

Actions for relationship value: a mission impossible?

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Abstract

Purpose – The form and content of relationship value dominates the literature. This paper contributes by studying companies' actions based on their value perceptions, a field which has attracted less attention. Scholars advocate more studies on how companies' value perceptions shape actions in relationships and how this leads to outcomes.

Design/methodology/approach – A longitudinal critical case study of a customer/supplier relationship constitutes the empirical basis of the paper. Interviews and observation studies were conducted over a period of three years, giving access to special insight into the actors' value perceptions and related actions.

Findings – Value perceptions shape actions performed individually, jointly or in the wider network. Moreover, misperceptions of the counterparty's value perceptions may result in a maelstrom of interactions with no specific value outcome. Acting based on value perceptions is a complex matter due to its evolving nature, which leads to development becoming a value driver.

Research limitations/implications – The interdependencies between different value perceptions and their relational value drivers have special effects on actions and outcomes, also, value in actions needs to be studied.

Practical implications – Management needs to explore value from different perspectives to understand the counterparty's value perceptions and communicate own perceptions. It is not sufficient to create value based on one value driver. Instead, it is vital to be able to connect value drivers to balance and prioritise relevant actions.

Originality/value – This paper stands out as one of the first contributions to relationship value literature that addresses and analyses value from both a customer perspective and a supplier perspective in a dyadic business relationship.

Keywords Business relationships, Networks, Relationship value

Paper type Research paper

1. Introduction

The ongoing and ever-intensifying changes of today's business world not only challenge companies dealing with globalisation, outsourcing and offshore operations in low-cost countries and increasing competition (Dicken, 2014; Markides, 2008) but also challenge the



scope of the marketing mantra of value creation (Corsaro *et al.*, 2013; Flint *et al.*, 1997; Wiersema, 2013). Whilst some companies in business-to-business settings maintain a focus on simple transactions involving standardised products and services, other companies experience an increasing need to engage in close relationships and to utilise their business network for developing solutions with a high degree of complexity and customisation (Afuah, 2000; Jaakkola and Hakanen, 2013; Ulaga and Eggert, 2006). In the context of such business relationships and networks, value creation is not something that companies do individually or isolated from others; instead, it is a result of a mutual effort to gather and utilise resources and capabilities in a valuable way (Eggert *et al.*, 2006; Nenonen and Storbacka, 2010; Vargo and Lusch, 2008a, 2008b).

Empirical studies reveal that companies are often confronted with differences in their perceptions of value (Gummerus, 2013; Corsaro and Snehota, 2010). The collaborative agenda challenges companies' insight into the value creation of their own business, how they make sense of their partners' business and the value created in relationships and networks (Corsaro *et al.*, 2011; Mouzas *et al.*, 2008; Ramos and Ford, 2011). Such challenges form the basis of the present study, as they are relevant to providing an understanding of companies' operational and strategic decisions in a relationship or network context and, more specifically, as a basis for turning a partner's value perceptions into relevant action.

A daily challenge for many companies is to turn understanding of "what is value" in their network and relationships into actions (Håkansson and Snehota, 1995a, 1995b; Håkansson *et al.*, 2009). One such challenge is coordinating internal actions and actions with external parties (Håkansson and Snehota, 1995a, 1995b; Håkansson and Ford, 2016). When activities are carried out by external parties, or in collaboration between actors in the relationship, there is a need for more relational management, taking into consideration different collaborative agendas, corporate cultures, expectations and perceptions of what is valuable (Anderson *et al.*, 2009; Araujo *et al.*, 1999; Ford and McDowell, 1999; Håkansson and Snehota, 1995a, 1995b). Thus, companies face a new level of management that points to the necessity of managing and coordinating actions that happen between companies and not just internally. Second, companies do not act within a closed world of dyads, but within a network (Anderson *et al.*, 1994; Håkansson *et al.*, 2009). This means that companies must relate to numerous actions taking place in the network and try to understand how that will eventually affect value outcomes (Jaakkola and Hakanen, 2013; Håkansson *et al.*, 2009). Third, when the context in which companies do business changes, so do demands, expectations and the perceptions of value from the parties involved (Corsaro *et al.*, 2013; Corsaro and Snehota, 2010; Håkansson *et al.*, 2009). Accordingly, companies are challenged in following the contextual development and in organising actions adapted to the new demands of maintaining their value-creating position.

Despite a growing academic interest in value from a relational point of view (Anderson and Narus, 1998; Baxter and Matear, 2004; Corsaro *et al.*, 2012; Corsaro *et al.*, 2013; Corsaro, 2014; Henneberg *et al.*, 2009; Lindgreen, 2012; Möller, 2006; Ulaga and Eggert, 2005; Walter *et al.*, 2001; Wilson and Jantrania, 1994), few have explicitly studied the challenge of acting upon value perceptions in a business relationship. Scholars advocate more knowledge and empirical studies on how perception of value guides companies' actions in relationships and the interconnectedness of relationship outcomes (Corsaro and Snehota, 2010). This paper aims to contribute to this newer discussion by studying the following research question:

RQ1. How do companies' value perceptions shape actions in relationships?

The paper addresses both customer and supplier value and thus stands out as one of the first contributions to relationship value literature that analyses value from a dyadic business relationship perspective. Specifically, the present study contributes to the relationship value literature by addressing the interdependence between partners' value perceptions as a means for action: Building a mutual understanding of relational or teleological value drivers is relevant for designing action leading to desired outcomes. Moreover, acting based on value perceptions is a complex matter due to its evolving nature, which leads to business development becoming a value driver in itself. While values might not be shared, a genuine understanding of one another's value drivers is vital to avoiding futile actions based on value misperceptions.

The paper is organised as follows: Section 2 introduces the theoretical framework of the paper and is then followed by methodological considerations in Section 3. Next, findings from a longitudinal case are discussed in Section 4. The concluding section (Section 5) summarises the findings and contributions and presents avenues for further research and implications for management.

2. Conceptualising relationship value

Marketing and purchasing decisions explicitly revolve around concerns and estimates on costs and profits and thus the economic value of exchange. The value construct has attracted interest in both business-to-business and business-to-consumer research, and the interest in value is not new. [Payne and Holt \(1999\)](#) refer to the work of Churchill, Womer and Barton in the 1940s as early pioneers of value and state in their comprehensive literature review that the notion of value has been an implicit part of marketing research since the start of the industrial era. Initially, the conceptualisation of value was inspired by studies from classical and neo-classical economics, arguing that customers spend money to maximise the satisfaction of products ([Bowman and Ambrosini, 2000](#)). Even though this "trade-off" philosophy – e.g. between benefits and sacrifices, products for payment and benefits and costs – has its roots in earlier economic theory, it has provided the basis for much of the later marketing research on value ([Payne and Holt, 1999](#)). In business-to-consumer research, the work of [Zeithaml \(1988\)](#) and [Holbrook \(1999\)](#) has provided seminal contributions also influencing studies in business-to-business research. The service-dominant logic perspective ([Vargo and Lusch, 2004](#); [Vargo and Lusch, 2008a, 2008b](#)) also proves valuable for this field of research. More recently, there has been an increasing academic interest in the value of business relationships ([Anderson, 1995](#); [Corsaro and Snehota, 2010](#)). The "relationship value" perspective ([Anderson and Narus, 1998](#); [Corsaro, 2014](#); [Uлага and Eggert, 2005](#)) offers a (newer) focus on mutually created value ([Wilson and Jantrania, 1994](#)), suggesting that there is more to value than the exchange of products for a price ([Ravald and Grönroos, 1996](#)). Discussions on relationship value point to different perspectives: customers ([Möller, 2006](#); [Uлага, 2001](#)), suppliers ([Walter *et al.*, 2001](#)), dyadic relationships ([Henneberg *et al.*, 2009](#)), portfolios ([Corsaro *et al.*, 2013](#)) and value in networks ([Corsaro, 2014](#); [Corsaro *et al.*, 2012](#)). Furthermore, relationship value has been conceptualised as a formative, multidimensional, higher-order construct ([Uлага and Eggert, 2005](#):p. 88) and is explained by some authors in terms of benefits and sacrifices ([Lapierre, 2000](#)), benefits and costs ([Uлага and Eggert, 2006](#)), direct or indirect functions ([Walter *et al.*, 2001](#)) and intangible human or structural issues ([Baxter and Matear, 2004](#)). In general, the literature on relationship value can be characterised as having a dominant focus on form and content ([Corsaro and Snehota, 2010](#); [Lindgreen, 2012](#)), which can be understood as elements, drivers and functions of relationship value.

Few authors have taken the additional step of studying how actors in a relationship understand and perceive value, opening discussions of how value perceptions impact companies' interactions. As outlined in the introduction, it is our specific quest to study how value perceptions affect and shape relationship actions. While [Corsaro and Snehota \(2010\)](#) argue that an important aspect of value perception is related to value perceptions being "actor-specific", "emergent" and "phenomenological", others discuss value as "interactive", "relative", "collectively determined" and "contextual" ([Corsaro et al., 2013](#)). Value depends on the interplay between relationships in the network and will always be evaluated in this context. Accordingly, for the present purpose, we need to take into consideration the contextual nature of value as it is perceived and expressed in the wider network. Because of the interactional nature of networks, value is to be considered dynamic and emergent.

Reflections on the challenges of handling emerging issues in relationships reveal how companies must manage a high degree of complexity and diversity when creating value ([Gummerus, 2013](#); [Grönroos, 2011](#)). Business interaction requires a strong focus on developing understanding and showing commitment ([Grönroos, 2011](#)). Companies' actions for creating relationship value cannot be considered an independent variable ([Gummerus, 2013](#)). The simultaneous actions and interactions in the network will form the outcome. Individual and collective outcomes will influence each other, making it very difficult, even impossible, to predict and determine potential outcomes from specific actions. The evaluation of outcomes will depend on the value perception of single actors, and outcomes may lead to the development of existing or new value perceptions. To deal with the interconnectedness of value perceptions, actions and outcomes for creating relationship value, we need a theoretical framework.

2.1 Building a theoretical framework

Based on a relationship perspective, companies' actions are discussed in several ways. [Johanson and Mattsson \(1992\)](#) discuss strategic actions influencing actors' network position. [Ford and McDowell \(1999\)](#) examine business relationships to map the outcomes managers expect from actions and the related value. [Ritter et al. \(2004\)](#) argue that the challenge of value lies in companies' networking abilities. [Corsaro et al. \(2011, 2012\)](#) reflect on whether and how network understanding affects managerial decisions, finding a connection between how companies perceive value, understand their surroundings and subsequently develop strategies for how to act in the network. Each set of authors discusses actions in a relational context, though no well-developed framework for analysing actors and actions from an interactive perspective has yet been developed ([Håkansson et al., 2009](#)). For the present purpose, a theoretical framework is built, which draws on the knowledge of relationship value as presented above. As elaborated in the methodological consideration section, a case study is utilised to further advance the theoretical framework.

Scrutinising the literature for elements to include in the theoretical framework, various other lines of literature – e.g. transaction cost economics (TCE) or the strategic network view – may contribute related discussions for studying relationship value. However, the main reason why these are not included in the development of a relevant theoretical framework is their basic assumption that companies possess independent agency. The influential work of [Williamson \(1985, 1991\)](#) on TCE primarily deals with relationships as a company's alternative governance mode in single transactions. Even when [Ring and Van De Ven \(1994\)](#), in their seminal work based on TCE, argue for the relevance of studying relational transactions as evolving through a process, they still claim company independency. The claim that companies can deliberately create and manage a network of e.g. suppliers in the pursuit of specific value outcomes is put forward in the strategic

network view (associated with [Astley and Van de Ven, 1983](#); [Lorenzoni and Lipparini, 1999](#), amongst others). Related research argues for how the effort to create value in relationships is determined by companies' ability to design specifications and specify partners' activities ([Perks, 2005](#); [Sobrero and Roberts, 2001](#)). However, as argued earlier, the increasing specialisation of both customers and suppliers makes the development of such abilities impossible.

The theoretical framework developed for the present purpose is illustrated in [Figure 1](#), and its elements of value perceptions, actions and outcomes are presented in more detail below. Besides drawing on the conceptualised notion of relationship value presented in the previous section, the framework draws inspiration from similar models of action in relationships and networks, such as those presented by [Håkansson *et al.* \(2009\)](#) and [Ford *et al.* \(2011\)](#) and related literature associated with the IMP Group ([Håkansson, 1982](#)).

The element "perceptions" relates to value drivers and the context of the actors. We draw on two lines of discussion of relationship value: some scholars focus on value elements, dimensions, functions and value drivers ([Lapierre, 2000](#); [Uлага, 2001](#); [Walter *et al.*, 2001](#)), while others specifically study actors' perception of value ([Corsaro *et al.*, 2013](#); [Corsaro and Snehota, 2010](#)). Studying perceptions will provide insights into the individual frame of mind and what each actor believes to be relevant and important ([Abrahamsen *et al.*, 2012](#)) and also how different partners' perception may be interdependent ([Gummerus, 2013](#)). Moreover, this study specifically addresses managers' perception of value in a business relationship context. Like [Korkman \(2006\)](#), [Håkansson *et al.* \(2009\)](#) describe perceptions as a matter of actors perceiving and interpreting the context in which they act and interact. Even though this study has an explicit focus on relationship value, the business context of the relationship includes a wider business network perspective.

In [Figure 1](#), "actions" exemplify product flows, technical or price changes, etc., forming exchanges and interactions ([Dubois, 1998](#); [Håkansson and Snehota, 1995a, 1995b](#)). Value perceptions are the basis on which actors (un)consciously make decisions for action or simply unconsciously (re)act. A way to conceptually approach action is through the notion of individual and joint activities, emphasised within IMP research as one of the main elements of business relationships ([Håkansson and Snehota, 1995a, 1995b](#); [Hallén *et al.*, 1991](#)). Broadly speaking, actions are sequences of activities directed towards an outcome. As activities are performed by a single company, these will be linked to the activities of other companies as the partners interact to create value and interdependencies are formed ([Håkansson and Snehota, 1995a, 1995b](#); [Håkansson and Ford, 2002](#)). Here, we see coordination as a form of linking activities, characterised by varying degrees of mutual adaptation. As activities are linked across additional relationships, the wider activity structure of the network emerges. However, actions within the company or between companies may just as well be restricted by the networked activity structure.

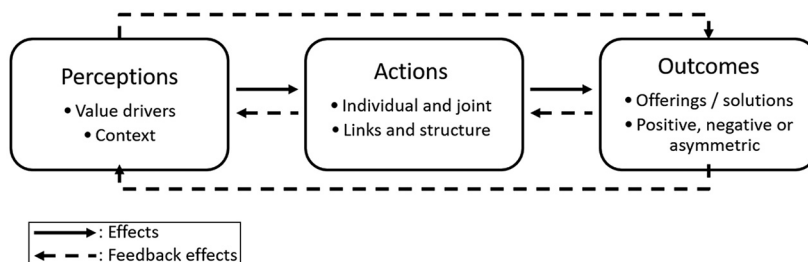


Figure 1.
A theoretical
framework: value
perceptions, actions
and outcomes

Actions lead to “outcomes”, constituting the third element in [Figure 1](#). The outcome grows from the problem-solving process inherent in business interaction, where the supplier attempts to solve a customer’s problem. The customer plays an equally crucial part in the value creation ([Gummerus, 2013](#); [Grönroos, 2011](#)). Outcomes can either be perceived positively, negatively or as asymmetric depending on the partners’ value perception ([Gummerus, 2013](#)) and as they develop over time ([Ford et al., 2011](#)) (illustrated by the dotted arrow from perceptions to outcomes in [Figure 1](#)). This means that renewed perceptions of value may develop (illustrated by the dotted feedback arrow in [Figure 1](#)), potentially leading to adjusted action. Here, it makes sense to discuss outcomes in terms of whether the parties manage to link and coordinate actions that meet the counterparty’s value perceptions.

In practice, none of the three elements in the theoretical framework automatically precedes the others: They are all interconnected, as illustrated by the feedback arrows. We cannot claim that certain actions lead to specific outcomes. Just as perceptions may lead to actions, perceptions may also restrict actions. Outcomes may lead to new value perceptions, just as outcomes will be evaluated against current perceptions. However, for the present purpose, we take a special interest in the interconnectedness between perceptions and actions.

3. Methodological considerations

A qualitative case study method is applied to capture the inherent dynamics and complexity of relationship actions based on value perceptions and for developing the theoretical framework ([Siggelkow, 2007](#)). Case studies are especially relevant for retaining holistic and meaningful characteristics of real-life phenomena ([Yin, 2003](#)). The selected method is appropriate for exploring and investigating differences in actors’ viewpoints and perceptions of value ([Halinen and Törnroos, 2005](#)).

A dyadic customer/supplier relationship has been selected using critical sampling to maximise utility of information from a single case ([Flyvbjerg, 2006](#)). The relationship includes a customer who is a major player in the global wind turbine industry and one of its preferred suppliers of hydraulic solutions. Anonymity has been requested, so in this study, the customer is referred to as WindPower and the supplier as Hydro. Investigating companies’ value perceptions requires access to and openness in the empirical field. Access to the WindPower/Hydro relationship has been granted to one of the authors as part of a larger research project initiated in 2012. Data for the present study were collected over a three-year period. Several issues make this relationship of specific interest to the present study. First, WindPower and Hydro hold a long-term relationship (over 15 years) in which coordination of internal and joint activities have led to the development of a high degree of interdependence in mutual business. This development is especially pertinent to the later period, where Hydro achieved status as the preferred supplier for WindPower. Second, joint business development issues of value creation and delivery are ongoing and recurring themes. Third, the continuous technological and competitive development in the wind turbine industry place new and ongoing demands on the joint business and the wider network – e.g. relationships with other sub-suppliers.

3.1 Data collection

The empirical material comprises data from interviews and observation studies (for an overview, see [Table I](#)). A total of six in-depth interviews were completed: two group interviews with the supplier, one personal interview with the CEO of the supplier and two personal interviews and one group interview with the customer. Informants were selected due to their managerial position and daily involvement in the relationship. Following arguments by [Daft](#)

Table I.
Empirical data
included in the
present study
(H = hydro,
W = WindPower)

Interviews with supplier	Informant (s)
Group interview	Sales Manager (H) KAM (H) Service technician (H) Engineer (H) Engineer (H) Product Manager (H) Sales Manager (H) Sales Manager (H) Managing Director (H) Managing Director (H)
Individual interview	Managing Director (H) Managing Director (H)
<i>Interviews with customer</i>	<i>Informant (s)</i>
Individual interview	Category Manager (W)
Individual interview	Development Manager (W)
Group interview	Strategic Purchaser (W) Strategic Purchaser (W)
<i>Observations at supplier</i>	<i>Participants</i>
Meeting 1 at Hydro: Agenda: the WindPower/Hydro relationship	Supply Chain Manager (H) Managing Director (H) Product Manager (H) Key Account Manager (H) Managing Director (H) Key Account Manager (H) Sales Manager (H) Managing Director (H) Key Account Manager (H) Sales Manager (H)
Meeting 2 at Hydro: Agenda: the WindPower/Hydro relationship	Managing Director (H) Key Account Manager (H) Sales Manager (H) Managing Director (H) Key Account Manager (H) Sales Manager (H)
Meeting 3 at Hydro: Agenda: Strategy process	Managing Director (H) Key Account Manager (H) Sales Manager (H)
Meeting 4 at Hydro: Agenda: Strategy process	Managing Director (H) Key Account Manager (H) Sales Manager (H)
Meeting 5 at Hydro: Management meeting	Supply Chain Manager (H) Sales Manager (H) Managing Director (H) Finance Manager (H) Research and Development Manager (H)
Meeting 6 at Hydro: Management meeting	Supply Chain Manager (H) Sales Manager (H) Managing Director (H) Finance Manager (H) Research and Development Manager (H)
<i>Observations at joint meetings</i>	<i>Participants</i>
Joint meeting 1: Business relationship meeting	Product Manager (H) Key Account Manager (H) Supply Chain Manager (H) Strategic Purchaser (W) Strategic Purchaser (W) Vice President (W) Category Manager (W) Sales Manager (H)

(continued)

Table I.

Interviews with supplier	Informant (s)
Joint meeting 2: Company visit at Hydro International headquarters	General Manager (Hydro International) Strategic Purchaser (W) Strategic Purchaser (W)
Joint meeting 3: Business relationship meeting	Product Manager (H) Key Account Manager (H) Supply Chain Manager (H) Strategic Purchaser (W) Strategic Purchaser (W) Vice President (W) Category Manager (W) Purchaser (W)
Joint meeting 4: Agenda: Developing joint strategy	Key Account Manager (H) Sales Manager (H) Managing Director (H) Category Manager (W) Strategic Purchaser (W) Strategic Purchaser (W)

and Weick (1984), informants were selected as representatives, determining the value perceptions and actions of the company. Six business meetings held at the supplier and four joint meetings between the customer and supplier were observed according to procedures by Jorgensen (1989) and Gold (1958). The ten meetings concerned the WindPower/Hydro relationship. The observation data provided vital supplementary insight into the companies' value perceptions and related actions, how issues of value were articulated among participants and how decisions for actions to be initiated, developed and/or terminated were made.

The interviews can be characterised as in-depth and explorative and were conducted in an open dialogue, providing informants with the opportunity to elaborate on answers and the interviewer to explore emerging issues. As an opening procedure, informants were introduced to the themes in the interview guide (including questions concerning the characteristics of the WindPower/Hydro relationship, perceptions of the value created, delivered and captured by each party, joint and company-specific actions). Interviews were tape-recorded, and a transcript was sent to each informant (all returned without further comments).

The main agenda of the ten business meetings observed was strategic discussions related to creating and delivering value. At some meetings, the participants explicitly used the word "valuable", but they also used words such as "importance", "relevance" and "significance" when explaining what is considered valuable. The purpose of the meetings was to initiate and, if necessary, adjust company-specific and relationship actions. The role as observer was "overt" and known to participants (Jorgensen, 1989). Observation data were collected through detailed written notes in a field study report (following recommendations by Babbie, 2001). The notes relate to the larger research project, focussing on relationship value for business development and covering issues other than the ones pertinent to the present study. Observations are listed in Table II, highlighting the main themes discussed in the joint meetings between Hydro and WindPower. Also listed in Table II are meetings at Hydro and related actions.

3.2 Data analysis

The data analysis process was characterised as a long-term and iterative process of visiting and revisiting data (Srivastava and Hopwood, 2009), allowing for insights and

Table II.
Actions and
meetings in the
WindPower/hydro
relationship

WindPower		Hydro
Global Customer Benefits/costs Direct/indirect functions Strategic/relational	<i>Context</i> <i>Value Drivers</i>	Manufacturing Supplier Benefits/costs Direct/indirect functions
	<i>Actions</i>	
<i>Joint Business Review Meeting (I)</i> WindPower presents strategy for preferred supplier collaboration WindPower highlights perceived importance of: mind-set and strategic skills Joint discussions of standards for: cost, price, deliveries and quality	<i>Joint in-depth dialogues:</i> more phone meetings and emails	<i>Internal meeting (I) and actions</i> Implementation of LEAN production for cost reductions Reorganising of stock handling (from push to pull) New development process (additional steps for collaboration)
<i>Joint Business Review Meeting (II)</i> (Factory visit – Hydro parent company in Germany) Hydro presents overview of ‘value to customer’ activities WindPower evaluates Hydro’s performance and gives feedback for improvement on: cost, price, deliveries and quality WindPower highlights perceived importance of: global presence and strategic skills for managing sub-supplier network WindPower highlights perceived importance of: openness and transparency Joint discussions on: developing new solutions (technological innovation)	<i>Joint quality inspection:</i> WindPower visits Hydro to evaluate quality and test program	<i>Internal meeting (II) and actions</i> Planning and initiation of strategic purchasing project (+ hiring industrial PhD student to advance effort) Planning and initiation of global approach project Extension of quality test facilities Development of new business plans

(continued)

		Actions
WindPower	Hydro	
<p><i>Joint Business Review Meeting (III)</i> Hydro presents: new business plans and upcoming projects and strategy for developing sub-supplier network WindPower evaluates (negatively) and asks for improvement on: cost, price, deliveries and quality Hydro highlights perceived importance of: reliable forecasting and information</p>	<p><i>Joint in-depth dialogues:</i> more phone meetings and emails</p>	
	<p><i>Joint development workshop:</i> Arranged by WindPower for engineers and technicians</p>	<p><i>Internal meetings (III + IV) and actions</i> Reorganisation of LEAN production, testing and initiation of Six Sigma and total quality programmes (to remedy poor evaluation) Development of strategy for handling collaboration with WindPower Further development of global approach project</p>
<p><i>Joint Business Review Meeting (IV)</i> Hydro presents status on: cost, price, deliveries and quality WindPower evaluates (positively) and comments on: Hydro's customer collaboration strategy and global approach project</p>		<p><i>Internal meetings (V + VI) and actions</i> Organisation of additional joint factory visits (nationally and globally) Planning and initiation of new customer collaboration strategy – to engage more strategically with other customers</p>

Table II.

meanings to evolve and be explored. Data were analysed jointly by the authors utilising the framework by [Miles and Huberman \(1994\)](#). The first phase of data reduction was completed to carefully select data and remove irrelevant and redundant data. This was done by using a set of questions formulated to capture data regarding perceptions of value and actions in the WindPower/Hydro relationship. In the second phase of displaying data, a matrix analysis template was applied, following the theoretical outline of value perceptions developed by [Corsaro and Snehota \(2010\)](#). This phase was undertaken to ensure an organised, compressed assembly of information ([Miles and Huberman, 1994](#)) and included the division of data into categories, depending on whether the data related to the customer or the supplier and whether the data concerned

activities or value perceptions. The third phase concerned data analysis related to value perceptions and activities as outlined in the theoretical framework to discover and explain data patterns.

4. Case: the WindPower/hydro relationship – findings and discussions

Hydro is a supplier of hydraulic components and solutions to manufacturers. WindPower is one of Hydro's most important customers in the global wind turbine industry. The outcomes from past exchanges are customised solutions developed based on specifications and design requirements from WindPower.

During their more than 15 years of relationship, WindPower has been through a number of "strategic turnarounds", adjusting to the fierce competition in the global wind turbine industry. A recent strategic decision was to pay more attention to the strategic capability of selected suppliers, leading to Hydro gaining preferred supplier status. The subsequent sections list and discuss case findings, following the headings illustrated in the theoretical framework (Figure 1): value perceptions, actions and outcomes.

4.1 *Perceptions of value*

As preferred supplier, Hydro experiences an intensified development in WindPower's value drivers and a demand to invest resources in the further development of the relationship. As explained by the business development and marketing manager:

It was important to show our value as a supplier to WindPower and to prove to the associated companies in the global Hydro cooperation that our subsidiary was capable of building a business related to the global wind turbine industry.

The customer requests that Hydro develop a stronger and more detailed understanding of the wind turbine industry, including how to service WindPower's global business.

When Hydro was appointed preferred supplier, both companies were asked to list the elements that they perceived as valuable in the relationship. Additionally, both parties were asked to list those issues they believed the counterparty perceives as valuable (see Table III for an overview). As will be discussed in the following, the partners exhibit multiple and actor-specific perspectives on value (Gummerus, 2013; Corsaro and Snehota, 2010).

4.1.1 *WindPower's context and perception of value.* With the present conditions in the industry, WindPower is strongly focussed on its customers' expectations and market demands. The strategic turnaround affects WindPower's sourcing among suppliers capable of developing and delivering advanced technological solutions within a short time frame. Suppliers are asked to offer continual decreases in price and cost to help WindPower secure its competitive position. WindPower continuously evaluates single relationship transactions of all suppliers, explaining that evaluations are based on specific data generated from measurement factors such as delivery performance, cost reduction, numbers of mistakes and general daily collaboration. This closely relates to Ulaga and Eggert's (2006) value drivers as benefits and costs (Table III).

WindPower's perception of value requires preferred suppliers to challenge existing technological solutions and develop new ones in response to industry developments. This relates to the direct and indirect functions presented by Walter *et al.* (2001) or the structural intangible value dimensions highlighted by Baxter and Matear (2004). Moreover, when a strategic purchaser at WindPower states: "As we are operating globally, so should our suppliers. We need them to be able to supply us in all relevant locations around the world", this requires suppliers to secure global presence and build a global organisation. To balance the various requirements of WindPower's value perception, suppliers additionally need to

<i>Value perceptions</i>	
WindPower	Hydro
WindPower's perception of value	Hydro's perception of value
Cost and Benefits	Cost and Benefits
Low prices	Order volume
Cost down	Reliable forecasts
Delivery time	Clear demands and needs
Quality	Information exchange
Information exchange	Direct and Indirect Functions
Direct and Indirect Functions	Access to knowledge
Challenging existing solutions	Superior capabilities
Developing new solutions	Strong personal relationships
Business Development capabilities	
Technical capabilities	
Global presence	
Intangible and Relational	
Transparency and openness	
Honesty	
Strategic capabilities	
Mind-set	
<i>Value misperceptions*</i>	
WindPower	Hydro
WindPower's perception of what Hydro perceives as valuable	Hydro's perception of what WindPower perceives as valuable
Cost and Benefits	Cost and Benefits
Profit	<i>Low prices</i>
Direct and Indirect Functions	<i>Delivery times</i>
Market experience	<i>High quality</i>
Working with large customer	Payment terms
Attention from large customer	Documentation
Challenging and developing solutions	Direct and Indirect Functions
<i>Access to knowledge</i>	Daily contact and communication
	<i>Technical capabilities</i>
	<i>Global presence</i>
	Intangible and Relational
	<i>Strategic capabilities</i>
	Proactivity

Note: *Italics represent value correctly perceived as important by the counterparty

Table III.
Perceptions and
misperceptions of
value in the
WindPower/hydro
relationship

develop their strategic capabilities and organisational mindset. This accommodates the human intangible (Baxter and Matear, 2004) and relational value driver of the customer.

4.1.2 Hydro's context and perception of value. Being aware of customers' collaborations with its competitors, Hydro often takes a role as manufacturing supplier, developing and producing based on customers' specifications and orders. Order volume is key, just as Hydro expects customers to provide clear information on needs and demands. This is perceived as vital for Hydro's engineers to design and develop customised solutions. Information and forecasting is also essential to production planners and warehouse operatives. Information from customers is considered the basis for coordinating the internal order-handling processes and avoiding mistakes and for managing related purchasing from sub-suppliers. A key account manager at Hydro proclaims: "If we cannot get the customer's needs and expectations right, and get all the necessary information during the process, the project will

definitely not be a success.” Accordingly, the supplier’s value perception is strongly driven by cost and benefits as outlined by [Ulaga and Eggert \(2006\)](#).

Moreover, Hydro is very attentive to harvesting knowledge from customers about markets and technological developments. It is considered valuable when customers openly share such information, as it is perceived as a way for Hydro to develop its supplier role. These issues relate to [Walter et al.’s \(2001\)](#) direct and indirect value functions as listed in [Table III](#).

4.2 Actions based on value perceptions

Actions forming daily exchanges, the process of delivering technological solutions and services develop gradually. WindPower and Hydro decide to meet regularly for a joint “Business Review” with an explicit agenda of creating value, continuously adjusting actions accordingly. At such meetings, WindPower evaluates cost and benefit value drivers (see every joint meeting in [Table II](#)). Moreover, the customer is very concerned about Hydro developing its global orientation, strategic purchasing and contributing actively to developing technological solutions (see e.g. joint meetings I + II and in-depth dialogue and invitations for workshops in [Table II](#)).

Responding to calls in literature for studying the interconnections between value and actions ([Gummerus, 2013](#); [Corsaro and Snehota, 2010](#); [Ford and Håkansson, 2006](#)), the following sections discuss how the partners’ value perceptions shape specific forms of actions. Three specific findings are discussed: The first finding highlights how value perceptions transform into actions performed either individually or jointly. The second finding shows how value perceptions are transformed into different types of actions, accentuating that some perceptions of value lead to operational actions, whereas other value perceptions lead to developmental, strategic or relationship actions. Third, value misperceptions are also shown to shape actions.

4.2.1 Interconnection 1: Value perceptions transformed into actions. An initial finding of our study is a deeper understanding of how value perceptions transform into concrete actions in a customer-supplier relationship, performed either individually or jointly. Whether value perceptions are shared is less important, as joint actions may just as well emanate from differences in value perceptions. Differences do not necessarily constitute a limitation or potential conflict in actions. Both parties argue that sometimes they act “solely” to create value for the counterparty, but they may expect that these actions will ultimately lead to value creation for themselves ([Håkansson and Ford, 2002](#)).

Joint meetings and internal meetings at Hydro play a vital role in understanding how the value perceptions of each party are transformed into actions (see [Table II](#)). At these meetings, relationship-related actions, (lack of) progress and outcomes are discussed. As an initial insight, the case shows how *shared perception of value is transformed into individual and joint actions*. As listed in [Table III](#), one of the few value drivers shared and mutually recognised by Hydro and WindPower is access to knowledge and knowledge-sharing. WindPower often requests that Hydro deliver a complete overview of actions performed to deliver value. Weekly phone meetings are another type of action, where the partners discuss delivery schedules, costs and ongoing projects ([Table II](#)). Emails and joint workshops support the supplier’s R&D engineers on technical issues. Both parties consider these types of actions important for evaluating the value potential of joint business and minimising actions generating no apparent value.

However, *differences in value perceptions can also be transformed into joint actions*. When WindPower regularly invites all suppliers for factory visits, the customer seeks opportunities to discuss, e.g. production capacity, quality and potential for bringing costs

down. Essentially, this is a way for the customer to transform value perceptions into action and create links to suppliers (as illustrated in [Figure 1](#)). WindPower's category manager explains: "We need our preferred suppliers to take joint action in e.g. bringing down costs. The suppliers need to be part of the business development we are generating". The strategic purchase managers agree:

We appreciate it when our suppliers open their business to us. It makes it possible for us to get to know them, but also to suggest how to improve if necessary.

When Hydro arranges for the customer to revisit its global production sites (joint meeting II in [Table II](#)), WindPower values the opportunity to discuss and evaluate the global performance of the supplier, the willingness to be open and transparent in operations and the opportunity to identify new sources of cost reduction. To Hydro, visits have other potential value outcomes in terms of socialising and building stronger personal relations between WindPower and Hydro employees. These joint actions can be argued to support the variances in the partners' value perceptions (in line with [Gummerus, 2013](#)).

Moreover, *value perceptions are transformed into actions with others*. An example is when Hydro coordinates information and orders with its own sub-suppliers to ensure high quality and timely delivery for WindPower. This is important to the customer, as explained by the category manager:

It is valuable to us when our suppliers present the competences and ability to act competitively in the market and have a large global network which they actively use to support us.

Hydro has also initiated collaboration with new sub-suppliers appointed by WindPower to be involved in selected projects. Additionally, when WindPower articulated the value of suppliers having strategic capabilities, Hydro hired a consultant to develop the strategic capabilities of the management group. These actions with others shape the wider activity structure in the network (see [Figure 1](#)) ([Håkansson and Snehota, 1995a, 1995b](#); [Hallén et al., 1991](#)).

4.2.2 Interconnection 2: Value perceptions connected to different types of actions. This section discusses the connections created between different value perceptions and different types of action. Even though classifying or dividing company actions into meaningful categories is challenging, as they are context and relationship-specific ([Håkansson and Snehota, 1995a, 1995b](#)), our study contributes an identification of four categories of actions connected to specific value perceptions: operational, developmental, strategic and relationship actions.

The first category is *operational actions*, representing activities directed towards value drivers such as "low prices", "cost reduction", "delivery time", "reliable forecasts", "quality" and "information". Because of the mutual effort to develop a price and cost-competitive business, Hydro has completed several cost-reduction projects (see internal meetings I, III and IV in [Table II](#)). These actions are supported by e.g. quality inspections by WindPower and initiatives by Hydro to enhance testing for eliminating mistakes. In general, stronger links are created between the partners at various department levels ([Dubois, 1998](#); [Håkansson and Snehota, 1995a, 1995b](#)).

The second category is *developmental actions*, driven by perceptions of value related to offering "new solutions" or "challenging solutions" and improving "technical capabilities" needed for developments. Hydro realises that internal activities do not fit the relationship requirements and introduces additional "steps" in their internal development process (see internal meeting I in [Table II](#)). These new steps intensify interaction between Hydro and WindPower. Technical workshops, knowledge-sharing and phone meetings between

engineers and technical designers from both companies complement the joint process. These actions are considered a complex challenge and constant source of business development, as it is not possible for the supplier and customer to meet all mutual demands for value creation at a given point in time. Emergent understandings of value perceptions lead to new actions, resulting in new links and an evolving structure, as illustrated in the following quote from the category manager at WindPower:

We expect our suppliers to challenge our solutions and, if necessary, provide us with better alternatives. Our suppliers must always believe in all the possibilities that occur when we work together.

Operational and developmental actions are given continuous attention at meetings not only by WindPower but also by Hydro, who believes these actions are central to creating value in the relationship. However, they are challenged in interpreting WindPower's expression of value, as illustrated in the following quote from the Hydro business development and marketing manager:

Even though WindPower has asked us to be proactive and come up with ongoing solutions for development, they still approach us in day-to-day business dictating adjustments in our plans. Even after meetings where we have jointly planned and scheduled activities, they will approach with demands for alterations. This is very challenging for our organisation.

While operational and developmental actions can be argued to be part of the emergent perceptions of value (Grönroos, 2011; Korkman, 2006), both parties have difficulties finding a mutual pace and sometimes misperceive the value perceptions of the counterparty.

The third category, *strategic actions*, is related to value drivers such as "strategic capabilities", "global presence" and showing capabilities for "business development". WindPower asks Hydro to explicitly formulate strategies for business development, future (global) growth, sub-supplier strategies and how this relates to their collaboration (see joint meetings in Table II). When presenting strategies, Hydro finds it difficult to accommodate WindPower's feedback with concrete actions that can be easily evaluated: Hydro perceives it to be a Sisyphean task. When Hydro initiates strategic actions, the customer keeps asking for more and other actions. From WindPower's perspective, this is a vital part of the supplier providing proof of a solid future business and that the management is capable of not only continuously formulating strategies but also adjusting related actions.

The fourth and final category is *relationship actions*, referring to initiatives that show the right "mindset", "transparency and openness" and "proactivity". From the case, it is apparent that acting upon these value drivers is far more complex relative to the others. The parties have difficulty explaining which actions may support such value drivers. Actions highlighted in attempts to meet these drivers are business activities (such as company visits) that include some socialising. When WindPower asks Hydro to show the right "mindset", the supplier reacts by introducing new business plans and upcoming projects. However, this is perceived as a wasted effort, as the customer gives a negative evaluation and points to all the missing details in the plans (see joint meeting III in Table II). However, to the customer the objective is clear as argued by WindPower's category manager:

Working with a preferred-supplier strategy means that we get to know our suppliers in more depth; how they can support our strategy and direction of business [...] and if they need another set-up, we expect them to implement it within their business.

A reason why the value drivers of relationship actions are considered difficult and complex might be that these cannot as often be classified by the utilitarian aspects often associated with value perceptions in business-to-business settings (Mencarelli and Rivière, 2015).

4.2.3 Interconnection 3: Value misperceptions as a basis for actions. This study points to an additional contribution to the relationship value literature by highlighting situations where Hydro and WindPower misperceive what is valuable to the counterparty (see [Table III](#) for an overview). Even though both partners put effort and resources into the relationship, the supplier does not seem to understand what the customer perceives as valuable in the relationship and vice versa. These misconceptions have substantial implications for the actions (and outcomes) of the relationship.

WindPower only understands Hydro's value drivers to a limited degree. The customer misperceives Hydro's value to be primarily driven by direct and indirect functions such as market experience, knowledge and attention from a large customer and that the supplier finds it valuable to take a role in challenging and developing the customer's specifications. WindPower ignores the importance Hydro places on benefit and cost drivers such as order volume and forecasts to build a solid internal operation.

Hydro misperceives the importance and emphasis placed on strategic and relational value drivers by the customer. Hydro believes the customer to be mainly driven by cost/benefit issues and disregards the importance the customer places on suppliers' ability to challenge and develop customer specifications and suppliers' strategic capabilities and mindset. When actively addressing the customer's request for, e.g. strategic purchasing (see internal meeting II and actions in [Table II](#)), WindPower is not impressed at the following joint meeting (III in [Table II](#)), as the supplier evaluation on delivery performance, cost reduction, numbers of mistakes and general daily collaboration is very bad. Hydro seeks to remedy these shortcomings and initiates a series of actions, while still showing rather bad results at the following joint meeting (see joint meeting IV in [Table II](#)).

The case illustrates how value perceptions are difficult to apprehend and act upon. At no point does either company seem to wonder if the counterparty might have perceptions of value other than the ones they expect. Difficulties can stem from differences, misalignment or disagreement on value perceptions, leading to actions by one actor that do not match the value perceptions of the counterparty ([Corsaro and Snehota, 2011](#)). The difficulties can also stem from a lack of understanding and insight into the counterparty's value perceptions and an insufficient ability to articulate one's own value perceptions. In other words, how each party understands the counterparty's value perception is vital, as this understanding also shapes actions. When faced with difficulties, the parties react by communicating or interpreting more complex value perceptions as if they were "simpler". This results in actions that do not comply with the intended outcomes. Moreover, the issue is not solved over time, as the actors are embedded in an ever-changing business context, constantly challenging and gradually changing value perceptions ([Grönroos, 2011](#)).

4.3 Outcomes from relationship actions

The fourth finding from our study concerns the outcomes generated from actions based on value perceptions. As illustrated in the theoretical framework in [Figure 1](#), outcomes such as developed offerings or solutions may be considered to have positive, negative or asymmetric effects. Partners' evaluation of outcomes naturally relates to each of their value drivers, and the study shows how the partners' evaluation of outcomes triggers concrete adjustments, adaptations or new corrected actions. Moreover, an important contribution emanating from the study is how partners value each other's intentions and "willingness to try" over more utilitarian outcomes.

In the WindPower/Hydro relationship, the evaluation of outcomes and coordinated adjusted actions is perceived as essential for establishing and securing the internal workflow of each party and joint actions ([Håkansson and Snehota, 1995a, 1995b](#)). Concrete

evaluations are performed somewhat systematically. WindPower regularly evaluates the actions of preferred suppliers relative to its own value drivers to determine whether solutions are delivered. Measurement factors are based on concrete data from single transactions and concern delivery performance, cost reductions, numbers of “mistakes” and daily points of contact. Hydro evaluates outcomes in turnover and revenue. Both companies also claim to evaluate outcomes from relationship-specific actions such as “openness” and “honesty”. Such evaluations are not based on concrete data measurements but rely on gut feelings.

Collaborative coordination is part of the ongoing adjustment of actions for reaching specific outcomes or adjusting their negative effect (Ford *et al.*, 2011; Ritter *et al.*, 2004). Coordinating actions mainly support operational, developmental and strategic activities, manifested in information exchange, e.g. for the supplier to plan projects, and for enabling the customer to plan or correct subsequent processes.

At joint meetings, asymmetric understandings of outcomes play a crucial role in planning additional mutual coordination, and misperceptions of value become clear. An example is at joint meeting III, where WindPower evaluates Hydro’s performance on cost, price, deliveries and quality very negatively. Hydro does not perceive its performance on these drivers to be that poor. Moreover, the supplier had the understanding that this meeting would focus on new business plans, upcoming projects and the new strategy for involving sub-suppliers. At the following joint meeting IV, Hydro has initiated corrective actions on the poorly-evaluated drivers. The supplier dreads the response, as the performance indicators have not improved very much. But WindPower is very positive and states that it is not the performance on these drivers that is important – it is the mindset and initiated process.

4.4 Revisiting the theoretical framework: learnings from the case

Discussions and learnings spurred from the case of the WindPower/Hydro relationship follow the theoretical framework in Figure 1, confirming how value perceptions lead to individual and joint actions, forming a positive, negative or asymmetric outcome as evaluated by the involved parties. However, our study also provides information on additional effects of how value perceptions shape actions. These are illustrated in Figure 2 and are discussed in more detail below.

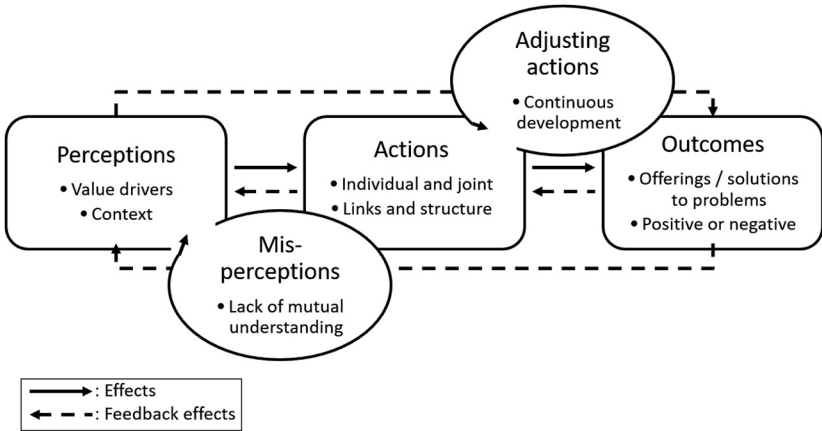


Figure 2.
Adjusted theoretical
framework: value
perceptions, actions
and outcomes

The case demonstrates situations that cannot be characterised as specific misalignment of value perceptions, but rather as absence, discrepancy or a missing connection between value perceptions. The discrepancy is not a result of opportunism, reluctance, unwillingness, blundering or incompetence. Rather, the situation is characterised by misperceptions and an inability to sense the value perception of the counterparty, combined with an inability to explain or inform the counterparty of one's own value perceptions. When these situations occur, the partners re-focus their resources on operational or developmental actions, evaluate outcomes from strategic and relational actions based on the partner's perceived endeavours instead of a specific outcome and/or fall into a maelstrom of successive actions leading to no specific outcome, as illustrated in [Figure 2](#).

The outcome of actions in the WindPower/Hydro relationship are continuously and consciously evaluated by the partners, leading to new possible actions. But if the success of an action is measured as "fulfilling" value perceptions, it is mission impossible. This is due to the emergent nature of value perceptions and the fact that value perception is actor-specific ([Corsaro et al., 2013](#); [Corsaro and Snehota, 2010](#)) and thereby impossible to fully accomplish in a way that meets all value drivers at any given point in time: it is indeed a never-ending story. The case shows that no matter how hard the supplier attempts to reduce costs or act strategically, new goals are determined by the customer, leaving former value drivers behind. It is not "mission impossible" to create value. However, value is perceived as residing in the effort made by the partner, rather than in the actual outcome.

At other times, such situations seem to be tackled in another way which does not necessarily lead to outcomes evaluated positively or approved by the partners, but where the partners agree to be "on the right track". As illustrated in [Figure 2](#), this leads to a process of adjusting actions. These situations are not simply characterised by "better" or more "successful" interaction, nor are they characterised by the customer eliciting specific actions from the supplier or the supplier conforming or consenting to the customer's requests ([Mouzas and Ford, 2014](#); [Ritter and Ford, 2004](#)). Rather, the partners' mission is to explore, understand and sense the value perceptions of the counterparty, while simultaneously being open to developing their own value perceptions. This process is somewhat conscious. Value perceptions may evolve as part of the process, but slowly and under constant influence from the wider business network.

5. Conclusion, further research and managerial implications

This paper discusses how companies' value perceptions shape actions in relationships and contribute to an ongoing academic debate claiming that attention has moved from economic value drivers to a propelled focus on aspects of value creation in business that goes beyond exchanges of products and services ([Lindgreen, 2012](#); [Tzokas and Saren, 1999](#)). While new and more nuanced understandings of value have emerged ([Walter et al., 2001](#); [Baxter and Matear, 2004](#); [Henneberg et al., 2009](#); [Uлага and Eggert, 2005](#); [Uлага and Eggert, 2006](#); [Corsaro et al., 2012](#); [Corsaro, 2014](#)), studies of how companies act based on value perceptions are still called for. Seminal understandings of how actions and specific business activities can be initiated and coordinated to create value prevail ([Hallén et al., 1991](#); [Dubois, 1998](#)), but we lack vital nuances of the interconnection between value perceptions and actions. This study is based on a customer/supplier relationship, following [Uлага and Eggert's \(2006\)](#) call for research examining potential gaps between value perceptions in dyadic relationships. Additionally, our study contributes empirical insight into an academic field dominated by conceptual discussions ([Corsaro, 2014](#); [Uлага and Eggert, 2005](#)). Scrutinising the research question:

RQ2. How do companies' value perceptions shape actions in relationships?

Four specific findings from the WindPower/Hydro case form the basis of three contributions to the relationship value literature.

The first finding from this study concerns value perceptions leading to individual or joint actions in the relationship and others in the wider network. The second finding shows how value perceptions shape different types of actions – operational, developmental, strategic or relational actions. Together, these two findings from the case form two contributions to the literature. First, applying a relationship lens to value, our study contributes to discussions of interdependence between value perceptions (Gummerus, 2013; Grönroos, 2011). In complex business-to-business settings, the creation of value is not just a matter for the customer (Grönroos, 2011). As the co-creation of knowledge (Vargo and Lusch, 2008a, 2008b) is vital, so is the interaction or interdependencies between the value drivers of the customer and those of the supplier. Besides bringing important nuances to our understanding of value co-creation or interactive value creation, our study states that the interdependencies and interplay between specific value drivers in themselves shape action. In the literature on relationship value, the primary focus is on a customer perspective (Flint *et al.*, 1997; Lindgreen, 2012; Payne and Holt, 1999). The supplier perspective garners far less attention (Walter *et al.*, 2001), and almost no research addresses the (potential) gap between customer and supplier perceptions of value (Ulaga and Eggert, 2005). The present study addresses both customer and supplier value and stands out as among the first contributions to relationship value literature that analyses value in a dyadic perspective. Indeed, we can conclude that the very interplay between value perceptions held by the customer and supplier is vital and key to creating, delivering and capturing value in business relationships.

The second contribution, emanating from the first two case findings, relates to how difficulties in acting on specific relational value drivers enhance the partners' focus on clear utilitarian value drivers (cost, deliveries, etc.) on the one hand, while, on the other hand, they initiate actions based on relational value and more teleological reasoning (Holttinen, 2014; Schatzki, 1996). Schatzki (1996:p. 123) argues for teleoaffective structures guiding actions "by shaping what is signified for an actor to do" (in business-to-consumer research). This understanding is worth exploring in more depth (Mencarelli and Riviere, 2015), as our study reveals that the teleological dimension of value contributes a goal-oriented reasoning for acting and an affective reasoning (in business-to-business research) (expressed in the case as a "gut feeling" or having the "right mindset").

The third and fourth findings from our case study lead to a third contribution to the relationship value literature. These findings concern value misperceptions shaping actions and the ongoing adjustment of actions leading to value outcomes as illustrated in the adjusted theoretical framework in Figure 2. The findings show how companies attempt to understand and explain value from their own perspective, as well as from the counterparty's perspective, and then attempt to act upon their value perceptions. However, understanding value perceptions in the relationship and trying to act upon them is not a matter of simple (linear) exchange between the companies (Corsaro and Snehota, 2010; Corsaro *et al.*, 2013). Instead, we find that balancing value perceptions and value-creating actions is complicated, as it is not possible to meet all demands for value creation at any given point in time, and value perceptions unfold simultaneously at different levels. On the contrary, the case illustrates that transforming value perceptions into specific actions performed individually or together is a complex, ongoing and adaptive process. This continuous adjustment of actions is also illustrated in the adjusted framework in Figure 2.

The third contribution to the literature thus concerns the form and content of relationship value and how business development becomes an important value driver. Development is

highlighted as an important means for continual value creation and company performance (Amit and Zott, 2012; Cavalcante *et al.*, 2011), and companies are being challenged on their ability to develop their value offerings, including the ability to create value for their partners. The present literature conceptualises relationship value as tangible and intangible drivers (Baxter and Matear, 2004), value dimensions (Henneberg *et al.*, 2009; Lapierre, 2000) and value drivers (Lapierre, 2000; Ulaga and Eggert, 2006) and value functions (Walter *et al.*, 2001). These are all relevant though inadequate to explain the substance of value, especially when applying a relational perspective. It is agreed that the tangible, as well as intangible, value drivers presented in the literature have their justification, and this empirical study finds no reason to contradict the idea of those drivers being relevant. Our empirical data underline the centrality of development in value creation but find that existing research provides a simplified conceptualisation of relationship value drivers and overlooks the developmental aspect. Following a close customer-supplier relationship over a period of years, and focussing especially on perceptions of value, we conclude that a supplier's ability to consistently develop its business and connect value drivers in a dynamic process of (inter) action to create value outcomes represents a main aspect of relationship value. This challenges the idea that creating, delivering and capturing value is a matter of reaching a target of specific value drivers.

5.1 Potential for further research and managerial implications

Avenues for further research exist. First, this study addresses the issue of company action related to relationship value. Further research should explore this matter in more detail and focus not only on what companies perceive as valuable but also on the value in their actions. This study briefly touches upon the complexity of value in words versus value in actions; however, further study of this could make an appreciated contribution to the relationship value literature. Second, further research is needed on the influence of business dynamics on value perception and company action. As relationships are dynamic by nature (Håkansson *et al.*, 2009), there is more to discover about the effects and outcomes.

Based on the present study, we argue that mutual appreciation of (not necessarily alignment with) the other party's value perceptions provides for better interaction. Much suboptimal and misaligned interaction is based on the inability (not unwillingness or incompetence) of the parties to sense each other's value perceptions and explicate their own perceptions. The central managerial concern is to acknowledge the complexity of acting based on a genuine understanding of the value perceptions at stake. Building "customer orientation" is not the key – it is the ability to (inter)act based on your understanding of the customer's value perception and your own.

Three managerial implications can be extracted from our study. First, it is vital to explore value perceptions from multiple perspectives. On one hand, this implies in-depth interviews/dialogues, etc., and not simply gut feelings. On the other hand, it calls for scrutinising the perceptions of value internally at different organisational levels and in the partner organisation and the wider network, thus acknowledging the interdependencies in value perceptions.

Second, it is important to act based on the understanding gained. In other words, it is of vital managerial concern to connect and couple value drivers to concrete actions – whether individual or joint. Even when the companies do not share mutual value perceptions, they should consider how to organise actions that create value beneficial to both parties. As shown in this study, this task is more complicated for actions based on relational value drivers.

Third, the emergent nature of value perceptions calls for development to become a value driver in itself. Exploring value drivers is an ongoing task to be implemented in daily processes and procedures. Further, both willingness and capability to develop are necessary. The first issue here is that of willingness to develop. In the case, WindPower highlights the need for willingness as “having the right mindset” and on numerous occasions specifically states an expectation of suppliers being prepared to possibly change their entire business. The second issue concerns the ability to implement the necessary changes and developments. This study emphasises that it is not enough to be able to create value based on one value driver at a time. Instead, it is vital to be able to connect value drivers and balance and prioritise relevant actions. It is not enough to develop business occasionally; on the contrary, this study points to the necessity of developing business continuously to keep track of changing value perceptions.

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