the product. We did get it the next day and we were okay from there on . . . Back ten years ago, I would have a week or two's buffer [inventory]. And now I've got three days or a day and a half. It's a . . . when these issues come up, *you've* [our department] just got to drop everything and run. And I think that's created a new sense of urgency *inside of purchasing.* [emphasis added]

David: . . . There is a recognized, definitely recognized, need *here in purchasing* based on *the rate of change*, that we needed to do something *in advance of the rest of the corporation.* [emphasis added]

Finally, participants sometimes described tension at the corporate level. Corporate tension reflects panic, fear, uncertainty, and urgency felt across an entire company. Tension this extensive was often conveyed through descriptions of relationships between participants' companies and other companies, such as suppliers, customers, and competitors. For example, Mark described structural changes in his organization that affected how everyone across the corporation conducted his or her job. Steve's following passage reflects corporate uncertainty with regard to customer requests.

Steve: *Our business* is after-market driven so *we* don't know when we're going to get a requirement. Basically, the lead time from our distribution to our plants is now ten days, so *we* have very little time to give to our *suppliers.* [emphasis added].

Beth provided examples of corporate tension in her company as well as how her company passed on that tension or "sense of urgency" to suppliers.

Beth: *We* were loosing money *as a company.* We were *bleeding from every orifice we had!* . . . the purchasing organization has made it very clear *to the supply base*, you do me wrong in one part of the world and you will pay forever. And that has created, I think, a greater *sense of urgency* [within suppliers]. [emphasis added]

Participants described personal experiences that reflected tension at all of these levels (individual, departmental, and corporate). Clearly, those events that af-

fected more people resulted in tension being felt across more of the organization.

Temporal dynamism. The third dimension, temporal dynamism, refers to *changes* in tension. Participants described tension as growing and subsiding in intensity, depending on the nature and extent of demands and threats being perceived. Importantly, participants seemed to feel that eliminating tension in its entirety was not always desired. As one individual commented, maintaining an emotional sense of urgency to some degree was essential to corporate survival in a rapidly accelerating world. This temporal dynamism was conveyed through words and phrases that compared tension levels at various points in time. For example, Christine described the "pain" as being its "worst for those couple of years . . . [and now] the QS9000[1] requirement is driving a tremendous amount of pain." The word "pain" here reflects tension. The phrases "worst" and "for those couple of years" reflect that the pain was stronger during one period and weaker during others. Christine's use of the phrase "amount of pain" also connotes a sense that pain can be stronger at times— it is dynamic. Similarly, Ernest explained that the changing "rate of change" resulted in "different levels of urgency" and a "stepped-up sense of urgency." Greg alluded to the dynamic nature of tension through the use of phrases like "once the bleeding stops" and "1992 was panic." These and many other passages indicate that tension occurs at varying levels of intensity.

Clearly, particular events did not create the same tension for all participants. What produced tension for one participant, may not have been mentioned by other participants. Tension may be driven largely by how well prepared (i.e., current state tension drivers) customers perceive they are for dealing with environmental changes. Thus, if the proposed model is supported by future research, it will be important for marketers to understand their specific customers and what kinds of change makes them tense. The next section provides an overview of those events driving customer tension.

TENSION DRIVERS. Tension was clearly driven by environmental change impacting participants' and their organizations, as well as realizations of inadequate knowledge, performance, and control levels necessary to respond to this dynamic environment.

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[1]QS9000 is an automotive manufacturing quality program similar to ISO9000, an international quality program, where teams audit manufacturers' operating and quality control systems. Auto makers are requiring suppliers to be certified.

Environmental change tension drivers. Tension driver forces were grouped into five categories: (1) changing external customer demands, (2) changing internal organizational demands, (3) competitor moves, (4) changing supplier demands, and (5) macro-environmental change. Participants described personal experiences with events that fell within all of these categories, in terms of the sense of urgency it generated within themselves and their organizations.

What may produce tension at one time, may not produce tension later. For example, technological change (a macro-environmental change) may create tension when it surprises a particular customer. However, once that customer develops systems that enable him or her to learn about pending technological advances early enough to take advantage of them, this kind of change may no longer evoke feelings of tension. For this reason, the general model in Figure 2 points to the kinds of issues that marketers may want to monitor constantly, across multiple customer organizations, throughout customer organizations, and with specific decision makers within customer organizations.

Customers' customers (both vehicle consumers and organizational customers) change what they demand, and that also drives tension. Examples drawn from participants' stories include:

- The increasing demands by consumers for higher quality vehicles
- Consumers' desires for new vehicles more often, just for change's sake
- Demands for greater overall value by all types of customers
- Changing make-up of target markets
- Increasing size of customer contracts
- Business customers shortening their lead times
- Business customers becoming QS9000-certified and demanding that suppliers do the same
- Rise in process standards
- Demands to let customers monitor suppliers' operations
- Price change requests.

Issues such as these were described within personal experiences that created a sense of urgency on the part of participants, partially because responding to them was seen as a necessity. The primary limiting factor was a scarcity of time and abilities with which to respond. Participants attributed much of the tension to customers. For example, David stated: "The customer is doing it. The customer is setting the bar for the corporation and is moving the bar for us." Similarly, Hank stated: "At the macro level, obviously the marketplace [was driving the sense of urgency] . . . People were demanding better cars . . . So I think the marketplace is ultimately where this all started."

In addition to responding to external customer demands, participants were pressured to respond to changes and demands from within their own organizations. Participants discussed the issues of restructuring, company growth, movement of production facilities, internal customer requests, and cost pressures. By far, the most frequently mentioned issue was restructuring efforts. Restructuring produced a high level of uncertainty and tension, because it meant that people reported to new bosses, were responsible for new activities, and were responsible for new systems. For example, Ken described restructuring in his company and the uncertainty that resulted:

> Ken: Then that manager retired and they said, "Okay, what are we going to do with this?" What they did was *pick it apart. . . . So you suddenly had three managers with their fingers in the pie. . . .* Then what happened was that you'd take one person and say, "Well okay, Doug had responsibility for exterior plastics. He used to have responsibility for all plastics on small car platform. Now we're going to make him responsible for one plastic on all platforms." *So overnight kind of took his job from horizontal orientation to vertical orientation . . . So it turned the whole thing on its side. So there was this organizational upheaval. Right now we're still continuing it . . .* time will tell. [emphasis added]

Competitors produced tension for participants as well. Participants felt pressure to reduce product roll-out time because competitors claimed to be reducing their lead times (e.g., getting vehicles to market months ahead of the norm). Participants also felt pressure to expand their globalization efforts partially because competitors were going global and those in place first were seen to have significant advantage over followers. Participants also realized that gaining share within North America would come only by winning intense competitive battles because the size of the market was not growing, requiring share increases to be wrenched from competitors.

> Hank: . . . I think back in the 80s, *when Japan hit the market* with lots of quote "quality" products, people were buying cars that lasted longer and had less trips to the shop.

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It's pretty obvious that *the U.S. market had to respond to that.* [emphasis added]

Suppliers also created tension for participants. Price increase requests, supplier process changes, and changes in performance all produced a form of tension for participants because dealing with these issues was an additional and undesired burden on one's precious time:

> Ernest: One of the more *difficult* situations in which we get involved is if there is a requested *price increase on the table from a supplier*, where he's telling the buyer, "I need to have more money for the parts I'm making." [emphasis added]

As other participants, in addition to Ernest, explained, a situation such as this demanded that purchasing professionals spend time analyzing suppliers' operations to ascertain the validity of their claims and to help them reduce their costs, such that they did not need a price increase. It is important to note that participants did not mention suppliers' advertisements or sales promotion efforts, as suggested by traditional marketing thinking as producing changes in desired value.

Finally, change in the macro-environment also created tension for participants. Participants discussed growth opportunities in foreign markets, regulatory changes, exchange rate changes, and trends toward globalization as resulting in a felt sense of urgency within themselves and their companies. For example, Nick commented on the impact of fuel economy regulation:

> Nick: So maybe you spend a little more early on for a particular vehicle, but if you meet your CAFE [Corporate Average Fuel Economy requirement], then that will help you out. *Of course, there's a report out recently that the Big Three aren't doing so well . . . If Al Gore becomes President, it's going to be even more difficult. So we're trying to prepare ourselves.* [emphasis added]

Perceived current capabilities tension drivers. In addition to the five categories of environmental change drivers of tension, participants described how they perceived themselves and their organizations responding to this dynamic environment. In particular, participants often expressed feelings of inadequacy in terms of performance, knowledge, and control levels. Although most participants did not specifically state that they did not know enough, were not performing well enough, or were not in control of enough variables to respond to the demands being placed upon them, their descriptions clearly im-

plied each kind of inadequacy, creating even more tension. For example, Ken revealed his recognition of knowledge and performance inadequacy:

> Ken: . . . That was something that some of the advanced groups and even here in engineering, *we've got to study this. We've got to write the specifications for that.* [emphasis added]

Corporate performance inadequacy was sometimes reflected in financial terms. For example, Beth indicated that at one point in time "We were loosing money as a company," and Greg stated that at one point he was afraid that his company "was close to doing a Chrysler," referring to the 1980s Chrysler bankruptcy bailout. Poor financial performance had created great pressure for participants. Participants took their own responsibilities for helping their companies turn around very seriously. They also became more anxious as they began to realize the many areas in which they and their companies were inadequate, such as in global positioning and customer satisfaction levels. They also realized how little control they had over the variables that needed to be controlled in order to respond to their dynamic environments. For instance, Wes described how making process improvements within his company would only impact 30% of his problems; he needed to have control (or at least influence) over his suppliers' processes as well to achieve his goals.

The five environmental change drivers as well as the three perceived current capabilities drivers combined simultaneously to create significant tension within participants. Certain events took on a greater role relative to others in creating this tension for each individual. However, the combination of many changes being perceived as occurring simultaneously and continuously made participants the most anxious. Therefore, they took it upon themselves to try and reduce this tension when it became too great. The greater the tension, (i.e., the greater the sense of urgency, the greater the anxiety), the more concerted customer efforts were to reduce the tension. As they worked at reducing this tension, they became aware of their dependence on suppliers for assistance in their responses.

SUPPLIER DEPENDENCE RECOGNITION. While trying to reduce tension, participants' awareness of their dependence on suppliers heightened. Participants recognized that in order to reduce tension, they were dependent on suppliers for assistance. Specifically, participants felt dependent on suppliers for product changes, service

changes, new market information, new problem resolutions, new product ideas, and new manufacturing ideas. For example, when participants changed their own products and processes in order to respond to their environments, they often formed a need for suppliers to change what they did as well, such as in the products they delivered, the services they provided, or the systems they were using. Therefore, this recognition of supplier dependence caused participants to rethink what they valued from suppliers. For instance, Mark refers to bringing suppliers into his office because it helped him respond to his changing environment more rapidly:

> Mark: But . . . things are moving faster and faster and faster. As far as suppliers go, we want them to respond faster. *So obviously it makes it a lot easier if the supplier is right there* . . . with desks right in our area. [emphasis added]

Other participants described how they were dependent on suppliers to respond to their environment:

> Ursa: . . . it's in our best interest to protect and make sure that supplier's going to survive.

> Wess: . . . we want to be very involved [in suppliers' operations and problem resolution] because of the enormity of the impact on us.

> Zach: . . . let's start to leverage the supplier's expertise.

> Greg: . . . the capabilities that we have need to dovetail with the capabilities of our suppliers. . .

> Hank: We're most dependent on our suppliers . . . So obviously if we were going to move the needle on quality . . . we had to get the supply base involved.

Importantly, the relationship between environmental change forces and customer value change is not direct, as suggested by current marketing literature [3, 14]. Instead, these forces appear to work through customers' perceived tension and subsequent dependence on suppliers to reduce that tension in order to change the value desired. It also may be that without a sense of tension produced by changes in the environment and a desire to reduce it through the help of certain suppliers, customers will not change what they value from those suppliers. Manufacturers seek efficiency through the reduction or even elimination of variation in all processes, which in turn increases throughput. Suppliers who decide to change the products/services they deliver to customers,

even if with good intentions along the lines of continuous improvement, may in reality create more disruption and even tension if the changes were not desired by customers and if the changes increase variation.

DISCUSSION

The findings from this study have important implications for marketing literature, marketing management, and future research. In this section, we discuss these implications as well as several limitations of the study.

Implications for Marketing Literature

The customer value change model that emerged from the data expands on current customer value research by focusing on dynamic value change [3, 4, 14]. We know that customers may change what they value as they operate within their external, dynamic worlds [3]. It has also been suggested that customers may change their desired value as a result of events that occur within customers' own organizations [14]. This study supports these speculations, but suggests that these change drivers do not directly lead to changes in desired value. They impact individual customer decision makers by creating tension first, which can partially be reduced by suppliers delivering new kinds of desired value.

Previous literature has not attempted to catalogue the specific kinds of value that customers seek. The study adds to literature by discovering aspects of customer desired value that can change in industrial customer contexts. As reflected in Figure 1, customers do look to supplier attributes to change. However, that is only part of the story. Customers attempt to reduce tension through supplier assistance that creates consequence benefits sought by customers as well. This finding indicates the importance of using means-end hierarchy notions of customer value as a framework for understanding and predicting customer value change [3, 4, 64].

Findings here extend the attitude change literature (e.g., [65]). This study suggests that although marketers may drive changes in customers' desired value, much as the consumer attitudes literature suggests, it is likely that customers' desired value will change as a result of many nonmarketer controlled forces. In fact, marketer controlled variables may be one of the least significant drivers of changes in customers' desired value. Participants

in this study seemed to suggest that changes in their customers' demands and changes internal to their organizations were the most prominent forces driving them to alter the products and services they manufacture as well as the processes they used to do so. How managers respond to these drivers may provide the initial warning signs of how and where desired value may change.

Managerial Implications of Drivers of Change

In business-to-business (industrial) marketing, product and service offerings and solutions are often customized. Customization requires idiosyncratic knowledge of critical customers, often customer segments of one. It even requires intimate knowledge of the different value desires of many individuals *within* a customer organization. Customized products and services ought to address more than what these customers (companies and individuals) currently value; they should also consider what these customers will value in the near future.

To predict customer value change, suppliers may benefit from understanding what forces are making their customers the most tense, as well as how they deal with that tension. By monitoring the specific environmental changes on customers, whether those forces are making customers tense, and how customers are trying to deal with that tension, marketers can develop an early warning system for impending change in future desired value. Monitoring customer tension and tension drivers ought to be no more difficult than monitoring other characteristics of buyers traditionally emphasized by sales professionals, such as personality, buying motives, personal goals, and organizational goals. Tension merely provides a means of more deeply understanding how customers *uniquely* interpret and respond to their dynamic environments and where they are focusing their efforts at specific times and in specific contexts. It focuses attention on the impact *of* change forces *on* customers rather than just the forces themselves.

The model developed in this study can be used as a diagnostic tool by both marketing managers and salespeople to evaluate customers' worlds. Based on the diagnostic information collected and analyzed, markers can either passively monitor change—preparing to respond when necessary—or actively influence how their customers interpret and respond to their dynamic environments. Either way, without the use of a diagnostic map such as the one provided by this study, marketers may be

doing little more than guessing what customers may value next based on incomplete information concerning how customers actually respond to their environments. The supplier who recognizes tension building in a customer, and opens a dialogue with this customer concerning the environmental change forces and potential impact on various decision makers in the customer organization, may be best positioned to respond in a timely way to those customers' emerging new desire value.

For those companies already attempting to predict what their customers may value in the future, this study has implications as well. Specifically, it is an initial step for customer value predictions to move beyond trend techniques into techniques that use cues from specific customers to predict changes in their desired value. It encourages suppliers to focus on the psychological effect of change events on individuals and their response to those effects.

Limitations of the Study and New Research Directions

This study has several limitations, as does all research. In particular, this study's limitations concern its inductive/qualitative approach, use of interviews, sampling, context, and historical approach to change. These limitations play an important role in suggesting future research. This study's inductive/qualitative approach was successful at building theory, yet limits it to making theoretical propositions. It does not allow for validation of the developed concepts and relationships among them. Theory validation must be accomplished through empirical investigation with different samples and different methods. The use of one-on-one interviewing provided rich data from which to build theory, but risks researcher influence. Although thorough training helped to develop the interviewer as a valid research instrument, and trustworthiness checks were exhaustively conducted, future studies should attempt to validate the theoretical relationships to determine whether in fact the model is an accurate reflection of a process that occurs.

Along these lines, the proposed model suggests a number of hypotheses. In effect, each arrow in the model presented in Figure 2 represents a new hypothesis. For example, we hypothesize the following:

H1: Tension is a precursor to changes in customers' desired value.

H1a: The greater the felt tension, the more likely that customers' desired value will change.

H1b: Conversely, without tension, customers' will not change what they value from suppliers because efficiency dictates that suppliers not induce variation in customer processes.

H1c: A model which includes tension and supplier dependence recognition as mediating variables will better fit data to explain changes in customers' desired value than will one without these two constructs.

H2: Tension is driven by changes in customers' external environment.

H2a: Changes in demands by a customer's customers drive customer tension. This driver category will be one of the two most significant predictors of tension.

H2b: Changes occurring internal to customers' organizations drive customer tension. This driver will be one of the two most significant predictors of tension.

H2c: Competitor moves drive customer tension.

H2d: Supplier changes (in demands and performance) drive customer tension.

H2e: Macro-environmental changes (regulatory change, technological change) drive customer tension.

H3: Perceptions of customers' own abilities to address a dynamic environment drive tension.

H3a: Perceptions of inadequate knowledge to address a changing environment drive tension.

H3b: Perceptions of inadequate performance in addressing a changing environment drive tension.

H3c: Perceptions of inadequate control over necessary variables for addressing a changing environment drive tension.

H4: Tension is a second-order construct comprised of three first-order dimensions (affective strength, perceived extensiveness, temporal dynamism).

H5: Customer tension raises customers' awareness of their dependence on suppliers to reduce it.

H6: The more customers feel dependent on suppliers to reduce tension, the greater the likelihood they will change what they value from those suppliers. In other words, a recognition of supplier dependence precedes changes in customers' desired value.

Participant selection was based on grounded theory's purposive sampling technique, thus limiting the findings' generalizability to business-to-business customer populations. Related to this limitation, this study developed theory within the automotive industry and may be limited to the industry within which it was developed. Finally, this study relied on retrospective interpretations of past personal experiences. It assumes that participants freely recalled important aspects of past experiences and that those recalled concepts are likely to occur in the future, both of which may not be accurate. Future validation studies ought to test this theory with other kinds of business-to-business customers, in other industries, and at different times.

This research has stimulated many new research questions. To answer these questions, a variety of new research is needed, including validation studies, theoretical expansion studies, and seller-perception studies. Validation studies will attempt to test the theoretical relationships developed in this study by addressing questions such as, "Does this theory hold up?" and by exploring the specific hypotheses mentioned. Theoretical expansion studies can attempt to find additional constructs that fall within this general theory by addressing questions such as, "How do customers specifically try to reduce tension? What alternative ways do customers try to reduce tension? What do customers do to obtain altered desired value?" and "What other relevant forces create tension for customers?"

Additionally, future research should explore whether and to what extent tension drivers are interrelated. For example, the large automobile manufacturers have been pursuing "greener" vehicles, such as electric cars and various forms of energy cells, for several decades. Certainly, one argument can be that when the technology becomes available, auto manufacturers may make internal changes (e.g., production facility design, facility location) that eventually result in changes in what they value from their suppliers (e.g., lighter materials, quieter components because the engine will no longer mask their noise). However, what is driving the now multidecade search for "greener" vehicles? Is it regulatory demands? If so, from where do they come? If the consumer demand for "greener" vehicles fades away, as it has recently, will environmental organizations continue to push regulatory bodies to demand that "green" vehicles be developed by automobile manufacturers? These kinds of questions explore the interrelationships among the drivers of tension that were beyond the scope of this study and ought to be pursued in future research.

In this study, tension emerged as the central value change driver. But, are there instances where tension plays no role in customers' value change? Future research ought to address this question. Finally, this research took the customer's perspective. But how do sup-

pliers perceive customer value change? Seller-perception studies will explore the other side of the buyer–seller relationship by addressing questions such as, "What is the impact of changes in customers' desired value on sales-people?" and "What companies are successful at anticipating changes in customers' desired value, and where does this study's theory fit with how they do it?" Answers to these questions will help us understand the impact of responding to or predicting changes in customers' desired value on supplier resources.

This study is the first known marketing research to focus explicitly on changes in customers' desired value. Without scientific understanding of why customers change what they value, marketers have little hope in predicting what they will desire in the future. This study is an initial step toward addressing that need. Studies such as this and subsequent related value research will hopefully expand marketers' customer learning efforts, thus helping them to create a source for significant competitive advantage [4].

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