

Service Dominant Logic to Strategic Service Orientation: Examining Preliminary Customer Perceptions

The notion of co-creating value with customers has moved to the forefront of marketing thought. While the service-dominant (S-D) logic provides a theoretical lens for understanding interlinked value creation processes between firms, customers and other market actors, managers seek guidance for service-based practices consistent with S-D logic.

The purpose of this paper is to address the intersection of S-D logic and a firm's strategic activities. We contribute by conceptualising and operationalising a strategic service orientation (SSO), reflecting a customer-perceived value co-creation capability and manifested in a coherent set of synergistic organisational behaviours. A second-order construct is developed comprising of six dimensions that are congruent with and inclusive of essential S-D implications. These have been labelled: individuated, relational, ethical, empowered, developmental, and concerted interaction.

A rigorous scale development process has been followed that has included to date multiple phases of data collection. Three rounds of academic expert evaluations and two follow-up surveys with Australian car dealership customers have been conducted. The results of exploratory and confirmatory factor analyses used to assess the measurement model's validity and reliability will be presented and discussed at the Forum.

This research provides insights into the organisational activities which enhance the interaction and co-creation of value with customers. We introduce a preliminary measurement instrument, building the platform for empirical examinations regarding the benefits of implementing S-D practices. Ultimately, the achievement of a superior co-creation capability should increase a firm's potential to achieve collaborative and competitive advantage.