

# The Use of the ‘Job to Be Done’ methodology to identify value co-creation opportunities in the context of the Service Dominant Logic

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## ABSTRACT

Organizations that operate in B2B contexts adopt value-creation strategies aimed at customer loyalty. Based on the concepts of the Service Dominant Logic (SDL), the study proposes the use of the Job to Be Done (JTBD) technique as a method to support the implementation of SDL concepts, applying the Outcome Driven Innovation (ODI) approach. Results of a survey carried out with 450 customers of a chemical company pointed out that the jobs revealed by the customers, once solved, actually result in better performance, thus contributing to confirm the adequacy of the technique for the purpose of identifying and prioritizing customers with greater potential for co-creation. The study also evaluates the variable ‘professional management’ as a moderator of this relationship and confirms that the solution of the jobs considered relevant by the customers, in a context of professional management, enhances co-created value.

**Keywords:** Value, Job to be done, Co-creation.

## 1. INTRODUCTION

The strategy of services has been practiced in business-to-business markets as a means for an alternative differentiation between offers (GUMMERSSON, 1987, LOVELOCK, 2004; BITNER and BROWN, 2008, RIBEIRO et al., 2009). Marketing professionals have developed broader concepts of solutions to customers, adding services to products and thus leveraging valuable opportunities for competitive advantage and higher profitability (SAWHENY and BALASUBRAMANIAN, 2004, FANG and others, 2008). Suppliers, for instance, besides supporting customers in the use of their products, are now willing to support them in the conduction of their own managerial processes, in the services they provide to their own end customers, and even in the identification of opportunities that might increase their competitiveness within the segments they operate.

In their efforts to differentiate their offers, organisations are experimenting with new strategies that might improve the process of creating value for the customer, while literature on marketing introduces new approaches to value creation that emphasise both the relevance of services and the establishment of more relational processes.

Along this theoretical evolution, the relational marketing approach appears as evolution and intensification of service strategies, and emphasises

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the relevance of building long-term links, which, contrary to what happens with more transactional approaches where the offered value is intrinsic to the product, enable the co-creation of value (HAKANSSON, H. and SNEHOTA, 1995; LORENZZONI, G and LIPPARINI, A 1999, GADE and SNEHOTA, 2000; ULAGA and EGGERT, 2006; RIBEIRO et al., 2009). Organisations that practice relational strategies try to get involved in their customers' operations in order to generate measurable value from interactions and from the expansion of the services offered, as do suppliers when they offer customers their resources and know-how, aiming at increasing the benefits generated and committing themselves to the success of the customers in their own markets. (ULAGA and EGGERT, 2006, STEINMAN et al., 2016). In even more intensive co-creation processes, customers, suppliers and other players further strengthen their mutual links and, in addition to cooperating to maximise mutual benefits, expend joint efforts to leverage new competences and to develop new opportunities and market innovations (HAKANSSON, H. and SNEHOTA, 1995; PRAHALAD and RAMASWAMY, 2004).

Concomitantly with the theoretical debate, where the relevance of more relational approaches is emphasised, the beginning of the years 2000 witnessed the introduction of the Service Dominant Logic (SDL) into the academic environment. The proponents of this theory try to approach the creation of value to the customer from a different perspective. The SDL approach focuses on the discussion of co-creation, arguing that consumers are always involved in the process of value creation in an interactive way with the organisation, since, according to this approach, the customer does not acquire offers based on their inherent characteristics, but on their ability to solve problems. Grönroos and Voima (2013) deepen the understanding of the concept of value co-creation agreeing with the SDL approach in that value is always a co-creation, in spite of arguing that this process takes place only in the realm of the customer and that the supplier will only take part in this co-creation process if it is invited by the customer to participate in activities that create value in the context of its domain. The authors state further that the co-created value may be potentiated by interactions with other resources available to the organisation and with additional players, other than the suppliers under consideration.

As observed along the last decades, organisational practices and marketing and network theories are emphasising the benefits of establishing closer proximity to customers and other players when it comes to the creation of more sustainable value. The SDL theory, however unveils the challenge faced by suppliers when trying to take part in the value creation process, because value is created by the customer in its own context and when interacting with the offer, and a customer may or may not allow the participation of the supplier in this process (GRÖNROOS and VOIMA, 2013; OSTERWALDER et al., 2014, p. 6).

In the face of said challenge, it is very important to improve methods capable of supporting the organisations in the identification of opportunities for value co-creation and in improving assertiveness in the selection of customers, identifying variables that signalise higher potential of a customer for changing resources offered by the supplier into value.

In this particular aspect, this article explores the Outcome Driven Innovation – ODI method, supported by the Jobs to be done – JTBD technique as a tool to identify value creation opportunities in the realm of the customer. Value offer opportunities are revealed by the identification of problems that the customer needs to solve (*jobs*) and by the results they expect when looking for a solution among those offered to the market. Such expected results correspond, therefore, to the value it intends to co-create when applying the solution to its own context. Although the customer may co-create said value without the intervention of the supplier, the method helps the identification of valuable opportunities to potentiate the co-created value due to the collaborative intervention of the supplier – the relationship value (ULAGA, 2006).

The research herein described proposes, therefore, the use of the JTBD technique to support the identification of opportunities for the co-creation of value, thus supporting the application of the SDL as a conceptual framework for the establishment of organisational strategies, since the opportunities opened up by the identification of problems the customers

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need to solve (jobs), point to the co-creation of value in the relationship with the supplier. Still based on the hypothesis that the transformation of resources and capabilities into competitive advantages is guided by managerial processes (BARNEY and ARIKAN, 2006), we emphasise that the capacity for finding a joint solution for a customer's job is a specially relevant predictor of the performance in organisations that have more professional managements. Accordingly, the study here presented tries to answer two research questions:

Do the jobs presented by the customers (problems for which solutions are searched), once solved, actually result in higher performance? In other words, does the solution of questions that are relevant from the point of view of the customer enable higher co-creation of value that can be measured by previously defined performance indicators?

Does the solution of jobs considered relevant by customers, mediated by a professional management, potentiate co-created value measurable in terms of higher performance?

The relevance of the present research lies in that it presents the JTBD technique as a method to support the implementation of the SDL concepts, as suggested by Brodie et al. (2011). According to these authors, additional studies would be necessary to apply the SDL framework to the reality. In addition to the aforementioned contribution, the study proposes the evaluation of the variable 'professional management' as an agent that potentiates the value co-created by the customer.

## 2. REVIEW OF THE LITERATURE

### 2.1. VALUE

The concept of value is of fundamental importance in marketing. The attempt to deliver superior value, and consequently the search for customer's satisfaction and even loyalty, are prime objectives of the marketing area of organisations. The concept of value, however, is not a precise one, presenting different nuances and allowing different perspectives. In addition, it changes with time. In the face of so many marketing perspectives on the value for costumers, we will introduce two frameworks, proposed by different authors, which summarise some interpretations of value and allow us to visualise the concept's evolution, thus supporting this study.

Smith and Colgate (2007) propose a framework of value-creation strategies that identifies and classifies the types of value found in the literature into four categories. The value types summarised by Smith and Colgate (2007) are: functional / instrumental, experiential / hedonic, symbolic / expressive and cost / sacrifice. In another classification found in the literature, different kinds of generated value form the base for organisational strategies: exchange value, added value, performance value and value co-creation (MÖLLER et al., 2005, PRAHALAD; RAMASWAMY, 2004, ANDERSON; NARUS; VON ROSSUN, 2006, RIBEIRO et al., 2009). The exchange value is the most basic among them and is based on economic principles; it is inherent in the offer, being measured by the value received in exchange for the offer. Added value, on the other hand, is the value generated when a supplier adds value by means of elements or characteristics that generate a new value proposition, thus increasing the exchange value and the competitiveness of an offer. The performance value or value in use is the value created in interrelated activities performed by suppliers and buyers; in other words, through their relationship. This point of view emphasises the fact that value is mutually created and presupposes the sharing of resources and benefits. Finally, in a value co-creation relational strategy, value is coproduced by both customers and suppliers along the process of creation, and not only at the moment of the exchange. Decisions concerning value are jointly created to maximise value for both parties (RIBEIRO et al., 2009).

The sources of value introduced by Smith and Colgate's (2007) classification particularly highlight the production of value by the supplier, in the activities and processes of its

value-adding chain. The role of the consumer is restricted to perceiving the value as more or less adapted to his or her necessities and particularities. The consumer then judges the product according to his or her own expectations. The point of view of Ribeiro et al. (2009) on the types of generated value, on the other hand, shows a tendency to displace the responsibility for value creation. The customer, who previously did not interfere in value creation processes, becomes now a player, not only in moments of exchange and relationship with the supplier – creating performance value – but also in coproducing value, together with the organisation, along all organisational processes.

## 2.2. SERVICE DOMINANT LOGIC

The Service Dominant Logic (SDL) perspective has come to contrast with marketing's traditional approach guided by the Product Dominant Logic (PDL). SDL introduces an even more advanced understanding of value creation relative to customers: it provides the bases that allow the marketing co-creation process to be understood in a more comprehensive way.

The Service Dominant Logic (SDL) refreshes thoughts on marketing, in that it assumes that any offer is a service (VARGO; LUSCH, 2004) and that consumers do not acquire offers because of their inherent characteristics, but rather because of their capacity for solving the problems they are facing (BAKER; HART, 2008). According to this approach, consumers are regarded not only as receptors of a delivered value, but rather as key players, co-creators of value, interactively involved with the organisation in the process of value creation (DIETRICH et al. 2013). This transcends the orientation to customers, in that the value of the offer is defined and co-created by the customer and not simply incorporated to the end product (VARGO and LUSCH, 2004). Before the customer buys the offer, the organisation may only make a value proposition, “describing the benefits customers may expect from a given product or service” (OSTERWALDER et al., 2014, p. 6). Accordingly, companies do not deliver value to consumers; they rather contribute to and facilitate value creation.

From the point of view of the SDL, consumers co-create and assess values when goods and services are put to use. This concept of value in use, previously mentioned, is a fundamental element of value co-creation processes involving companies and consumers. Also known as relationship value, it is the value generated “in consequence of the relationship between the parties [...] which is created in the process of using the products and services and in the activities involving both suppliers and buyers” (ALEJANDRO et al., 2011).

Another major aspect illuminated by the SDL is the integration of resources. An SDL axiom states that all involved players are integrators of resources coming from multiple sources and that the co-creation of value takes place through that integration. The capacity for transforming a potential resource into a specific benefit becomes the focus; the emphasis shifts from the attribute to the offer capability for solving the problem the customer is facing. Co-creation takes place in consequence of the interaction between the customer, the organisation and their resources, based on experiences and by means of an integration of resources in search for valuable results (KARPEN et al., 2015).

The concepts of value creation and co-creation tend to overlap in the SDL literature, where producer and consumer are value co-creators. This makes the concept of value extremely comprehensive, making more difficult the attempts to understand the role of the players in the process. In an effort to better understand the concepts of value creation and co-creation from the point of view of SDL, Grönroos and Voima's (2013) research goes deeper into the subject and proposes descriptions of the roles players take relative to each of these concepts. The authors explain the roles of the consumer and the organisation using the concept of spheres of value creation. These spheres mark the boundaries between player systems and are named as producer sphere, consumer sphere and joint sphere; interactions among them may occur. (GRÖNROOS; VOIMA, 2013).

In the supplier sphere, the activities of the organisation are aimed at facilitating value creation by customers when using a product or service, which is not part of the process of value creation itself. The authors emphasise the fact that, in the supplier sphere, there is no creation of value; what happens there is the construction of a possibility of generating potential value. This is in agreement with Vargo and Lusch's (2016) point of view about the value proposition. The customer sphere, according to the authors, is where value creation effectively takes place. The customer sphere is where the consumer performs the creation by integrating contextual resources.

As for the possibility of co-creation, the authors argue that the producer controls only the production process, prior to the exchange therefore, while the customer controls the value creation process. Value co-creation would then be an interactive and dialogic process involving producer and consumer either in the joint sphere or in the customer sphere. Grönroos and Voima (2013) argue that the service provider evolves from value facilitator to value co-creator when it interacts with customers, understanding customers' actions and practices, and how customers combine resources, processes and results. Said co-creation takes place in the joint sphere. The joint sphere may expand into one or the other sphere, enlarging the value creation platform: when a customer admits the participation of a supplier in its own value creation process, the latter takes the role of value co-creator; conversely, when the supplier invites the customer to participate in its processes, the customer becomes a co-producer.

In the face of the challenge of co-creation, the level of understanding an organisation has on the consumer and its collective context influences the value creation process both in the consumer sphere and in the joint sphere. SDL's focus on understanding what problems customers are facing would be the starting point to the proposition of solutions, both for offers and products, to these same problems. Thus, marketing becomes the provider of solutions for the tasks that customers need to accomplish (their 'jobs to be done') (BAKER; HART, 2008). Hence, identifying and understanding the tasks customers must accomplish in a given context become priorities: understanding the customer's process of value-creation, its resources and its context may help organisations propose superior value to customers and, consequently, contribute to the creation of additional value by the consumer.

### 2.3. INNOVATION ORIENTED TO RESULTS AND THE JOBS TO BE DONE TECHNIQUE

Created by author Anthony W. Ulwick, Outcome-Driven Innovation (ODI) is an approach to offer development and innovation. It appears as an alternative to Customer-Driven innovation, a paradigm popularised when organisations migrated from a product-oriented to a marketing-oriented perspective (ULWICK, 2005). Customer-Driven Innovation argues that organisations have to understand the needs and wishes of the consumers in order to develop products and services that better respond to demand (SOARES; PERIN; SAMPAIO, 2016, ULWICK, 2005). Therefore, ODI comes as an alternative way for organisations to generate innovative ideas. It employs the concept of Jobs to be done (JTBD) as source of information on customers to conceive more applicable and successful solutions, thus reducing the variability of the process of creating innovations (ULWICK, 2005; ULWICK, 2002).

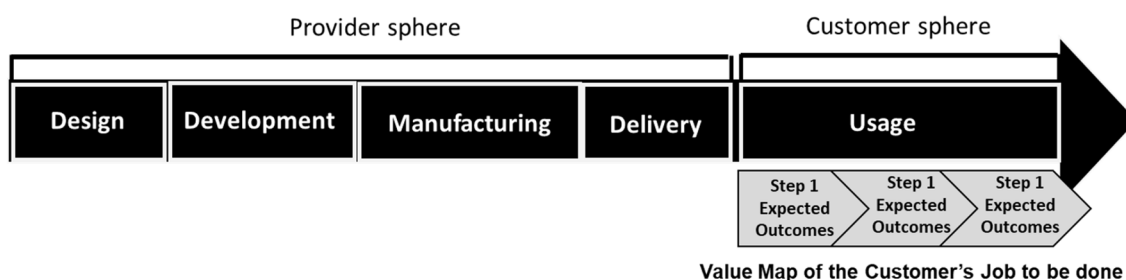
The customer's JTBD may be defined as a task or activity that the customer has to solve. The term became popular after the article entitled "*Finding the Right Job for your Product*" by professor Clayton Christensen and co-authors was published in 2007 (SILVERSTEIN; SAMUEL; DECARLO, 2009). Silverstein et al. (2012) state that, just as in the Service Dominant Logic, the technique and the power of the *Jobs to be done* concept is the shift of focus that now favours the development of solutions for customers' actual problems. For instance, when buying a mower, the purpose of the customer is to have the grass cut, but a business that produces mowers may examine the customer's objective more deeply



and find out an even higher purpose that may lead to the development of a genetically modified grass that does not need to be mowed (SILVERSTEIN; SAMUEL; DECARLO, 2009). According to the Outcome-Driven Innovation (ODI), it is important to identify the customer's jobs as well as the results it wishes. Once companies understand these demands, they glean insight into the market and may therefore create viable growth strategies. If there is no good solution available, then there is an opportunity to innovate (ULWICK, 2002).

ODI's JTBD method is a way of materialising efforts that are subjacent to SDL, not only assuming the co-creation of value but also positioning the critical problems faced by the customers as the crucial point for the development of a value proposition and for the search of joint solutions that may respond to demands to the market (LUSCH; VARGO, 2014). Therefore, Outcome-Driven Innovation and its Jobs-to-be-done logic enable deep understanding of the actual problems customers are facing and identification of where the better opportunities for action may be found and seized by supplier organisations, increasing the potential for value creation. It may be observed that there is a relationship between the process demonstrated by the job value map of a customer, constituted of steps and their corresponding results, and the process of value creation by the customer, which takes place during the use of the offer in the customer's context. Accordingly, helping to solve a customer's JTBD at a higher level would potentiate value creation. Figure 1, adapted from Grönroos and Voima's (2013) work, incorporates this point of view.

Figure 1 - Spheres of Value Creation



Source: Adapted from Grönroos and Voima (2013, p.136).

Knowing the customer's value creation process and information on the context it operates gives an organisation an excellent opportunity to both create additional potential value and co-create additional value for the customer.

### 3. THE RESEARCH

Taking into consideration the evolution presented in the literature on value creation and the relevance of the identification of differentiation opportunities that may result from the participation of the supplier in the process of co-creation, the study tries to answer the questions raised by testing out two hypotheses that supported the application of the ODI method and the JTBD technique to the context of the relationship between a supplier of chemical products and its customers. In consequence of these validations, the research also tries to present a path to the application of value co-creation concepts suggested by the SDL and further developed by Grönroos and Voima (2013).

The first question of the research asks whether the jobs defined as relevant from the point of view of customers, once accomplished, actually result in the creation of superior value.

We propose measuring the created value by the organisational performance and by means of classic indicators such as productivity, profitability, quality of products and increase in revenue (PERIN; SAMPAIO, 2004). In business-to-business contexts it may be stated that the solutions and services proposed to customers aim basically at supporting the solution

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of problems that, in essence, are linked to the purpose of the customer organisation, be it through an increase in productivity or a reduction of costs (ANDERSON; NARUS; VAN ROSSUM, 2006). Thus, the potential for value creation of an offer in a business-to-business context emerges from the supplier's capacity for improving the performance of its customers offering solutions that solve problems in activities that are essential to their businesses – that are important, but exhibit poor performance. From an empirical perspective, we propose the first hypothesis as follows:

*H1: There is a positive relationship between the solution of problems considered as relevant from the point of view of the customer and the performance of the organisation*

The second question of the research is related to the importance of a capacitating context for the ability of a customer to create superior value. This question results from the hypothesis of the Service Dominant Logic and from the provocations introduced by Grönroos and Voima (2013) when they stated that the creation of value takes place through the integration of resources made by the players. If the customer organisation is professionally more advanced, it will theoretically have more and better resources to create value and, because of that, achieve higher performance.

Dekker *et al* (2015) conducted a study on the effects of the professionalization of family business on performance. The authors identified that this question is still not solved by the literature and three groups of results were found. A set of studies demonstrates the negative impact of the professionalization on the performance (ANDERSON and REEB, 2003 and MCCONAUGBY; MATTHEWS and FIALKO, 2001). A second group demonstrates a positive impact on the performance. These results are justified by the fact that professionals bring relevant competences to the company and that altruistic and self-controlled behaviour of shareholders allows the alignment of the professionals' objectives with those of the company and the family (Barth *et al* 2005, Duréndez *et al* 2007). A third group has found no significant relationship whatsoever (Daily and Dalton (1992), Daily and Dollinger (1992) and Lin and Hu (2007)).

According to Dekker *et al* (2015), the lack of consistence exhibited by the results is because professionalization is only grossly measured; only the presence or absence of professionals in the managerial body being detected. The authors will attempt to develop a scale capable of measuring the level of professionalization of a company. According to Dekker *et al* (2015), the scale must take into consideration all aspects that appear in the literature on professional management, for instance: the involvement of people from outside the company in its management, non-members of the owner family in the directorate, including professional CEOs, professionalization of the board of directors, decentralisation of the control, authority and decision-making processes, diffusion of the company's control by means of mechanisms such as formal recruiting, training, incentive and assessment systems.

Taking into consideration the relevance the literature attributes to professional management for a company's performance, we propose as a second hypothesis:

*H2: There is a positive moderation of the effect of the professionalization of management on the impact of the solved Job and performance of the organisation on each other.*

## 4. METHOD

In order to check the proposed hypotheses, we conducted a two-stage business-to-business study: a qualitative stage and a descriptive quantitative stage implemented through a questionnaire addressing the items proposed by the JTBD method and associated with the subject under research. The construction of the tool followed procedures presented by the literature (ULWICK, 2005).

Initially twenty-eight customer companies and a total of fifty-four respondents took part in an in-depth qualitative interviews with companies of the segment under study. The content analyses of these interviews formed the base for the identification of the jobs included in the research. We performed the definition and writing of the items by means of interactions among specialised academics and professionals working in the segment. We defined eleven jobs based on the analysis of the interviews. They represent the major tasks or activities that customer companies need to perform in order to achieve their goals. We list the main jobs used in the research below:

1. To increase productivity of all processes of the organisation;
2. To make safer decisions, based on available data and information;
3. To plan production in a more assertive way and to achieve alignment with other internal processes such as purchasing and marketing;
4. To capture superior value when marketing our products and services;
5. To be ahead of competitors owing to innovation in products, processes or business models;
6. To get credit in better conditions and to reduce the financial risk;
7. To grow safely;
8. To define business, management and governance processes;
9. To count on skilled people, committed to the outcomes of the operation;
10. To have more efficient (inbound and outbound) logistic solutions available, capable of reducing costs and improving customer satisfaction;
11. To keep valuable relationships with stakeholders: suppliers, buyers, shareholders and society.

For each customer *job*, the activities necessary for its execution have been also defined (*the jobs steps*), but these items have not been highlighted in this study, because they are not necessary for testing the hypotheses of the research. As defined by the JTBD method, we assessed each *job* in the dimensions of *job* satisfaction – how much of the *job* has been solved– and of *job* importance – how close the *job* is to the focus kept by the current management of the organisation. To assess the jobs solved, respondents evaluated job satisfaction ranging from ‘0’ (not solved) to ‘10’ (fully solved) scale. To assess the importance of a *job*, respondents were asked to indicate the priority the business assigned to activities, according to a scale ranging from ‘0’ (no priority or out of focus) to ‘10’ (highest priority or in focus). Another very important indicator to this study is the Index of Jobs Solved (IJS), since we will be checking if the *jobs* the customers see as important, once solved, impact the performance of the organisations. To compile this index, we performed a multiplication of the indicators. Therefore, the more solved and important the *jobs* are, the higher and closer to one hundred the IJS will be.

The business performance scale’s conception results from adaptations to previous subjective scales (KOHLI; JAWORSKI, 1990, NARVER; SLATER, 1990), from information gathered during the qualitative interviews and from debates with specialists in the field. We measured the performance according to an eleven-mark scale, with respondents comparing their performances with those of other known producers (0 standing for very low and 10 for far superior) relative to five (sic) items, namely the Productivity, the Overall Profitability, the Quality of Products and Increase in Revenue.

The sample researched included four hundred and fifty customer companies of the chemical industry. The sample was stratified so as to create strata proportional to the company’s market segments, whose definition is based on the criteria of size and administrative organisation. The sampling method adopted was the self-filled physical questionnaire distributed by the sales team of the multinational company and sent back directly to the researchers by mail. At the end of the collection period, one hundred and nine answers had been sent (24% of responses and coverage). We detected no significant difference between the sample and the population relative to the profile of the segments, the sizes or regions. This demonstrates that the sample carries some representativeness relative to the criteria suggested for this study. The analysis of the data, carried out with the aid of the software applications SPSS® 20.0, Smartpls® 2.0 and Excel2013®, started with an analysis of the hypotheses and proceeded with the application of the model and the comparison of parameters, as described below.



## 5. RESULTS

Average- and large-size organisations (according to segment criteria, are those exhibiting annual revenue above 3.6 million BRL) that use input and services from the Brazilian chemical industry participated in the study. Approximately 55% of these companies are family companies beginning to get a professional management staff.

We began the data analysis by screening missing values; diagnostics revealed few (less than 2%) dispersed missing values among respondents and variables. Thus, we replaced missing values using multiple regression imputation. Outliers were a marginal occurrence (32 univariate respondents and none multivariate outliers). The data normality assumption does not hold, but multicollinearity was not regarded as a problem since correlations were within the  $\pm 0.90$  range and VIF values were below 10 (KLINE, 2005). We selected scatterplots at random and none departure from linearity was present.

Next, we assessed the measurement quality regarding performance and Index of Jobs Solved (IJS) scales according to the following criteria: unidimensionality, reliability and construct validity (convergent, discriminant and nomological validities).

We evaluated dimensionality by performing the Exploratory Factor Analysis (EFA) for each construct, using principal components extraction and direct oblimin rotation. Conditions proved to fulfil EFA requirements (KMO  $> 0.70$  and explained variance higher than 50%), and both satisfaction and performance resulted in unidimensional solutions, no exclusion of items being needed. All items achieved significant loadings within factors (greater than  $= 0.66$ ) and communalities above the suggested cut-offs (higher than 0.40).

In the following stage, we checked the construct validity, starting with the discriminant and convergent validity, as proposed by Fornell and Larcker (1981). Convergent validity was achieved given that all factor weights were significant (BAGOZZI; YI; PHILLIPS, 1991). Cronbach's Alpha (CA), Composed Reliability (CR) and Average Variance Extracted (AVE) support item and scales reliability for IJS (EAV = 0.58; CR = 0.94; CA = 0.93) and performance (EAV = 0.60; CR = 0.88; CA = 0.83).

To evaluate the discriminant validity, the squared correlation between constructs were compared with AVE measures. The squared correlation between Index of Jobs Solved (IJS) and *performance* ( $r = 0.477$ ;  $R^2 = 0.228$ ) were lower than the Average Variance Extracted of constructs. Since the  $R^2$  value is lower than AVE estimates, we may assume that there is discriminant validity for the constructs (NETEMEYER; BEARDEN; SHARMA, 2003).

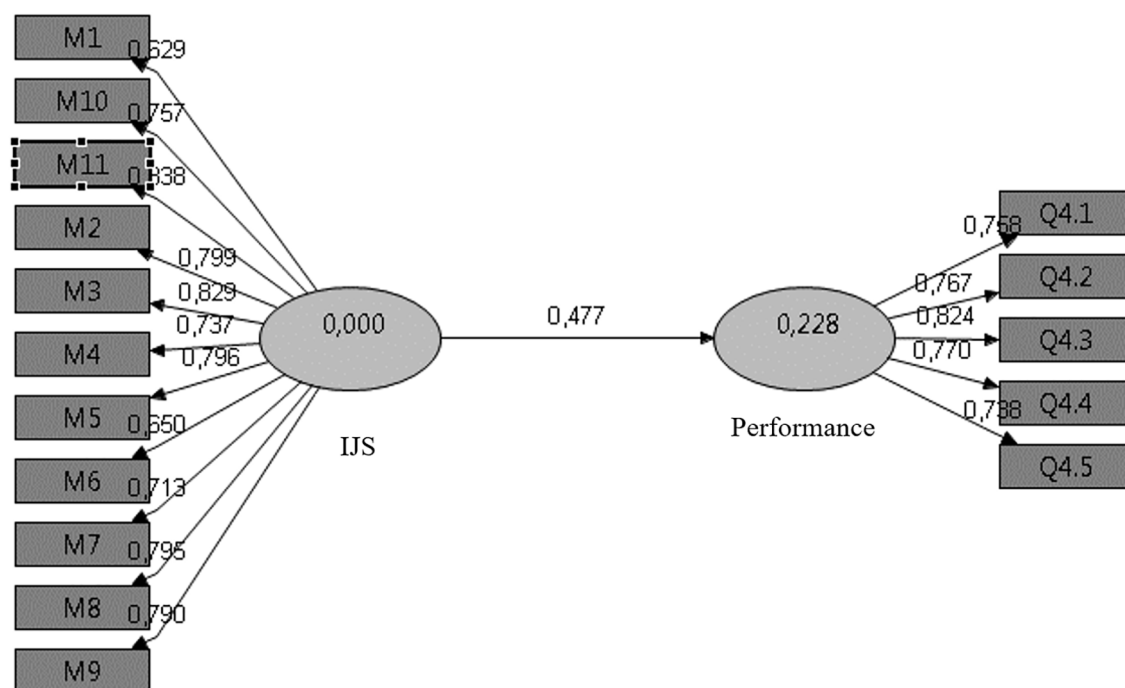
### 5.1. OVERALL EVALUATION OF THE RESEARCHED HYPOTHESES

#### 5.1.1. HYPOTHESIS 1

The first part of the study consists of finding out if there is a positive relationship between the solution of important customer's jobs (IJS – Index of Jobs Solved) and organizational performance.

This is the basic assumption that supports the JTBD approach, according to which when problems that are relevant to customers are solved there is an increase in the overall customer performance. Accordingly, the JTBD approach would be a major source of information that that may lead to the identification of competence gaps in customers, which in turn could guide suppliers in the development of new solutions and services. We checked this hypothesis measuring the direct effect of the IJS on performance. This analysis was carried out assessing the nomological validity and testing the structural relation proposed in the model shown in Figure 2.

Figure 2 - Research structural model



Source: research data. Note: Values inside ellipses represent the percentage of construct variance explained ( $R^2$ ). Values close to the paths (arrows) represent the factor loadings or standard structural weights. All structural weights and factor loadings are significant ( $p < 0.01$ ).

As previously mentioned, the IJS explains 22.8% of the performance's variance. The percentage may be considered low to moderate, but is in conformity with the research hypothesis' support. Since the structural weight is significant, we may support the hypothesis 1 of the study.

### 5.1.2. HYPOTHESIS 2

The second proposed hypothesis is related to the role of management professionalization as a moderator between the IJS level and the organisational performance. In respect to this particular issue, we expect that as customers develop a more professional management, the impact of IJS on the performance grows.

To check this hypothesis, we divided the database into two groups according to a question that segments respondents in seven groups according to different levels of professionalization within the company. The lowest level of professionalization is that of "centralised family companies" and compose the first group – these are companies that do not count on professionals recruited from the market for managerial and board positions, in which founders are still intensely present in central administration of the business. Fifty-four companies were classified in this group and characterised as family companies. The remaining business exhibit various levels of professionalization, ranging from "family business undergoing a professionalization process" ( $n = 25$ ), to professionalised family companies ( $n = 13$ ), to private groups of investment ( $n = 5$ ) and open capital groups ( $n = 2$ ). We termed this second group of forty-five companies as professionalised companies and companies undergoing a professionalization process.

The test of the second hypotheses was conducted with the support of the Excel2013®, with the formulas being implemented from results extracted from the Smartpls2.0®. We performed calculations comparing the effect of IJS on the two groups, in conformity with the model exhibited in Figure 1. For the group of family companies, the impact of IJS on the performance was 0.437 ( $R^2 = 0.191$ ;  $p < 0.001$ ). For the group of professionalised companies (or undergoing professionalization processes) the impact of IJS on the performance reached

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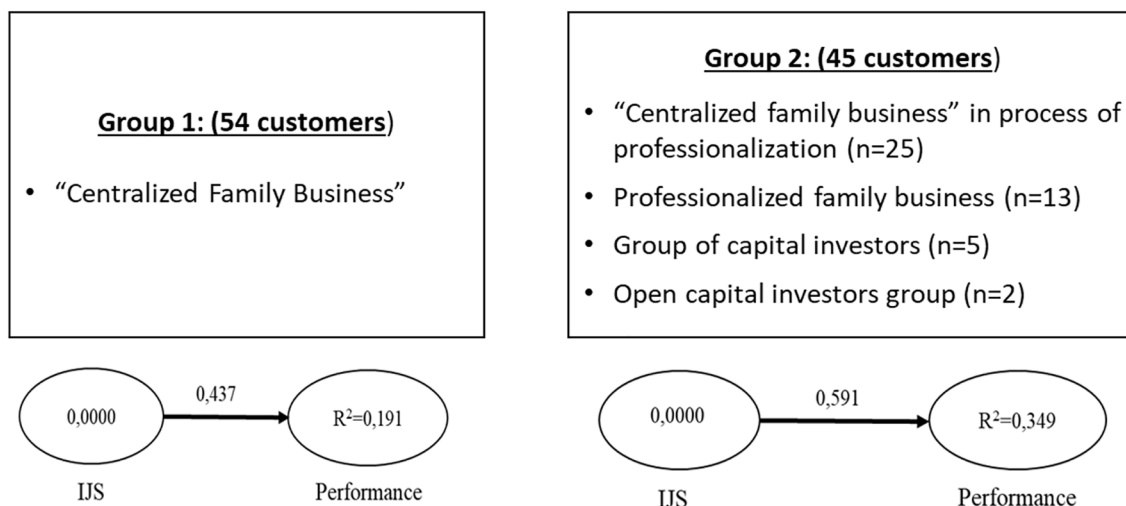
0.591 ( $R^2 = 0.349$ ;  $p < 0.001$ ), showing an apparently higher impact on the second group. To assess the differences between the groups, we adopted a procedure suggested by Chin (2000), termed Smith-Satterthwait test. It consists of a test that compares parameters and standard deviations of the groups under analysis, resulting on an independent sample t test. In applying the suggested procedure, we obtained a t-statistic of 2.023 (with 107 degrees of freedom), whose two-tailed significance is 0.045. It is worth mentioning that no significant differences between the averages of the groups in terms of IJS were detected, as demonstrated by table 1:

**Table 1** - Average comparison tests between the groups:

Measurements	Family companies		Professionalised companies		T Test	
	Performance		Performance	IJS	Performance	IJS
Average	6.99	58.26	7.04	61.38	0.800	0.351
Standard Deviation	1.03	17.09	1.17	17.18		

We may argue, therefore, that the results provide support to the hypothesis two of the study, confirming that the influence of IJS on the performance for the group of professionalised companies is higher when compared to that of the group of family companies, even when, theoretically, both the IJS and the performance are equivalent, in average, among groups.

**Figure 3** - Impact of the-professionalization level on the performance



Source: Research data

Note: The value inside the ellipse represents the percentage of the explained variance of the construct ( $R^2$ ). Values close to the paths (arrows) represent the factor loadings or standard structural weights. The structural weight is significant ( $p < 0.01$ ).

## 6. FINAL CONSIDERATIONS

Research results constitute a relevant contribution, both managerial and academic, despite its limitations. The fact that the study was applied to a single segment and to the customer base of one company may hinder generalisations. Therefore, we suggest for additional studies to be conducted in other contexts in the future.

As for its managerial contributions, the study indicates that acting upon the *jobs* considered relevant by customers indeed increases the co-created value. This evidence reinforces the service and relationship strategies as an instrument of high potential to increase customer loyalty, because by acting on relevant problems, it is possible to improve and to generate higher shared value as a result of the relationship between customer and company.

Another managerial contribution is that of the selection of customers to whom a relational approach is to be directed; this is a challenging task. The current study suggests that the supplier must observe variables in the context of the customer's management that may potentially help increase the co-created value. In the population researched, we have observed that the professionalization of the management would be one of said variables, confirming Grönroos and Voima's (2013) suggestion that the co-created value is a consequence of resources integration within their context. Hence, more professional business contexts, exhibiting more structured processes and governance, may foster the created value, being, therefore, a variable to be taken into consideration in the process of customer prioritisation. However, we suggest that other contextual variables could be tested in future studies, such as the culture of the organisation and knowledge management.

As for the academic contribution, it is worth highlighting again the contribution relative to the relevance of management professionalization for firm performance. Studies addressing this relationship are still not consensual in the literature, but the current study reinforces the hypothesis by Dekker et al. (2015) that the involvement of non-members of the family in a governance system positively influences a company's performance.

The study also strengthens the connections between the Service Dominant Logic (SDL) and medium-reach methodologies such as the jobs to be done (JTBD), as suggested by Brodie et al. (2011) and Lusch and Vargo (2014). Lusch and Vargo (2014) argue that this approximation would bring great contributions to the development of these theories in the field of marketing, and that the current study contributes to reinforce this relationship. This effort brings important benefits, because relating the SDL with more practical tools, such as the JTBD and the ODI, broadens the understanding of SDL. Researchers start to empirically observe SDL's fundamentals, its relationships with other variables and its potential results. Still in the endeavour to apply SDL concepts, the study suggested that the co-created value could be measured by performance indicators, easily observable in a business, such as the increase in productivity, profitability, quality of products and increase in revenue.

Both the SDL theory and the JTBD methodology stimulate practitioners and academics to observe the exchange relationships and the objectives of marketing in a different way. There are still many unexplored relationships, but the effort to implement the SDL theory, bringing it closer to the ODI and the JTBD, has opened new trails and stimulated ideas for future research aimed at widening the search for competitive advantages.

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