

INTERFACE BETWEEN CUSTOMER VALUE DRIVERS AND COMPANY'S VALUE

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Abstract

The evolution of business orientations and management concepts led to an emphasized interest in value and value creation. The viewpoints at value, analysed in scholarly literature, are very different. For those reasons, lately there appeared a need to disclose the multidimensionality of the notion of value. The multidimensionality originates not only from the different viewpoints of stakeholders, but also from different perceptions of researchers from different fields. The paper is focused on the viewpoints of company's owners and customers. It aims to disclose the interface between the value created for customers and the value of a company. The article highlights the multidimensionality of the notion of value by discussing how value is perceived by companies, customers and how customers bring value to companies. A detailed view of the customers' perception of value is obtained by identifying customer value drivers. The interface is specified by linking customer value drivers to company's value through such links as marketing decisions, marketing results and financial results.

Keywords: value, value creation, company's value, value for customers.

JEL Classification: L21, G32, M31, M41.

Introduction

The aim to disclose the multidimensionality of the notion of value is noticed in recently published scholarly literature. The origin of the multidimensionality is associated with stakeholders. It is stated, that such stakeholders as owners, employees, customers and suppliers perceive value in a different way. Also, different perceptions of the notions of value and value creation arise because of the fact, that those topics are analysed by researchers from different fields (management, marketing, management accounting). Some authors (Lin & Lin, 2006; Payne & Holt, 2001) put the emphasis on the connection between the stakeholders' groups and claim that companies can only create long-term value when the value is being created for all of the groups. This article aims to disclose the interface between the two very important groups of stakeholders, owners and customers, through the prism of the value creation process.

The discussions about the value that company creates for its customers began quite recently. Scientists started trying to define the notion of value for customers. They proposed that the value created for company's customers depends on various factors, named customer value drivers. The customer value drivers are analyzed by Christopher (2007), Slater & Narver (2000), Woodruff (1997), Johnson (2004), Payne & Holt (2001), Low (2000), Dilworth (2000), Walter & Ritter (2003) and others.

The value created for company's customers is bound up with the value of the company, because gain for both parts is a basis for existence of cooperation between companies and customers. Value for customers is created when customer value drivers are comprehended and various marketing decisions are being made based on this comprehension. The value, certain company is able to create for its customers, results from proper marketing decisions and the creation of such value is noticed through changes in marketing and financial results. Financial results influence company's value and its changes. What is more, it is a two-way bond – better financial results make it possible to improve the operation of the company, what is often achieved by improving the customers' perceived value of goods or services. The connection between the value for customers and value of the company is usually only implicit, but not clearly understood. Such situation arises because of the lack of tools to illustrate and reveal the connection.

The interface between customer value drivers and company's value is observed through actions, performed because of certain marketing decisions, and the results of those actions. That is why in this paper it is chosen to reveal the interface by linking customer value drivers, through such elements as marketing decisions, marketing results and financial results, to company's value. The decomposition of the interface helps to gain broader understanding about it and enables to propose a principle for developing a tool to determine if value creation for customers is beneficial for companies as well. Such *research methods* as systematic literature review, comparison and designing a conceptual model are used.

Scientific problem: what is the way to determine the interface between the value created for customers and company's value?

Research subject: the link between the value for customers and company's value.

Research aim: to reveal what determines the interface between customer value drivers and company's value.

The structure of the article: in the first part of the article the multidimensionality of the notion of value is revealed. The perception of value is discussed from the viewpoint of both - customers and companies. Also, the ways, customers bring value for companies, are explained. The multidimensionality of the notion of value is revealed through the prism of the value creation process. In the second part of the article customer value drivers are defined and determined. It is suggested that those customer value drivers are a suitable basis for reasonable marketing decision making. In the third part of the article the interface between customer value drivers and company's value is revealed and identified (discussing in detail and illustrating it by composing a table) through a chain, consisting of such elements as marketing decisions, marketing results and financial results.

The perception of value

According to Kazlauskienė (2005) value is a complex estimate, pronounced in monetary units and calculated using a suitable valuation method. Though the value definition proposed by Kazlauskienė (2005) is pretty clear and laconic, the analysis of scholarly literature reveals that the term „value“ can be understood and interpreted in different ways. Bowman & Ambrosini (2010) state, that discussion about various aspects of the notion of value is still going on. It is also stated that the term “value” is multidimensional and can be perceived in many different ways. According to Bowman & Ambrosini (2010), the term “value” is often perceived differently by company's owners, employees, customers and suppliers. However, it is important to notice that the different perceptions of value and value creation, that can be found in scholar literature, arise not only from different viewpoints of stakeholders, but also from the fact that value and value creation is a topic analysed by researchers, exploring different fields (marketing, management, management accounting).

Woodruff (1997) marks out two different concepts of value – value from an organizational viewpoint (the value of attracted customers and the value of organization from the viewpoint of owners) and value for customers (customers' attitude towards the organization, including their expectations and understanding about the value received). Lin & Lin (2006) emphasize the connection between the three groups – customers, employees and owners. The authors state that interests of the three groups are linked so closely, that companies can only create long-term value when the value is being created for all of the groups. Payne & Holt (2001) reveal the connection between owners, employees and customers in the context of value creation process. It is noticed that the perception of value creation process proposed by Payne & Holt (2001) is very similar to the perception offered by Lin & Lin (2006). What is more, these authors (Payne & Holt, 2001; Lin & Lin, 2006) point out the same groups that take part in the value creation process.

Despite the fact, that very different viewpoints at value are analysed in scholarly literature, Valančienė & Gimžauskienė (2008) offer to summarize them into three different opinions. The first group of researchers proposes that companies should create value for customers, recognizing their requirements and offering them professional and helpful service (Novack et al, 1995; Gronroos, 1997). The second group of researchers states that companies should create value not only for customers, but also for their shareholders (Wenner & Leber, 1989; Stewart, 1991). There is one more group of researchers offering that companies should create value for all stakeholders (Reichheld, 1996; Payne & Holt, 2001; Lin & Lin, 2006).

The paper analyses the interface between the value created for customers and company's value, as perceived by its owners. Although, as already discussed, some researchers do not see a point in linking value created for customers with company's value, in authors' opinion it is essential to link those elements as such interface is a basis for the existence of collaboration between customers and companies. Also, the existence of such interface is based on its reciprocity: value for customers must be created in order to attract and retain them, whilst the value for companies must be created because otherwise it would not be worth for them to operate in the market. The authors of the paper stick to the opinion that the interface between customer value drivers and company's value is essential, because value for employees and suppliers is already generated at least by evaluating their efforts and contribution in monetary terms (salaries, bonuses, price and etc.). With no doubt there are more ways to create value for employees and suppliers that could be explored in further research. In order to analyse the interface between value created for customers and company's value properly, different perceptions of value from customers' and company's viewpoints are given further in this

paper. Also, as the authors aim to connect those perceptions, the analysis on the way customers bring value for companies is performed as well.

- ***The perception of value from customers' viewpoint***

Both Woodruff (1997) and Lin & Lin (2006) analyse the value creation process and emphasize that companies should concentrate their attention on creating value for their customers. Various authors define value for customers differently. According to Payne & Holt (2001) value for customers is a subjective customers' opinion that depends on: how customer perceives the relation between advantages and disadvantages of goods or services; the part of offered value customer actually uses; the price. Bowman and Ambrosini (2010) state, that customers purchase goods or services only when customers' perception of the value of purchased goods or services exceeds the price. Different situation is only possible upon the existence of a monopoly market, where the customers' perceived value equals price.

Most of the authors that analyse value define it as a comparison of two elements – benefits and price (Christopher, 2007; Slater & Narver, 2000; Bowman & Ambrosini, 2010) or experience and expectations (Woodruff, 1997; Johnson, 2004). In order to avoid ambiguities when analysing how customer value drivers influence company's value, it is useful to introduce the notion of complementary value for customers, that refers to the part or excess of value for customers, arising from the existence of a specific value driver.

In addition, for the sake of clarity, it is important to draw the differences between benefit and value. In this paper value is a measure of benefit. In other words, customer expresses the benefits he is getting (or willing to get) by purchasing goods or services in certain, usually monetary, terms, and the latter is referred to as value.

- ***The perception of value from company's viewpoint***

Every company belongs to its shareholders – they elect council, that employs administration, and decide about the board. If a company operates under the precondition of maximizing profit, it also maximizes company's wealth and value for shareholders. The main aim of finance management also points out the need to maximize shareholders wealth – company's value (Ultimate Finance Resource). Value is determined using different valuation models, which can be defined as mathematical models that help to assess value using available information (French, 2011).

In Lithuania business and property valuation is based on the Law on fundamentals of business and property valuation of the Republic of Lithuania and Government Resolution No. 244 "On property valuation methodology" (1999-12-13). According to the resolution, valuation methods should be chosen depending on what value is relevant for a client and what, in valuator's opinion, reflects the value of the property in the open market best. The resolution lists such groups of valuation methods as comparative value methods, replacement value methods, income based methods and extraordinary value methods. Valuator usually uses a few methods. The combined use of various methods is allowed, but the choice of methods must be reasoned. Lagrost et al (2010) state, that among the main groups of business valuation methods there should also be mentioned option based valuation methods, that were started to use quite recently.

Comparative value methods are based on factual information and allow determining quite objective value, but the methods are often hard to use because of the lack of market transparency, lack of information or complicated selection of comparable businesses. Legenzova (2001) states that the use of comparative value methods in Lithuania is almost impossible and they can only be used with big reservations because of the youth and specificity of the market and/or simply the lack of events in Lithuanian market. Also, these methods are quite static; they do not allow assessing future projections. For example, customer value drivers can be thought of as a source of competitive advantage, but comparative value methods do not allow assessing that.

Replacement value methods are recommended to use quite rarely – usually only when company is being liquidated or when market is passive and business value cannot be determined using income based or comparative value methods. Replacement value methods do not reflect the synergy of company's assets or company's ability to generate cash flows. Such methods are static and based on historical information, they do not allow assessing the continuity of company's activities and market situation. Replacement value methods do not reflect intangible assets, they are not market-based and do not reflect the real value of the company. Evaluation using these methods cause difficulties when there is unique property involved. What is more, company's assets are not always necessary or used effectively, but it might have value.

Legenzova (2001) and Steiger (2008) state that income based methods are considered to be the most reasonable to assess business and its future perspectives. These methods are based on future projections; they allow assessing company's ability to generate cash flows and company's risks. Income capitalization method is not as detailed as other income-based methods. It is based on determining only two factors - the income base and the capitalization rate. The economic value added method is based on the assessment of value company creates through certain period of time. It is used as a decision making tool, that helps to successfully manage the value of the company and control directors and employees. Discounted cash flows method is analysed in detail in scholarly literature and, according to Legenzova (2001), it is most commonly used in Lithuania.

Nevertheless, these methods also have some disadvantages. It is noted that instable situation in the country and fluctuations of companies' income and cash flows complicate the forecasting of data. This leads to a significant decrease in quality and efficiency of valuation. Also, a brief period of business activity is the reason why sometimes there is no sufficient data and no base for determining company's prospects and risks. Moreover, the Lithuanian financial market is not yet developed sufficiently, so it is difficult to predict the risk-free interest rate for a long-term, the beta coefficients and other data needed for the valuation. Despite those drawbacks, Legenzova (2001) picks out income based methods as the most suitable for Lithuania. Kazlauskienė (2005) analyses theoretical and methodological aspects of different valuation methods and proposes one of income based methods, discounted cash flows method, as the most suitable. The results obtained by Kazlauskienė (2005) complement the findings obtained by Legenzova (2001).

The option based valuation methods are based on modification of income based methods. It is emphasized in scholarly literature that option based valuation methods, compared with the other groups of valuation methods, are different because they allow to assess uncertainty, however, they require more complex mathematical calculations and a high-skilled evaluator.

Although the concept of value from company's viewpoint is based not only on different perceptions of researchers, but also on existing legislation in the country, there still also arise difficulties in choosing suitable methods or applying them. On the other hand, according to most researchers, income based methods, that incorporate cash flow calculation, are considered to be the most suitable for business valuation.

- ***The value customer brings to company***

Every business enterprise seeks for profit, which is generated by its users. In other words, when customers decide they need the proposed value, i.e., created and delivered (see Figure 1), they purchase it and this way it is being estimated by customers in monetary terms. As business orientations changed, the way companies understand their source of profit also changed. The evolution of business orientations and marketing concepts was analyzed by Baker (2004).

Table 1. The evolution of business orientation and marketing concepts

Business orientation	Marketing concept	Source for profit
Sales orientation	Transaction marketing	Profit from increased sales volume
Customer retention orientation	Relationship marketing	Profit from customer satisfaction
Value – centric orientation	New consumer marketing	Profit from value definition, value creation and value delivery

Source: adapted by the authors with reference to Baker (2004)

According to Baker (2004), „as the practice of marketing has evolved in response to market conditions, the underlying philosophy of a business in relation to the customers it serves has shifted“. Transaction marketing was based on a sales orientation that aimed to attract as many customers as possible and wait for the profit generated through increased sales volume. Customer retention orientation served as a base for relationship marketing and suggested obtaining higher profits through customer satisfaction. New consumer marketing then switched the emphasis to obtaining profit through value definition, value creation and value delivery, underpinned by a value-centric orientation. Baker (2004) stated that “a value-centric orientation means delivering the value consumers want to buy and the organization wants to deliver: that is, value on the consumer's terms, as demanded and maybe even dictated by them”.

Obviously, the value brought to a company by its customers is reflected in increased sales volumes. Thus, the contribution of each customer that purchases company's goods and services to the company's

results is through the effect on the company's revenue and profit. Those are main, though not the only "channels" through which customer contributes to company's value creation. Due to complexity of business companies and their close link with customers (see Figure 1) value brought to a company by its customers can be noticed in various ways. Value brought to a company by its customers may also be perceived through changes in various financial indices. In addition to the above-mentioned changes in revenue and profit, the impact of value brought by customer on *economic value added, market value, cash flows, tangible and intangible business assets* also needs to be taken into consideration.

Grigas et al (2005) state that economic value added or economic profit is an indicator that allows the comparison of company's results from shareholders' viewpoint with other similar risk investments. The economic profit metric is better than any other indicator in determining the performance of a company subject to its shareholders' expectations, and is most closely associated with shareholders' value creation. Moreover, according to Aleknevičienė (2009), the main aim of directors is to assess the value added created through specific period of time, not just at a certain moment. The implementation of the economic value added method enables to accomplish that. Both, Aleknevičienė (2009) and Grigas et al (2005), offer to count economic value added as a difference between net operating profit after tax (NOPAT) and capital expenditures over a certain period of time. Capital expenditures stand for company's invested capital multiplied by weighted average cost of capital (WACC). Company's net operating profit after tax is proposed to be calculated as a sum of net profit (taken from the profit (loss) statement) and interests. Invested capital is a sum of equity and long-term and short-term financial debt (Grigas et al, 2005).

Considering the information given by Grigas et al (2005) and Aleknevičienė (2009), the links between the value brought to a company by customers and economic value added are not difficult to notice. Since, as already discussed, the value brought to a company by customers occurs as growth of revenue and profit, it will also have a positive impact on NOPAT. The aim to develop and deliver user-defined value may require more capital investment, what, whilst thinking bearing in mind the definition of economic value added given by Grigas et al (2005), results as an increase in invested capital and has a negative impact on EVA. The changes in WACC are very difficult to project as it, as confirmed by Kazlauskienė (2005) doctoral dissertation, is a complex variable, strongly influenced by economic situation. So, having in mind given reasoning, the glance at value brought to a company by customers through the prism of economic value added allows to conclude that customer brings value for a company through changes in profit (and consequently NOPAT), but the need for more capital investments, on the contrary, can decrease the value brought.

Although indirectly, customers influence changes in company's market value. According to Lithuanian laws (1999-12-13 Government Resolution No. 244), a market value of certain property can be determined by comparing actual transaction prices of similar objects. Of course, certain differences between the valued property and chosen similar object should be taken into account. Galinienė (2005) states, that the main condition for applying such methods is to choose comparative objects correctly. Obviously, when evaluating a company, the main criteria for determining comparative objects would be the company's revenue and profit. As already discussed, the revenue and profit of every company are influenced by its customers.

According to Grigas et al (2005), the market value of companies, whose shares are listed in stock exchange markets, can be calculated as a market capitalization, i.e. number of shares multiplied by share price. A share price depends on various factors, including market expectations. When a company attains more customers, its turnover and profit increase. This often leads to higher dividends. In addition, the company with more customers becomes more noticeable and trustworthy. These factors lead to improvement of customers' expectations about the company and consequently higher price per share. The analysis of value brought to a company by its customers through the prism of changes in market value unveils that positive changes in company's market value are the result of customer-generated revenue, profit and better customers' expectations.

The calculation of cash flows is a basis for business valuation using the discounted cash flows method. Cash flows are classified into free cash flow to the firm (FCFF) and free cash flow to equity (FCFE). Steiger (2008) argues that free cash flows to the firm are cash flows that remain for company's creditors and owners, while free cash flows to equity are cash flows that remain to the owners solely. According to Steiger (2008), most evaluations are carried out on the basis of free cash flows to the firm. Both Kazlauskienė (2005) and Steiger (2008) offer to calculate free cash flows as net profit plus depreciation, less investment and less increase in net working capital.

It is obvious that the analysis of value brought to a company by its customers through the prism of cash flows leads to changes in net profit, what is already discussed in the article. Depreciation depends on a company's tangible and intangible assets. In case of increased sales volume or when a company aims to offer customers their defined value, such company often needs more assets. So, this leads to experiencing more depreciation expenses. Bearing in mind the definition of free cash flows, given by Kazlauskienė (2005) and Steiger (2008), there could be concluded that more depreciation expenses have a positive, though often not very significant, impact on cash flows. On the other hand, in order to acquire more assets, additional investment is often required. Additional investments have a negative impact on cash flows. Another important element in the calculation of cash flows is a change in net working capital. According to Steiger (2008), increase in net working capital is calculated as an increase in inventory plus increase in accounts receivable minus increase in accounts payable. The increased turnover leads to an increase in both – inventory and accounts receivable. Also, it is likely that bigger company's orders would allow asking for better payment conditions from its suppliers', so the accounts payable might also increase. Anyway, usually there appears a need for more net working capital, what, bearing in mind the definition of free cash flows proposed by Kazlauskienė (2005) and Steiger (2008), has a negative impact on cash flows. It can be stated, that through the prism of cash flows, the value customer brings to a company is seen as positive changes in net profit and increase in depreciation. Also, in authors' opinion, in this case there appears a need to control additional investments and changes in net working capital, as they result not only in increased company's ability to propose the value defined by its customers, but also in the decrease of value.

Both, tangible and intangible company's assets depend on the nature of company's activity, growth plans, sales plans, and many other elements. Customers influence company's turnover, they can also demand for certain value, what actually means they can change the definition of value (see Figure 1). Company's assets are affected by an increase in turnover, as there is often a need for more supplies. Changes in the definition of value can also affect the assets, for example, if customers require adding certain features to a product, company might need to purchase additional equipment. The value customers bring to a company might occur indirectly, through changes in company's assets. As this can usually be associated with company's efforts to adapt to changes in the definition of value, the changes in company's assets can be perceived as an improvement initiation.

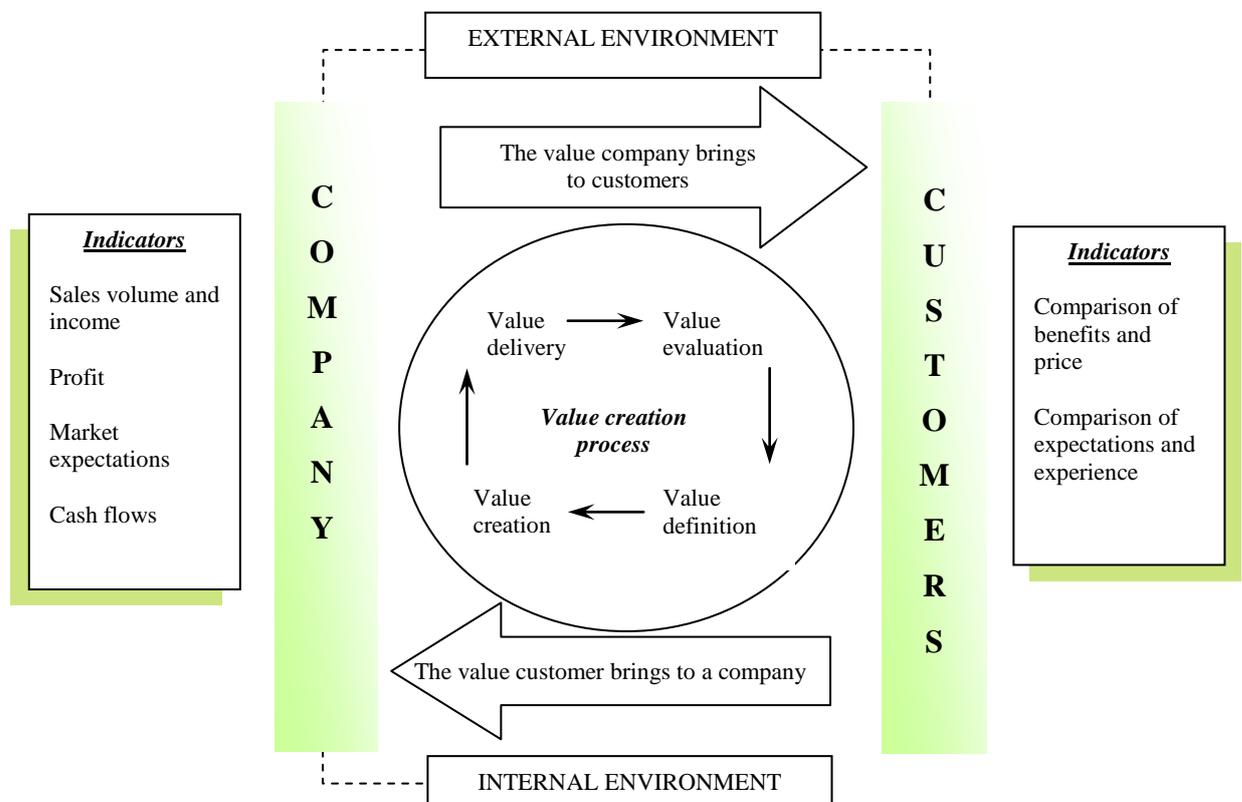


Figure 1. Value creation process

Source: adapted by the authors with reference to Valančienė (2002)

Although, as already discussed when analysing the perception of value, value creation process is perceived differently by researchers and one of the reasons for that is their different fields of research, in this article it is presumed that the most important participants in the process of value creation are companies and customers. The authors of this paper stick to the opinion that value must be created for both, because it is a basis for cooperation between companies and customers and, what is more, otherwise cooperation would be simply impossible.

The value creation process (see Figure 1) consists of four stages – customers generate value definition (1) that companies take into consideration when creating (2) and delivering (3) value. Customers evaluate (4) that value proposition in monetary terms, by choosing to purchase company's goods or services at certain price.

Value creation process is based on the flows of the value, company creates for its customers, and the value customers bring to the company. Those flows should be balanced or, in other words, companies should not only create value for their customers, but also get benefits from it. Otherwise, the value creation and delivery process, that usually requires extra investments and efforts, would not contribute to the company's value; it may be not useful for the company.

The value creation process is affected by both the external environment, which involves and influences all the companies operating in the market as well as customers, and the internal environment. This article analyses the customer value drivers that depend on customers' point of view and other elements of external environment. On the other hand, company's ability to dispose of those value drivers is influenced by its internal environment.

The aim of the value creation process should be to generate value for both company and its customers. There are some indicators that could help to measure the process; they are given in the figure (see Figure 1). The indicators were identified in the discussion about the multidimensionality of the notion of value. They are added to the value creation process because they reflect the flows of value.

Identification of customer value drivers

The analysis of value creation for customers should not be performed without discussing the concept of customer value drivers. Akalu (2002) defines customer value drivers as factors that affect both income and costs company experiences. Various authors list different customer value drivers (Table 2). Some authors (Slater & Narver, 2000; Johnson, 2004) identify only a few of them, which they consider the most important, and don't analyze the influence of other customer value drivers. Others emphasize that there are a lot of different customer value drivers. They state, that in their papers only some of customer value drivers are discussed and do not try to identify the most important of them (Low, 2000; Dilworth, 2000; Lin, Lin, 2006).

Measuring customer satisfaction as well as expanding and deepening understanding of the factors, influencing it, enables organizations to improve product quality, whilst at the same time increasing competitive advantage (Chakraborty et al 2007). That is a very serious reason why identifying customer value drivers is an important issue. Though customer value drivers are discussed by many various scientists, there are still different opinions on this issue.

Table 2. Customer value drivers

No.	Driver	Low (2000)	Johnson (2004)	Dilworth (2000)	Slater, Narver (2000)	Walter, Ritter (2003)	Lin, Lin (2006)	Σ
1.	Innovations and ability to develop new products	+			+	+	+	4
2.	Quality and its continuous improvement	+	+	+	+			4
3.	Price		+	+				2
4.	Managerial abilities	+	+	+		+	+	5
5.	Strategy			+			+	2
6.	Technology	+		+				2
7.	Corporate image and brand	+	+			+		3
8.	Environmental and public interest	+						1

The choice of customer value drivers is a quite a subjective issue, because different authors identify different customer value drivers. Of course, authors support their choices with researches, but results of every research are influenced by various factors, like the choice of customer groups, the choice of goods or services and other. Such value drivers as managerial abilities ($\Sigma n = 5$), innovations and ability to develop new products ($\Sigma n = 4$) and quality and its continuous improvement ($\Sigma n = 4$) are discussed most frequently (see Table 2). It is important to note that authors sometimes choose different term for the same or very similar customer value driver. Also, sometimes several customer value drivers proposed by different authors can be unified and named in one term. Definitions, given by the authors' help to unify such differently named customer value drivers, what is done by the authors of this article in the Table 2. Most of all, this concerns the customer value driver named as managerial abilities. Managerial abilities in this article refer to service, relation with customers and ability to adapt to their needs, relation between employees and their motivation. In addition, some customer value drivers are defined as including other drivers or as a part of another driver. For these reasons, there appear difficulties in distinguishing the most important customer value drivers. The table (see Table 2) provides customer value drivers, discussed in at least two of the papers analysed. The only exception is the customer value driver named as environmental and public interest, which is analysed by only one of the authors (Low, 2000). The authors of this article consider this customer value driver very important and include it in the research because of its noteworthy influence that is likely to grow in the future.

In a particular company customer value drivers can be determined in several ways. One of them is to conduct a customer survey. This can often be seen as a complex task that requires a huge input of time and work. Another option is to collaborate with company's marketing specialists. The marketing specialists know the company's customers well enough to understand their needs, expectations and problems they face. The help of marketing specialists' would be very valuable. No matter which option is used, the anticipated result – identified customer value drivers – should be achieved. Though, the identification of customer value drivers does not automatically mean that all of them influence company's value. Finance specialists could help to cope with the task of determining which of the customer value drivers result as changes in company's value.

The connection between customer value drivers and company's value

It is often difficult for marketing specialists to communicate with finance specialists and solve challenges associated with measuring value, created by marketing. Lately there arose a need for greater financial accountability of marketing, and that is why the investigations of the interaction between finance and marketing became more intense in the scholarly literature (Kim & Richarme, 2010).

The interface analysed in this article might be understood easier through the chain, explaining the way customer value drivers link with marketing decisions, marketing results, financial results and company's value. Such chain is chosen to analyse because customer value drivers (innovations and ability to develop new products, quality and its continuous improvement, managerial abilities, price, strategy, technology, corporate image and brand, environmental and public interest) are associated with marketing and can be perceived as a basis for marketing decision making. Making reasonable marketing decisions is a way to achieve better marketing results. Good marketing results, such as better targeted commercials and arising greater customer interest, lead to better financial results, whilst the latter increase company's value.

The chain can also be viewed a little differently - as a link between reasonable actions, the results, following those actions, and company's value. According to this view, the actions are perceived as marketing decisions, made on the basis of knowledge about customer value drivers. Such decisions influence marketing results, and afterwards - financial results. The latter affect company's value.

In order to understand the interface through linking elements of the chain better, each link is discussed separately bellow.

- ***The link between marketing decisions and marketing results***

Marketing results are generated by proper marketing decisions, whilst proper marketing decisions are based on available information. Lately most businesses started focusing on customer value, but in order to create and deliver superior value for customers, the perception of how customers define that value or, in other words, what customer value drivers are, is crucial. According to Kim & Richarme (2010), there arises a new challenge for marketing professionals – a need to identify the most important customer value drivers and rank them according to their influence on company's financial results. Loomer (2008) argues that the

importance of customer value drivers' identification lies in the arising possibility to allocate attention more efficiently – company's attention should be focused on stressing out and strengthening the most important value drivers.

This article identifies eight customer value drivers (innovations and ability to develop new products, quality and its continuous improvement, managerial abilities, price, strategy, technology, corporate image and brand, environmental and public interest) that could be a base for marketing decision making. After finding out (conducting surveys and/or using the help of marketing specialists) which value drivers are the most important for customers, there appears an opportunity to make marketing decisions more effective – simply focus on those customer value drivers in the decision making process.

- ***The link between marketing results and financial results***

The impact of marketing on financial results is most clearly seen through changes in sales and sales profitability. Kim & Richarme (2010) argue that it is often impossible to achieve greater profitability until marketing specialists identify marketing-related value drivers disposed by a company. In other words, better financial results are a consequence of good marketing results, which can be achieved by performing the analysis of customer value drivers.

The way financial results connect to marketing results in a certain company is often not fully understood due to the lack of proper communication between marketing and accounting or finance departments. In order to clearly understand the connection, a system, that enables clear and simple communication between marketing and finance or accounting professionals, using a shared understanding of terms, should be implemented.

The article offers a table (see Table 3) that can be helpful when achieving better cooperation of marketing and finance departments. The table below lists customer value drivers which, in this case, are identified using literature analysis, but it can be modified. If needed, new value drivers can be added or some of the listed drivers might be removed according to marketing department's recommendations or survey's results. Afterwards the input of finance or accounting department is needed in order to determine how those value drivers reflect on company's financial results.

- ***The link between financial results and company's value***

Every company aims to maximize profit and shareholders' wealth. Better financial results, that are a consequence of proper marketing decisions, lead to changes in company's value. The first part of the article explains the way customers bring value to a company mainly through changes in sales and profit, what actually results in changes of cash flows. Kim & Richarme (2010) confirm this by stating that in general marketing impacts company's value through changes in cash flows, their rapid growth, decreasing risk.

It is also highlighted in the first part of the article that customers can also bring value to a company by changing their expectations. According to Kim & Richarme (2010), companies started to realize that customers might also be investors at the same time, so customers are no longer perceived only as a market, reached through various marketing decisions. When making their decisions, investors seek to rely on accurate, reliable and relevant information. They not only follow the stock price changes, but also try to assess and take into consideration companies' research and development costs, advertising costs, customer satisfaction level and brand value. Customers' influence on company's value through changes in expectations is of a different nature, so it is not analysed in this article, it could be a subject for further investigation.

The fact that marketing-related customer value drivers influence company's value is approved by Srinivasan & Hansson (2009), Kim & Richarme (2010), and Loomer (2008). The given table (see Table 3) reveals the interface between customer value drivers and company's value by detailing it. The table lists the eight customer value drivers that are regarded as a suitable basis for marketing decision making. This allows companies to concentrate only on useful marketing-related activities. In this way superior marketing and financial results can be achieved - they would be visible in the table through changes in financial indicators. The way customers bring value to companies is discussed in this article and it is concluded that the value brought by customers is visible through changes in cash flows, what is also given in the Table 3.

The authors consider the given table (Table 3) as illustrating the interface between customer value drivers and company's value. This table can be adapted for a particular company and used for the construction of tools to identify and estimate the interface.

Table 3. The link between customer value drivers and company's value

No.	Customer value driver	Impact on financial indicators	Impact on value
1.	Managerial abilities	Stable and increasing sales volume Higher operating costs (higher salaries, additional training expenses)	Long-term cash flows
2.	Innovations and ability to develop new products	Need for additional investment Increasing sales volume Higher costs because of research and development expenditures Short-term possibility to sell at higher price – enhanced sales profitability	Long-term cash flows
3.	Quality and its continuous improvement	Need for additional investment Higher operating costs Increasing sales volume Possibility to enhance sales profitability	Long-term cash flows
4.	Corporate image and brand	Stable and increasing sales volume Higher advertising and product development costs Possibility to sell at higher price	Stable and long-term cash flows
5.	Price	Fast and significant changes in sales volume Changes in sales profitability	Short-term cash flows
6.	Strategy	Changes in sales volume Investment decisions Changes in operating costs	Long-term cash flows
7.	Technology	Need for additional investment Changes in sales volume Changes in operating costs	Long-term cash flows
8.	Environmental and public interest	Stable and increasing sales volume Higher costs Investment decisions Possibility to sell at higher price – enhanced sales profitability	Stable and long-term cash flows

It is important to put an emphasis on the duplex of the link between marketing and finance. Kim & Richarme (2010) point out that marketing actions affect financial results, but the impact of finance on marketing strategy is also very significant. For example, changes in cash flows can lead to changes in the funds allocated for advertising or research and development, whereas changes in capital market influence the fate of marketing initiatives. It is important to note that the table (see Table 3) aims to illustrate the relationship between customer value drivers, isolated from the way finance decisions influence marketing strategy. This issue can be a subject for further research.

Conclusions

The aim of ensuring value creation for both, company and its customers, is based on the multidimensionality of the notion of value. The value created for customers is perceived as a comparison of benefits and price or experience and expectations, whereas customer brings value to a company generally through changes in cash flows. The article contributes to a deeper understanding of the value creation process and complements it with indicators. The lack of identified concrete interfaces between the value creation for customers and changes in company's value is disclosed and the need for certain balance between those two elements is revealed by the authors of the article.

The identified customer value drivers allow determining what exact factors influence the value customer perceives – enhances benefits, meets expectations. The better are the benefits customer thinks he gets, the better financial results can be achieved by the company. In this article customer value drivers are exposed as a basis for better marketing decisions that allow achieving better marketing and financial results.

The understanding of customer value drivers is a basis for marketing decision making. Reasonable marketing decisions allow concentrating on proper marketing – related activities, that lead to good marketing and financial results. Good financial results lead to higher company's value. In the article, the interface between customer value drivers and company's value is decomposed and described in detail using such

elements as marketing decisions, marketing results, financial results and company's value. This was used as a basis for constructing a table, exposing the way customer value drivers influence company's value through financial indicators. It is stated that although customer value drivers influence financial performance in different ways, their influence on company's value can be observed as changes in long- or short-term cash flows.

This paper proposes a table illustrating the interface between creating value for customers and ensuring company's value. The table could be applied in practice after adapting it according to: data obtained when conducting customer surveys, the knowledge of marketing professionals and the business' specificity. Afterwards it could be used for constructing a tool suitable for a certain company that would allow identifying and estimating interface between customer value drivers and company's value.

Directions for further research

- The article aims to analyse the interface between the value created for customers and company's value as its owners perceive it. According to some authors value should be created not only for those two groups of stakeholders but also for employees and suppliers. Further research should aim to carry out an analysis including all four stakeholders' groups.
- The proposed list of customer value drivers is not finite; more drivers could possibly be added after analysing more scholarly literature, when cooperating with marketing professionals or after conducting customer surveys.
- For various reasons, company's aim to create value for customers may not result in higher profit. Such situation could be avoided when constantly performing assessment of whether company's aim to create value for customers is beneficial for both parties - customers and business owners. Taking into consideration different perceptions of the notion of value and detailed interface between customer value drivers and company's value, it is possible to construct a model, allowing such measurement.
- The analysis of the connection between marketing and finance could be improved by emphasizing the duplex of the connection. In other words, the analysis could be refined, including the way company's financial results influence its strategy, in it.

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