

Customer Value Driving Model of Network Marketing Environment

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Abstract—The paper summarizes the research status of customer value at home and abroad, and points out the existing research deficiencies. Combining network marketing its own characteristics, the customer value driving model of network marketing environment is constructed, and the structure relation and application of the model are explained.

Keywords-customer value; network marketing; marketing; driving model

1. Introduction

Along with the marketing theory is increasingly perfect and the network marketing, integrated marketing, relationship marketing, service marketing, green marketing innovation of marketing concepts, the marketing theory research and practice also continues to depth direction. Scholars try to elaborate how enterprises shall build competitive advantage from value chain management, quality management, BPR, and enterprise culture aspects, but all these efforts are based on the fundamental organization and the internal improvement. When these efforts can't take market as the guidance, enterprises' products and services cannot be recognized by customers, and it is difficult to establish the true competitive advantage. In seeking for new source of competitive advantage, people begin to look from the enterprise internal steering to external customers.^[1]

Customer is the starting point and the foothold of enterprise marketing activities. Only accurately finds customer's needs, and better, faster than competitors to satisfy customer's demand, the enterprise can survive and gain sustainable development. Standing on the customer's point of view, enterprises should really understand what customer value consumers want to obtain from the experience of purchase, and effectively transfer customer value, to achieve long-term customer satisfaction and customer loyalty.^[2]

Meanwhile, based on the modern technology of communication and internet application, network marketing will surely become a 21st century marketing trend and the mainstream, and the research on customer value and driving factors of network marketing environment will also be a new field of theoretical study. Research on customer value drivers of network marketing environment is of important theoretical and practical significance for enriching and developing related theories of the field.

2. Customer Value Research and Deficiency

Early in the 1980s, Drucker proposed: "the real meaning of marketing lies in understanding what is valuable for customers^[3]." After this, especially in the late 1980s and early 1990s, along with the increasing competition, more and more enterprises shifted perspective to customer value, considering to expand customer value enterprises could provide.

2.1. Customer value connotation

Customer value related research has caused many scholars interest, but the research of this field is still at the primary stage. Scholars even hold different opinions on what customer value research should contain.

TABLE I. TYPICAL AND REPRESENTATIVE CUSTOMER VALUE DEFINITIONS

Scholar	Definition of customer value
Zeithaml(1988)	Value is the overall appraisal on product utility, based on consumers' perception of what they gain and lose.
Andersonetal(1993)	The buyer's value perception depends on the measurement of gain (quality perception) against loss (price perception).
Gale(1994)	In organizational markets, value is the acquirer enterprises' perception of a particular product for its premium gained in economy, technology, service and social benefit.
Butzetal(1996)	Customer value is the emotional tie built between the customer and supplier.
Woodruff(1997)	Customer value is the perception preferences and evaluation of customers for some properties and performance of product in certain situations.

Comprehensively analyzing and comparing the achievement of customer value research, some typical and representative customer value definitions of foreign scholars are shown in table I .

2.2. Framework of customer value system

Judging from the customer value connotation, customer value system is formed by the following related concepts and indicators:

Customer value demand: value attributes demand of product or service meeting customers' functional demand.

Customer value expectation: customer expectations for the level and probability of a future product or service meeting the demand.

Customer value perception: customer's balance and evaluation for value perception of gain and loss during the whole process of buying products or services.

Customer value evaluation: customer's overall balance and evaluation between customer value perception and expectation during the whole process of buying products or services.

Customer cost: the total cost of currency, time etc. customers paid during the whole process of buying, using a product or enjoying a service.

Customer relationship life cycle: the whole time from enterprises and customers starting acquaint with each other to the complete end of related business.

Customer value driving factors: all related stimuli (outside and inside) impacting on customer value choice.

Customer value incentives: process and means enterprises used to stimulate and change customers' value perception, according to customers value judgment psychology.

Customer lifetime value (CLV): the summation of profits in net present value in the whole life cycle of various trading period ^[4]. Customer lifetime value is closely related with the customer lifecycle.

2.3. Customer value theoretical model

Based on the research of customer value, series of theoretical models are put forward by foreign scholars. Listed as below:

TABLE II. ABROAD THEORETICAL MODELS OF CUSTOMER VALUE

Scholar	Name of theoretical model	Study perspectives
Kotler	Customer delivered value	From customer delivered value and customer two perspectives
Jeanke、Ron、Onno	Customer value	From the supplier and the customer two perspectives
Woodruff	Customer value hierarchy	From customer perception value offered by enterprises
Weingand	Customer hierarchy	Customers are divided into four different levels
Woodruff	Time change model	Change of using situation will cause change of customer value perception

Numerous of domestic scholars also do a lot of researches on customer value from different aspects, and some customer value related theoretical models are put forward, such as customer value supply and demand model, customer value house model, customer lifetime value model, etc.

2.4. Deficiencies of customer value research

The main deficiencies of existing research on customer value are listed as follows:

- (1) The relationship between customer value and related concepts need to be further studied, such as customer value and customer loyalty, customer value and customer and customer satisfaction, etc.
- (2) The potential value of customer is ignored in existing customer value researches.
- (3) With the high development of information technology, the change of customer behavior and customer value need to be furthered studied.
- (4) Along with the advance of economic globalization and global market, customer value perception in different cultural background need to further researched.
- (5) From the time dimension, the dynamic customer value need to be further discussed, while not only confined to the dynamic customer expectation research.
- (6) In theory applications, theoretical researches need to be combined with enterprise practice.

3. Customer value driving factor analysis

3.1. Definition of customer value driving factor

A trigger event model of customer value change is put forward by Woodruff etc, which considers that the dynamic characteristics of customer value are caused by driving factors. The value concept is distinguished by value, customer desired value, and value judgment. Different driving factor leads to different value concept change, which causes the change of customer satisfaction and customer loyalty.

In this paper, customer value driving factors are defined as: all internal and external stimuli to customer value choice, value evaluation and value reselection.

3.2. Customer value driving factors of network marketing environment

Consumer buying process is divided into five stages: demand cognition, information gathering, schemes evaluation, purchasing behavior, and post-purchase evaluation. Combining the characteristics of network marketing, customer value driving factors of network marketing environment are summarized as the following several aspects:

- (1) Marketing environmental driving factors

Network marketing environmental influences to consumer's value choice of online shopping, include political drive, legal drive, economic drive, technological drive, and cultural drive.

(2) Enterprise marketing activity driving factors

Enterprise marketing efforts influences to consumer's value choice of online shopping, include product drive, place drive, price drive, and promotion drive.

(3) Customer condition driving factors

Consumer condition influences to consumer's value choice of online shopping, include economical drive, lifestyle drive, and social drive.

(4) Purchase process driving factors

Influences of online shopping process to consumer's value choice, include demand drive, decision-making drive, and post-purchase evaluation drive.

Service driving factors

Service influences to consumer's value choice of online shopping, include supplier service drive, online payment service drive, and express company service drive.

4. Customer value driving model

4.1. Model construction

Based on the relevant research of customer value at home and abroad, combining network marketing its own characteristics, the customer value driving model of network marketing environment is constructed.

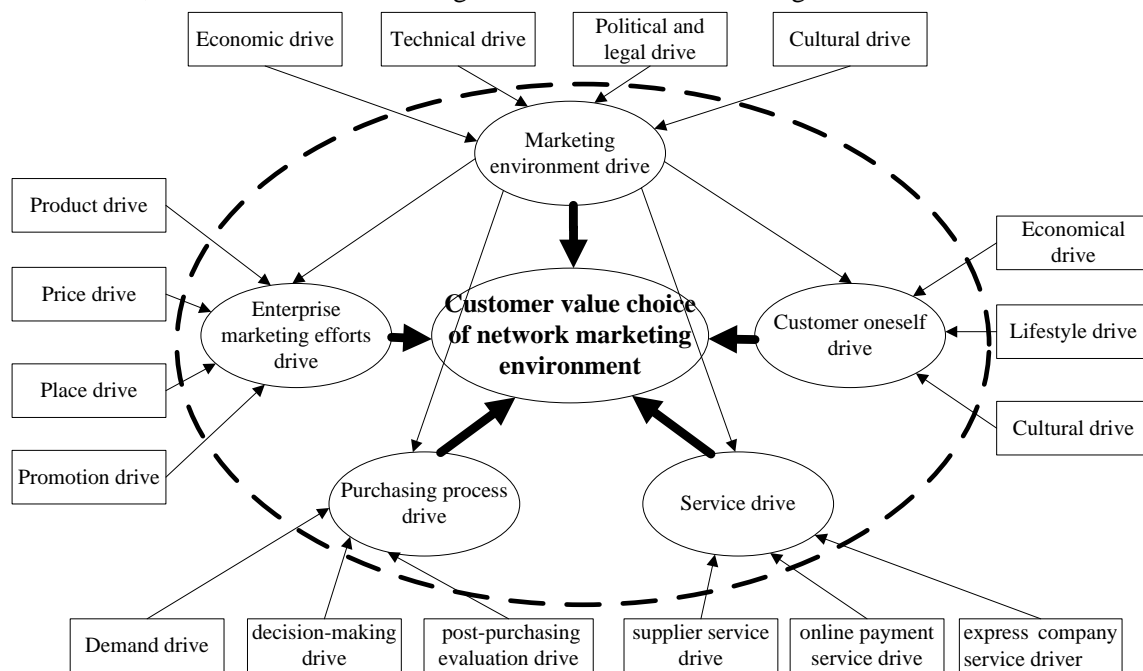


Figure1: Customer value driving model of net work marketing environment

4.2. Model explaining

Based on the customer value driving model of network marketing environment, the logical relationship and related indicates are explained as follows:

(1) Customer value of the model refers to the value customer perceived in a specific marketing environment.

(2) Customer value drive refers to all internal and external factors which influence customer value choice, including marketing environment, enterprise marketing efforts, consumer oneself, purchasing process and service.

(3) Marketing environment drive has a direct effect on customer value choice, and can produce certain degree of influence on other four driving factors.

(4) Each customer value driving factor can be refined into concrete measurement indexes, and quantitative analysis can be done through Richter scale questionnaire.

(5) This model can be used for customer value composition and customer value driving theoretical research, also can be used for empirical research of customer value drive.

5. Conclusion

The customer value research of network marketing environment is one of the hot topics in the marketing research field. Taking the customer value drive as a breakthrough point, the customer value driving model of network marketing environment is constructed, which can reflect the static composition and relationship of major customer value driving factors. The dynamic change of customer value in network marketing environment still need further studies.

6. References

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