

# **Assessing and analyzing customers' value-in-use to improve a supplier's value offering in a business-to-business knowledge intensive business services context: An exploratory study**

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## **ABSTRACT,**

Nowadays, the service business-to-business (B2B) environment is changing rapidly. The effects of, for example, increasing globalization and digitalization increase the level of competition among suppliers. As a result, allowing customers to optimize value creation becomes a key factor to obtain competitive advantage in B2B markets. In the academic world, value-in-use is increasingly employed to analyze customer value. However, research about understanding customer value through the lens of value-in-use is still very limited. In this research paper, the value-in-use of customers in a B2B knowledge intensive business services (KIBS) market is explored through semi-structured interviews. In total, 23 dimensions of value-in-use are identified across four stages of the customer service consumption process. Understanding customer value is increasingly important for B2B suppliers, because B2B customers will increasingly base their buying decisions on value creation instead of price in the future. However, no two customers are precisely alike and thus have unique demands. Surprisingly, few studies have empirically addressed differences in customer value. Therefore, the differences in customers' value-in-use are examined to discover if customers differ significantly in what they value. The results show that the analyzed KIBS market, the professional development training market, is extremely fragmented in terms of what customers value. Another important finding is that customers in the professional development training market demand a different value-in-use based on personal characteristics and the characteristics of a professional development training course. An implication for professional development training providers is that employing tailored approaches based on, for example, geographical customer segments is no longer valid due to customer heterogeneity. To optimize the potential value creation of customers, professional development training providers are forced to employ a single flexible market approach. A flexible market approach is a partly standardized approach, but flexible enough to meet the needs of each specific customer.

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## 1. INTRODUCTION

Nowadays, the service business-to-business (B2B) environment is changing rapidly. The effects of, for example, increasing globalization and digitalization can't be neglected by suppliers in the service B2B industry. An example of such an effect is that customers can choose from an increasing supply base, while they are also trying to reduce the number of suppliers they work with (Van Weele, 2010). As a result, the level of competition among suppliers increases and value creation becomes a key factor in the B2B markets to obtain competitive advantage, because customers increasingly demand value-added service in a competitive environment (Woodruff, 1997; Lindgreen, Antiocho, Palmer, & Tim, 2009; Rackham, 2000). Delivering superior customer value provides suppliers with a sustainable competitive advantage (Ravald & Grönroos, 1996). Recently, Zolkiewski, Story, Burton, Chan, Gomes, Hunter-Jones, O'Malley, Peters, Raddats, & Robinson (2017) analyzed why customers in B2B markets will increasingly base their buying decisions on potential value creation instead of price in the future. However, one customer can experience a higher utility for the same service experience than another customer (Bolton, 1998). In other words, the value creation process of customers can differ significantly. In the past, the fragmentation of markets was already identified as one of the significant changes in the environment that has enormous strategic implications for suppliers (Nadler & Tushman, 1999). Due to the fragmentation of markets, a standardized value proposition seems to be no longer valid for suppliers, because no two customers are precisely alike and thus will have unique demands and experience the service in a unique way (Zeithaml & Bitner, 2003).

To optimize the (potential) value creation for customers, a supplier in a service industry needs to know what customers value before, during, and after the service delivery. This research paper argues that value-in-use is the right concept for customer value analysis. Value-in-use is defined as "a customer's outcome, purpose or objective that is achieved through service" (Macdonald, Wilson, Martinez, & Toossi, 2011). Value-in-use implies that value will not be gained until customers have taken part in the activities that comprise the service (Sandström, Edvardsson, Kristensson, & Magnusson, 2008). With regard to value-in-use, the service-dominant logic stresses the role of the customer as co-creator of value as opposed to value being embedded in tangible goods (Vargo & Lusch, 2004). Surprisingly, research about understanding customer value through the lens of value-in-use is still very limited (Gummerus & Pihlström, 2011). Ulaga (2001) stresses that a key challenge in value-in-use assessment is to understand how different customers experience value in specific use situations. It is also surprising that few studies have empirically addressed differences in customer value (Floh, Zauner, Koller, & Rusch, 2014). This is remarkable, since the harmful consequences of wrong value delivery are widely acknowledged (Lessard, 2014), and the need to study heterogeneous customer perceptions and highly competitive markets in order to develop better firm strategies are recognized (DeSarbo, Jedidi, & Sinha, 2001; Fuentes-Blasco, Mlonier-Valázquez, & Gil-Saura, 2014).

Understanding customers' value-in-use is crucial, because, ultimately, customers determine the value created during the service consumption (Ballantyne & Varey, 2006). Regarding value propositions, it is indicated that they often have a one-sided provider perspective, as they articulate benefits predetermined by the provider while customer-related factors should be key (Woodruff & Flint, 2006). The importance of value-in-use and communicating that value through value propositions is illustrated by Ostrom, Bitner, Brown, Burkhard,

Goul, Smith-Daniels, & Rabinovich (2010), who stress that a key priority for managers is to create and enhance tools for maximizing value-in-use for services and communicating that value to customers.

The existing literature reveals that there exists a need to expand the existing literature about the empirical assessment of differences in what customers value, and especially, their value-in-use. This research paper examines customers' value-in-use in the professional development training market, which is recognized as a KIBS-market. KIBS suppliers offer specialist professional, consultancy and outsourcing services to other organizations (Wood, 2009), and are seen as crucial for the future through, for example, the lifelong learning trend and the focus of organizations on retraining and upskilling current employees (Winthrop & McGivney, 2016; Schawbel, 2017). The purpose of this study is to discover how KIBS firms can improve their value offering based on a value-in-use perspective. The purpose of this study leads to the following research question:

*How can KIBS firms improve their value offering based on a value-in-use perspective?*

To provide a comprehensive answer on the main research question, this research paper: (1) explains the key differences between the traditional approach to understanding customer value and the value-in-use approach, (2) reviews the existing literature regarding value propositions and customer value in KIBS markets, (3) uncovers customers' value-in-use in a KIBS-market, (4) compares value-in-use across customers in a KIBS-market, (5) analyzes which type of value propositions matches with the research findings, and (6) describes the contribution for suppliers to have knowledge about customers' value-in-use. Employing value-in-use for analyzing customer value is in line with the service-dominant logic (S-D logic). The S-D logic views value as being created by the interactions between a supplier and a customer taking place throughout the relational process (Kowalkowski, 2011). As opposed to the S-D logic, the goods-dominant (G-D) logic views value as being embedded in goods or services (Vargo, Maglio, & Akaka, 2008).

This research has an exploratory nature. The empirical part of this research consists of a case study at Dutch professional development training provider X and semi-structured interviews with 30 (potential) customers. The interviewees are selected by means of purposive sampling. An extensive coding process is used to identify and formulate dimensions of value-in-use. The multi-stage model of Tsotsou & Wirtz (2012) to analyze service performance is adapted to structure the identified dimensions of value-in-use into the following stages: 1) the pre-purchase stage, 2) the service encounter stage, 3) the post-encounter stage, and 4) the interaction stage. Quotes of respondents are used to illustrate how customers experience value-in-use. Ultimately, the results of this research paper add to the literature on customer value and KIBS. In practice, professional development training providers can use the results of this research to clarify the understanding of customers' value-in-use in different stages of the service experience and use the research conclusions to optimize (potential) value creation for their customers.

This research paper is structured in the following way. Chapter 2 reviews the relevant literature used in this research paper. In chapter 3, the methodology is presented and the gathered data is analyzed to identify dimensions of value-in-use. Chapter 4 discusses the main findings. In chapter 5, the theoretical contribution and practical relevance of this research paper are described. The implications, limitations and future research opportunities are discussed in chapter 6. Finally, the chapters 7, 8 and 9 are used for the acknowledgements, references and appendices.

## 2. THEORY

In this chapter, relevant literature used for this research paper is reviewed. At first, the key differences between understanding customer value through the lens of the goods-dominant (G-D) logic and service-dominant (S-D) logic are discussed in a brief comparison. Secondly, there is elaborated on the importance of customer value analysis. During this analysis, several concepts regarding customer value are explained. The value-in-use concept is thoroughly elaborated on, because it is a central concept of this research paper. Thirdly, the literature regarding value propositions, especially in relation to value-in-use, is shortly addressed. Finally, the literature about customer value in KIBS-markets is reviewed.

### 2.1 Brief Comparison Between the Service Dominant (S-D) Logic and the Goods-Dominant (G-D) Logic

Over time, marketing literature thinking has developed from a goods-focused approach to a service- and interaction-focused approach (Vargo & Lusch, 2004). The goods-focused approach matches with the G-D logic, while the service- and interaction-focused approach matches with the S-D Logic. When marketing emerged in the beginning of the 20th century, the G-D logic was embraced (Vargo et al., 2008). According to the G-D logic, the primary purpose of firms and economic exchange is to produce and distribute mainly tangible goods (Vargo & Lusch, 2004). A supplier's goal is to maximize operational efficiency (Svensson & Grönroos, 2008). The G-D logic views units of output as the central components of exchange (Lusch, Vargo, & O'Brien, 2007) and is centred upon operand resources, where customers may be considered operand resources to be captured and acted upon (Ng, Parry, Maull, & McFarlane, 2011). Services are considered as both a type of product and as a tool for maximizing the value of other products (Vargo et al., 2007). Customer value is viewed as being embedded in goods by value-in-exchange (Vargo & Lusch, 2004). Vargo & Lusch (2004) refer to several authors who identify that the G-D logic can block the understanding of how customers create value from combinations of goods and services and the interactions between them.

The S-D logic reframes the perspective on resources and value (Ng, Parry, Smith, Maull, & Briscoe, 2012). The S-D logic is introduced by Vargo & Lusch (2004). Since then, the S-D logic has been further developed. A central assumption of the S-D logic is that suppliers cannot deliver value (Vargo & Lusch, 2016). Instead of that, customers determine value by participating in the value creation process by their consumption of a service (Vargo & Lusch, 2016). The S-D logic superordinates services (the process of providing benefit) to products (units of output that are sometimes used in the process) (Vargo et al., 2007). According to the S-D logic, every supplier can be a service supplier (Grönroos & Voima, 2013). Whether they actually offer services or products does not mind (Grönroos & Voima, 2013). The goal of a supplier is to allow a customer to optimize value creation (Grönroos, 2011). Value is considered as co-created value-in-context (i.e. value-in-use) and the outcome from the relational enactment and interaction between the providers and receivers of an offering (Vargo et al., 2008; Ng et al., 2012).

The S-D logic views the customer as a resource that is capable of acting on other resources, who co-creates value with a firm (Lusch et al., 2007). According to the S-D logic, parties share their operand (knowledge and skills) and operand (goods and materials) resources to optimize value creation (Vargo & Lusch, 2008).

### 2.2 Customer Value

Customer value is a ubiquitous concept in academic research. Understanding what customers truly value is important for suppliers, because it can lead to strengthened performance and competitive advantage (Anderson & Narus, 1998). Developing approaches for understanding customer value is seen as a priority for managers and scholars alike (Macdonald et al., 2011). In the past, it has been suggested that customer value can be measured as the difference between what customers get (benefits, quality, worth, and utility) from the purchase of a product or service minus the payment (price, costs, and sacrifices) (Smith & Colgate, 2007). The building blocks of customer value are called value drivers, which are defined as anything that increases the value of a product or service (Ulaga, 2003). Value drivers can be monetary as well as non-monetary and can be discovered by integrating all the data a supplier has collected about customers, competitors, and potential substitutes (Parasuraman, 1997). Even after knowing your customers' value drivers, it can be difficult to optimize customer value. Venkatesan & Kumar (2004) found that suppliers often fail to optimize customer value, because they work with undesirable customers, or they do not know how to customize the customer experience. Many value drivers have been identified in the existing literature. For example, brand image (Cretu & Brodie, 2007), supplier reputation (Cretu & Brodie, 2007), personal interaction (Ulaga, 2003), organizational know-how (Ulaga, 2003), ethics (Holbrook, 1999), service support (Ulaga, 2003), service quality (Holbrook, 1999), and process costs (Ulaga, 2003) are identified as value drivers in the past.

The term customer value may sound confusing, since the term has been defined in different ways. Flint, Woodruff, & Gardial (2002) define customer value as "the beliefs about right and wrong, good and bad, that guide behavior." However, in research, customer value often relates to the economic concept. Three examples of economic value concepts are: perceived customer value, desired customer value, and value-in-use. Perceived value involves the customer's perception of what he or she has received from a supplier in a specific purchase or use situation (Bagozzi & Dholakia, 1999). The customer's desired value relates to what "a customer wants to happen when interacting with a supplier and/or using the supplier's product or service" (Flint, Woodruff, & Gardial, 1997). Nowadays, value-in-use is an increasingly popular concept. Value-in-use suggests that value is only created by the customer when a product/service is used (Sändstrom et al., 2008). As indicated by Prahalad & Ramaswamy (2004), the customer is more and more involved in a value creation process in which value is "co-created". The focus in this research paper is on value-in-use. Therefore, value-in-use is more extensively discussed in the coming section.

#### 2.2.1 Value-In-Use

The rise of value-in-use as concept for customer value resulted in increased attention in the literature. The value-in-use concept became more common through the rise of the S-D logic. With regard to value-in-use, the service-dominant logic stresses the role of the customer as co-creator of value as opposed to value being embedded in tangible goods (Vargo & Lusch, 2004). Although the potential of value-in-use for understanding customer value is widely recognized conceptually, it is still in its research infancy (Vargo & Lusch, 2004; Ostrom et al., 2010). It is, for example, not fully clarified how to operationalize value-in-use (Macdonald et al., 2011). Many researchers, for example Gummerus & Pihlström (2011), concluded that more research on value-in-use is needed to increase the understanding of value-in-use.

Value-in-use has been defined in different ways by several authors. For example by Vargo & Lusch (2004), Grönroos (2011)

and Sandström et al. (2008). However, as introduced before, this research paper defines value-in-use as “a customer’s outcome, purpose or objective that is achieved through service” (Macdonald et al., 2011). Value-in-use is based on the interaction between a customer and a service and is embedded in a use context (Gummerus & Pihlström, 2011). Consequently, value-in-use is very specific to a customer, which leads to increased heterogeneity across customers. Value-in-use acknowledges that processes and resources from customers as well as from suppliers support the customer value creation process (Grönroos, 2011). Processes that may contribute to value co-creation are processes such as: a) usage processes which may occur subsequent to the provider’s delivery process, b) experience co-creation by the customer, and c) the contribution to value creation of other customers and other resource providers (Macdonald et al., 2011). Ultimately, customers themselves determine how much value is co-created based on their value-in-use. Value cannot be predefined by the service provider, but is defined by the user of a service during the consumption (Sandström et al., 2008). The value-in-use concept supports the view of Grönroos & Voima (2011) that there exists a provider sphere, closed for the customer, and a customer sphere, which is closed for the firm. Value is created in the customer sphere, whereas organizations in the provider sphere facilitate value creation by producing resources and processes which represent expected value-in-use for customers (Grönroos & Voima, 2011). As a consequence, a supplier’s offering only represents potential value creation. Nevertheless, a supplier has the potential to influence the value-creating experience by interacting with the customer (Sandström et al., 2008). Furthermore, value-in-use is proposed as the missing link between service quality and relationship outcomes (Macdonald et al., 2011).

### 2.3 Value Propositions

The customer value proposition concept is discussed in literature since the 1980s (Ballantyne, Frow, Varey, & Payne, 2011). Value propositions are widely used in business markets (Anderson, Narus, & Van Rossum, 2006). The traditional, G-D logic, does not focus on the role customers play in the value co-creation process when designing value propositions (Sandström et al., 2008). Bower & Garza (1985) illustrate how a value proposition is defined according to the G-D logic: “a value proposition is a deliverable value offering to customers.” However, the rise of the service-dominant logic asked for a change in the definition of a value proposition, since it doesn’t view value as the product or service being exchanged (Vargo & Lusch, 2004). The service-dominant logic views value as being created by the interactions between a supplier and a customer taking place throughout the relational process (Kowalkowski, 2011). As a result, a supplier can only offer value propositions instead of offering a predefined amount of value (Sandström et al., 2008). By articulating value-in-use in value propositions, both the provider and customer are in a better position to determine how their continuing dialogue might generate value in new ways (Ballantyne & Varey, 2006). The customer determines value by participating in the consumption process (Sandström et al., 2008).

A key role for firms lies in offering value propositions which enable the highest potential for mutual co-creation of value (Ballantyne et al., 2011). Documenting and demonstrating your value proposition is crucial to prevent customers from dismissing your value proposition (Anderson et al., 2006). Nevertheless, the value proposition concept remains poorly defined, although being key to S-D logic (Skålén, Gummerus, Von Koskull, & Magnusson, 2015). Different value propositions can be the solution for customers to deal with groups of customers that have different needs. Then, these groups of customers can be

approached with a tailored offering suited to their needs. However, in today’s rapidly changing environment, doubts exist if suppliers can divide a market into groups of customers, because customers are increasingly heterogeneous. Nevertheless, a standardized value proposition is not desirable, since customers often appreciate customization to meet their specific needs (Solomon & Stuart, 2003). It has been suggested that suppliers can employ a flexible value proposition to suit the needs of the increasingly heterogeneous customers. A flexible value proposition is based on a flexible market approach, which is standardized, but sufficiently flexible to meet the needs of each specific customer. A supplier’s ability to manage a flexible market approach rests on its understanding of the value each component of the service creates for a customer (Anderson & Narus, 1998). With the flexible market approach, the emphasis on certain value drivers differs based on a customer’s value-in-use. Unfortunately, value propositions often have a one-sided provider perspective, as they articulate benefits predetermined by the provider (Woodruff & Flint, 2006). Evidently, customer-related factors should be key in determining emphasis on different value drivers to optimize customer value creation.

### 2.4 Customer Value in KIBS-markets

Since the early 1970s, there has been a surge of activity in research on KIBS (Porter & Brophy, 1988). KIBS have been one of the most intensively studied service sectors since the mid-1990s (Ferreira, Raposo, Fernandes, & Dejardin, 2016). However, different KIBS have shown to differ significantly (Doloreux & Shearmur, 2010). In this section, sources of customer value that have been identified by other researchers are discussed.

In the past, the consultancy services of KIBS were identified as an important source of customer value (Ferreira et al., 2016). The business-to-business (B2B) consultants play an important role here. The expertise of the consultants, and the trust in the consultants are identified as important conditions for customers to adopt or to not adopt proposed solutions of the supplier’s consultants (Liu & Leach, 2001). The consultants have to continuously accumulate and update their knowledge base to successfully and competitively propose solutions (Ferreira et al., 2016).

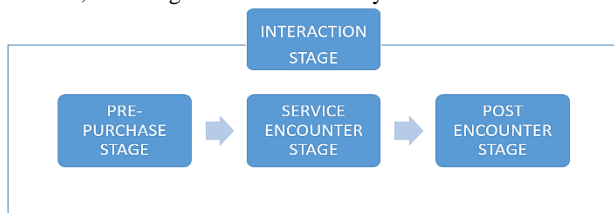
Furthermore, specifically for the professional development training market, the trainer has been identified as an important source of value. Birman, Desimone, Porter, & Garet (2000) find that many teachers fail to implement appropriate training practices, which harms the effectiveness of professional development training. Moreover, the engagement of the teacher in the training process, their feedback providing skill and knowledge are identified as crucial for professional development training results (Domitrovich, Gest, Gill, Jones, & Derousi, 2009; Joyce & Showers, 2002; Guskey & Yoon, 2009).

Finally, coherence between training sessions and follow-up activities are identified as crucial for achieving long-term training results, and thus value creation (Garet, Porter, Desimone, Birman, & Yoon, 2001; Guskey & Yoon, 2009). After reviewing the existing literature, it can be concluded that, although a number of value drivers have been identified, extensive research into customer value per stage of the service experience in a specific KIBS market is lacking until now.

### 2.5 Analyzing Customer Value Across Stages of the Service Experience

A framework is needed to structure the results of semi-structured interviews with customers in the professional development training market. The services marketing literature has introduced a multi-stage approach to analyze service performance (Tsiotsou & Wirtz, 2012). In particular, consumers encounter three major

stages when they consume services: the pre-purchase stage, the service encounter stage and the post-encounter stage (Lovelock and Wirtz, 2011). The stages assist researchers in structuring research results and businesses in identifying in which stage they excel or perform bad. Extensive research has been conducted on all three stages to examine their characteristics (Tsiotsou & Wirtz, 2015). To make the model (Figure 1) suitable for this research paper, the interaction stage is added on which will be further elaborated in section 2.5.4. The interaction stage is necessary to deal with the relational aspect between customers and suppliers and certain professional development training provider characteristics. Researchers need to consider all periods of the service experience simultaneously to make valuable contributions to the literature (Voorhees, Fombelle, Gregoire, Bone, Gustafsson, Sousa, & Walkowiak, 2017). In the coming sections, each stage is discussed shortly.



**Figure 1. Research framework – The adjusted multi-stage model of Tsiotsou & Wirtz (2012)**

### 2.5.1 The Pre-Purchase Stage

The pre-purchase stage of the decision-making process for services starts with a customer's need. A customer starts with searching information to identify solutions to satisfy the need and to reduce uncertainty in decision-making. When sufficient information is gathered, consumers start to identify which service attributes they value and form expectations on how certain service providers perform on those attributes (Lovelock & Wirtz, 2011). The information obtained in this stage has shown to have a significant impact on future purchase decisions (Alba & Hutchinson, 2000).

The pre-purchase stage of the decision-making process for services is more complex in comparison with that for goods, since it involves a composite set of factors and activities (Fisk, 1981). Due to the participation of consumers in the service production process, the pre-purchase stage of the decision-making process for services takes more time and is more complicated than the pre-purchase stage of the decision-making process for goods (Tsiotsou & Wirtz, 2012). Uncertainty and perceived risk are considered as two important factors why consumer information search for services is more extensive than for goods (Alba & Hutchinson, 2000).

The difficulty with a service is that the experience is often a matter of individual perception and it can only be assessed when the service has been delivered. Therefore, the consumer has to trust a service provider that the promised level of service experience can be delivered. Based on the (extensive) information search and evaluation of alternatives, a consumer has to decide on which service provider they choose. After choosing a service provider, the next stage of the multi-stage approach for analyzing service performance is reached: the service encounter stage.

### 2.5.2 The Service Encounter Stage

The service encounter stage involves the core service experience of the customer and intensive interaction between customers and the service firm. The service encounter stage is seen as the main factor contributing to the perception of overall service quality (Tsiotsou & Wirtz, 2012). In this stage, consumers are co-creating value and co-producing a service (Tsiotsou & Wirtz, 2015). In order for customers to become engaged in the co-

production of a service and in the co-creation of value, they have to be motivated, and must have the ability and knowledge to provide and integrate various resources (Tsiotsou & Wirtz, 2015). The service encounter stage is generally considered as a service delivery process involving a sequence of related events occurring at different points in time (Tsiotsou & Wirtz, 2012). These different points are also called touch-points. Touch-points have to be managed effectively to create an excellent service experience (Frow & Payne, 2008). The service encounter stage is considered as a complex stage which shapes satisfaction, loyalty, repurchase intentions and word-of-mouth behaviour (Tsiotsou & Wirtz, 2012).

### 2.5.3 The Post-Encounter Stage

The post-encounter stage is the last stage of service consumption. It involves consumers' behavioural and attitudinal responses to the service experience (Tsiotsou & Wirtz, 2015). Traditionally, the service literature has somewhat overlooked the post-encounter stage (Voorhees et al., 2017). Consumer satisfaction and perceived service quality have dominated the research agenda of the service consumption process due to their link with business performance (Tsiotsou & Wirtz, 2012). Customers practically evaluate their service experience against their expectations, which are set in the pre-purchase stage. Customers' expectations can be confirmed or disconfirmed. (Dis)confirmation has a large impact on future customer intentions. However, also after-sales activities of the service provider impacts the service experience (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, & Schlesinger, 2009). When performance perceptions approach or exceed desired levels, customers will be very pleased and are more likely to make repeat purchases, remain loyal to the service provider, and spread positive word of mouth (Liang, Wang, & Farquhar, 2009). Thus, customer satisfaction is related to important post-purchase attitudes and behaviour such as repurchase intentions (Tsiotsou & Wirtz, 2012).

### 2.5.4 The Interaction Stage

Based on practice knowledge beforehand, it is known that customers experience value through a relationship with a provider and through certain professional development training provider characteristics. Therefore, the interaction stage is added to the model of Tsiotsou & Wirtz (2012). The interaction stage involves value-adding dimensions that support customer value-creation in the three previous stages. For example, because service employees and customers have close and direct interactions for a prolonged period in a high-contact service industry (Kellogg & Chase, 1995), customers may experience value if a professional development training provider excels in the way they communicate. Another example is a relationship between the customer and professional development training provider, which cannot be placed in a specific stage of the service consumption model. A relation between a customer and an organization can support the process of value creation (Jolson, 1997).

## 3. METHODS

In this section, the research process and data analysis are presented. At first, the research context is discussed. Secondly, the research design is elaborated on. Thirdly, the sampling procedure is described. Fourthly, the data collection and interpretation approach are discussed. Fifthly, the semi-structured interviews are analyzed to identify dimensions of customers' value-in-use in different stages of the service experience. Finally, the value-in-use is compared across customers to analyze how heterogeneous customers in the professional development training market actually are.

### 3.1 Research Context

The research is conducted on behalf of company X. Company X offers professional development training courses in the Dutch service B2B market. The company is located in X, the Netherlands, and has only X employees. since trainers are often freelance workers at professional development training providers. Freelance workers are not committed to a particular employer (Polivka, 1996). Company X is a well-known name in the professional development training industry in the Netherlands

### 3.2 Research Design

This research paper conducts an exploratory research. Exploratory research is useful to develop new insights. The goal of this research is to uncover customers' value-in-use in the professional development training market in order to find out how a value-in-use perspective helps suppliers to improve their value offering. Before the empirical part of this research starts, the existing literature is reviewed. The literature review describes 1) the key differences between the S-D logic and G-D logic, 2) the importance of analyzing customer value, 3) what value-in-use is, 4) the relation between value propositions and value-in-use, 5) customer value drivers in KIBS-markets, and 6) how to structure empirically identified customer value dimensions.

The empirical part of this study consists of an in-depth single case study at company X and semi-structured interviews with (potential) customers of company X. A case study is "a detailed examination of a single example" (Abercrombie, Hill, & Turner, 1984). The advantage of a single case study over large samples is the depth of the research (Flyvbjerg, 2006). A case study helps to examine the interplay of factors in a specific practical context. Case studies are focused and detailed, where specific situations, circumstances or phenomena are carefully scrutinized and elaborated (Mills, Durepos, & Wiebe, 2010).

Qualitative research in the form of semi-structured interviews is conducted to discover customers' value-in-use in the professional development training market. Qualitative research methods involve the systematic collection, organisation and interpretation of textual material derived from talk or observation (Malterud, 2001). It is used to explore meanings of phenomena as experienced by individuals themselves (DiCicco-Bloom & Crabtree, 2006). The in-depth interviews are semi-structured in nature and fit well with research that wants to develop new insights due to open-ended questions and the possibility for a dialogue between the interviewee and interviewer (Schembri & Sandberg, 2002). The opportunity for a dialogue between the interviewee and interviewer minimizes potential bias from interviewees that don't fully understand a question, which improves the trustworthiness of the results. Rather than directly asking interviewees about pre-defined value-in-use drivers, the interview questions are open-ended to encourage interviewees to reveal their true value-in-use drivers. Furthermore, the researcher can ask follow-up questions based on the answers of the interviewees. Besides that, semi-structured interviews enable the emergence of unexpected issues (i.e. interviewees that raise matters that were not specifically queried) (Hesse-Biber & Leavy, 2006). It is fair to conclude that the semi-structured interview method allows for complete information gathering, which is necessary to understand a comprehensive concept as a customer's value-in-use.

The semi-structured interviews are always conducted according to the following structure. At first, the background and goal of the research paper are discussed with the interviewee to prevent bias from misunderstanding. The interviewee is given the opportunity to ask questions to make things clear. At second, the interviewee is asked for some background information such as the size of the HR & L&D department in FTE. Although some

interview questions were pre-defined, the order of asked questions is different for each interview, since it depends on the answers of the interviewee and the potential follow-up questions. In appendix A (chapter 12.1), an overview of the interview questions is presented.

Preferably, the interviews were held face-to-face at the business location where the interviewee works or at the location of case company X. Initially, this preference was caused by prior literature suggesting that interview modes might yield different results (Sturges & Hanrahan, 2004).

In total, 23 interviews were face-to-face interviews, and 7 interviews were conducted by phone. Interviewees sometimes preferred to conduct the interview by phone due to a lack of time. Telephone interviewing allows interviewees to conduct the interview when they are, for example, on the road. Positively, Sturges & Hanrahan (2004) concluded that telephone interviews can be used productively in qualitative research after not finding significant differences between interview transcripts from different interview modes. The face-to-face interviews often lasted for at least 60 minutes. The telephone interviews lasted for 45 minutes on average.

### 3.3 Sampling

By means of purposive sampling, 30 semi-structured interviews are held with (potential) customers of company X in the Netherlands. After conducting 30 semi-structured interviews, theoretical saturation was reached. Theoretical saturation is the phase of qualitative data analysis in which the researcher has continued sampling and analyzing data until no new data appear and all concepts in the theory are well-developed (Lewis-Beck, Bryman, & Liao, 2003). Only one interview is held per (potential) customer. Not every interviewee is a customer of company X, because, in theory, it is possible that company X only attracts a specific part of the market with their current value proposition. With purposive sampling, a researcher has something in mind and participants that suit the purpose of the study are included (Etikan, Musa, & Alkassim, 2016). Potentially interesting organizations have been selected based on their number of employees and industry. Furthermore, interview participants of an organization had to meet three criteria. At first, an interviewee needs to have knowledge of the professional development training market. Secondly, an interviewee had experience in purchasing professional development training courses. Thirdly, the interviewee has to be responsible for purchasing professional development training courses at the time of the interview. Ultimately, small as well as large companies from diverse industries and locations in the Netherlands were interviewed. Variation in the variables industry, number of employees and geographical location resulted in a diverse sample.

Table 1 provides an overview of the characteristics of the interviewed (potential) customers of company X in alphabetical order. The following characteristics are displayed: the organization's name, the function of the interviewee, the organization's industry, the organization's number of employees, the ratio of extern/intern training courses, the HR department in FTE, the L&D in FTE, L&D as a % of HR, and L&D as a % of total employees. The organizations of the interviewees are divided into groups based on their rank for the following variables: the organization's industry, the organization's number of employees, the ratio of extern/intern training courses, the HR department in FTE, the L&D in FTE, L&D as a % of HR, and L&D as a % of total employees. The ranks are potentially interesting for the comparison of differences in value-in-use across customers.

**Table 1. Overview of the interviewed organizations**

<b>Name of the company</b>	<b>Function interviewee</b>	<b>Industry</b>	<b>Number of Employees</b>	<b>Ratio Extern/ Intern Training Courses</b>	<b>HR in FTE</b>	<b>L&amp;D in FTE</b>	<b>L&amp;D as a % of HR</b>	<b>L&amp;D as a % of Total Employees</b>
#1	Coordinator <del>Attendiz</del> Academy	Education Industry	650	70/30	2,8	2,4	Not part of it	0,37%
#2	Senior Advisor Learning & Development	Financial Services Industry	2700	40/60	50	9	18%	0,33%
#3	Manager Operations	Information and Communication Technology Industry	42	70/30	No HR defined	No L&D defined	No L&D defined	No L&D defined
#4	Specialist Learning & Development	Fast Moving Consumer Goods Industry	3500	50/50	40	6	15%	0,17%
#5	Senior Advisor Education, Quality and Innovation	Education Industry	275	25/75	2	0,5	Not part of it	0,18%
#6	Advisor Learning & Development	Health Care Industry	2300	50/50	18	14	Not part of it	0,61%
#7	Advisor Learning & Development	Health Care Industry	2800	60/40	97	7	7,22%	0,25%
#8	HRD Advisor	Construction Industry	2625	95/5	43	2	4,65%	0,08%
#9	HR Business Partner	Energy Industry	300	15/85	7	0,3	4,29%	0,10%
#10	<del>Staf</del> Assistant	Health Care Industry	11800	35/65	35	50	Not part of it	0,42%
#11	Coordinator Learning & Development	Health Care Industry	800	50/50	7	1,44	Not part of it	0,18%
#12	Advisor Education and Organization	Education Industry	220	Not willing to provide information	Not willing to provide information	Not willing to provide information	Not willing to provide information	Not willing to provide information
#13	Advisor Learning, Development & Performance	Health Care Industry	1295	70/30	12	1,8	15%	0,14%
#14	HR Manager	Chemical Industry	40	100/0	1	0,2	20%	0,50%
#15	Manager BAM Business School	Construction Industry	8500	95/5	170	11	6,47%	0,13%

#16	Managing Director	Information and Communication Technology Industry	75	25/75	2	No L&D defined	No L&D defined	No L&D defined
#17	Talent Manager	General Government Sector	450	100/0	10	1	10%	0,22%
#18	Advisor Management Development	Health Care Industry	5000	90/10	70	15	21,43%	0,30%
#19	Advisor Learning & Development	Health Care Industry	580	Unknown by organization	6	1	16,67%	0,17%
#20	Coordinator Organization and Development	Agricultural Industry	1300	95/5	12	2	16,67%	0,15%
#21	HR Assistant	Fast Moving Consumer Goods Industry	170	95/5	4	0,65	16,25%	0,38%
#22	Manager Learning & Development	Health Care Industry	1900	15/85	5	6	Not part of it	0,32%
#23	Advisor Learning & Development	Information and Communication Technology Industry	1000	80/20	10,5	0,7	6,67%	0,07%
#24	Advisor Learning & Development	General Government Sector	6000	95/5	No HR defined	No L&D defined	No L&D defined	No L&D defined
#25	Manager UC Academy	Public Services Industry	85	20/80	2,6	0,6	23,08%	0,71%
#26	Learning & Development Officer	Energy Industry	270	50/50	5,5	1,5	Not part of it	0,55%
#27	Advisor Learning & Development	Manufacturing Industry	950	100/0	5,5	0,9	16,36%	0,09%
#28	Advisor Leadership & Development	Water Industry	2000	70/30	30	4	13,33%	0,20%
#29	Manager Learning & Development	Staff & Consultancy Service Industry	3500	1-/99	30	35,2	Not part of it	1,01%
#30	Advisor HR	Housing Industry	65	100/0	1,4	0,25	17,86%	0,38%

### 3.4 Data Collection and Data Interpretation

Data is collected through semi-structured interviews to explore customers' value-in-use in the professional development training market. Each semi-structured interview is audio recorded and transcribed. This research paper aimed to make a contribution in creating new insights by using open-ended questions. The semi-structured interviews enable the emergence of unexpected issues (i.e. interviewees that raise matters that were not specifically queried) (Hesse-Biber & Leavy, 2006). The interviewer didn't take a certain point of view.

Mainly the interviewee was speaking. Because there was no point of view beforehand, an open coding process is used. Open coding means that notes and headings are written in the text while reading it and patterns are freely identified by checking if consistency exists between the answers through an analytical reflection (Elo & Kyngäs, 2008; Cassel & Symon, 2012). The written material is read multiple times again, and as many headings as necessary are written down in the margins to describe all aspects of the content (Elo & Kyngäs, 2008).

After the open coding, the lists of patterns are grouped under higher order headings to reduce the number of patterns (Elo &



Kyngäs, 2008). The purpose of creating categories is to provide a means of describing the phenomenon to increase understanding and to generate knowledge (Cavanagh, 1997). The identified patterns were analyzed multiple times to discover the value-in-use of customers in the professional development training market. The dimensions of value-in-use are positioned in the adjusted model of Tsotsou & Wirtz (2012). Afterwards, the dimensions of value-in-use were compared across customers.

### 3.5 Data Analysis

This section presents the data analysis of the semi-structured interviews. As mentioned before, the adjusted model of Tsotsou & Wirtz (2012) is used to structure the results, which means that identified dimensions of value-in-use are subdivided into the pre-purchase stage, service encounter stage, post-encounter stage and interaction stage. In total, 23 different dimensions of value-in-use are identified. The dimensions are spread across the stages in the following way: pre-purchase stage (5), service encounter stage (7), post-encounter stage (5), and interaction stage (6).

#### 3.5.1 Pre-Purchase Stage

In the pre-purchase stage, five dimensions of value-in-use are identified. The following dimensions of value-in-use are identified (in alphabetical order): certificates, professional training advice, range of training programmes, reduction of information uncertainty, and tailored training programmes.

##### 3.5.1.1 Certificates

Respondents value certified professional development training providers (PDTP) and PDTPs that offer the opportunity to complete official exams for professional development training courses. Customers experience value through certified PDTPs, because certificates allow customers to get, for example, certain subsidies for professional development training courses. A specifically mentioned certification is the CRKBO certification. A CRKBO certified PDTP can provide VAT-free invoices, which saves money. Another reason why certified PDTPs are preferred is that customers believe that purchasing from a certified PDTP reduces the chance that a professional development training fails (i.e. certified PDTPs are seen as a warranty for quality). This is illustrated by the following quote: “We almost only purchase professional development training courses from certified PDTPs, because this is, in our opinion, the easiest way to check quality.”

Why customers experience value because of official exams is explained by the value of the official certificates that are acquired if training participants pass the exams:

“We prefer a PDTP that offers official exams for professional development training courses, because our employees receive official certificates if they pass the exams. These certificates officially authorize our employees to execute certain actions.”

Official exams are a reason for customers to outsource professional development training courses instead of organizing a training internally. An internally organized training means that a customer hires a trainer directly or uses an employee as trainer.

##### 3.5.1.2 Professional Training Advice

Customers expect that PDTPs take the expert role. A PDTP is expected to be able to provide professional training advice. Providing high-quality advice is seen as an important quality of a PDTP:

“If a professional development trainer acts as a consultant, they develop a view of what we need beforehand. The advantage of such a role is that the professional development training courses are based on this view, which makes it more likely that our need will be solved.”

However, the professional training advice can also involve more ‘simple’ things. A customer can use the knowledge of a PDTP to determine the optimal group size, or to divide groups based on differences in level.

Professional training advice is mainly used to estimate if a PDTP can deliver the quality that is demanded. Providing new insights is seen as an important part of the professional training advice. A few customers indicated that if a PDTP doesn’t provide new insights after some time, they will look for a new PDTP. Customers like it to be challenged by a PDTP. An example of the advantage of new insights is:

“PDTPs definitely provide new insights. We are open for any suggestions, because we are a ‘learning organization’ and it is important for us to be well-grounded and also stay well-grounded.”

Customers demand professional training advice on a strategic level if larger and longer professional development training courses are purchased, because more money is involved. Professional training advice on a strategic level is often seen as a prerequisite for a long-term relationship. The importance of professional training advice on a strategic level is illustrated by the following quote:

“We expect that PDTPs can provide professional training advice on a strategic level for larger and longer professional development training courses. This means that they know what our ‘highlights’ are. ‘Highlights’ are matters that are important for us. The PDTP has to provide suggestions on how we can work on these ‘highlights’.”

The PDTP’s personnel should have at least basic knowledge about each training programme. Furthermore, the personnel should be honest about what a PDTP can(not). If specialist knowledge is required, the personnel should, if necessary, refer a customer to the right specialist. The following quote illustrates this:

“A contact person has to take the expert role by showing his professional advisory skills. He has to be an honest person, because he has to tell us when our plan isn’t the right way to do it. In that case, the contact person should say: I understand what you want, but you should do it in this way, because ....”

Another respondent illustrates the importance of the knowledge of a PDTP’s personnel:

“When you aren’t smart enough for our people, there won’t be any added value through professional development trainings at all. If the personnel of a PDTP takes a wrong decision, they are responsible for that wrong decision.”

An important quality of a PDTP’s personnel is creating a clear view of the learning question. To create a clear view of the learning question, a critical style of questioning is required:

“The most important aspect for the PDTP’s personnel is to create a clear view of the learning question. Based on this view, a solution has to be provided. This solution isn’t always a professional development training course.”

After creating a clear view of the learning question, a solution has to be provided by the PDTP. Thereby, it is important that a PDTP is aware of the latest trends in the professional development training market. Respondents admitted that they prefer a PDTP with awareness of the latest trends. A PDTP is assumed to be more likely to present refreshing ideas when they are aware of the latest trends in the market. The respondents say that they like it to be surprised by a PDTP. This is illustrated by the following quote:

“Value creation takes place when a PDTP can translate our need into a qualitative professional development training offer whereby the PDTP is aware of the latest trends.”

### 3.5.1.3 Range of Training Programmes

The results in this dimension of value-in-use are mixed. In total, 10 customers prefer a professional development training provider (PDTP) with a wide range of training programmes, 11 customers prefer a PDTP with a small range of training programmes, while 9 customers don't have a preference regarding the range of training programmes.

Customers that prefer a PDTP with a wide range of training programmes have diverse reasons for their preference. Often, PDTPs with a wide range of training programmes are larger in size, and larger PDTPs often have a larger pool of trainers available, which is seen as an advantage of such a PDTP. However, it is important that a PDTP can guarantee the quality of trainers. Another respondent indicates that the number of learning questions a PDTP can solve is an advantage of a PDTP with a wide range of training programmes:

"The advantage of a PDTP with a wide range of training programmes is that we can refer most of our employees with learning questions to this PDTP. However, if we require an advanced training, we switch to another PDTP. PDTPs with a wide range of training programmes are often missing in-depth knowledge."

Another respondent criticizes the view that a large PDTP often misses in-depth knowledge:

"The view is that larger PDTPs are seldom specialists. In my opinion, that isn't necessarily the case. It depends on how a PDTP is organized. I can imagine that if a PDTP has specialists for each training subject that is offered, a large PDTP can also be a specialist. I would see that as an advantage."

When a customer purchases more professional development training courses from the same PDTP, which is more likely if a PDTP offers a wide range of training programmes, customization is easier to realize, because this PDTP knows better what a customer demands:

"Our training courses aren't purchased from specialists. Buying from different suppliers makes it difficult to apply our company's customization to each training programme."

The 11 respondents that prefer a PDTP with a small range of training programmes also have diverse reasons for their preference. Generally, it is assumed that a PDTP with a small range of training programmes is a specialist in a certain discipline:

"I don't expect that one specific PDTP can help me with every learning question from A to Z. A number of specialist organizations are needed to solve our learning questions in an optimal way."

Another respondent states the following:

"We prefer specialist PDTPs with a small range of training programmes. If we purchase training courses for our employees, we want that our employees are really challenged in a specific discipline. We prefer quality and a trainer who is specialized in a specific discipline."

Customers feel that trust is created when a PDTP specifies its limitations:

"Trust is created when a PDTP specifies its limitations to us. A PDTP can, for example, suggest a partner, which is better able to help us with our learning question."

Customers that prefer a PDTP with a small range of training programmes find it more easy to develop realistic expectations about the training course. In their opinion, a PDTP isn't able to guarantee quality if their network of trainers is very large, since time is lacking for checking that:

"At which disciplines does a PDTP excel? Which PDTP is able to offer 400 high-quality training programmes? It is impossible

to guarantee quality with a large network of trainers, because a PDTP doesn't have the time to evaluate all their trainers."

Customers that prefer a PDTP with a small range of training programmes admit that it costs more time and energy to make agreements etc. with a larger number of PDTP. However, in their opinion, the advantages outweigh the disadvantages.

There are also customers who don't have a preference for a specific PDTP based on their range of training programmes. Their reasoning is illustrated by the following quote:

"We always do business with the PDTP that can deliver the best service for the learning question we have. No matter if the chosen PDTP has a small/wide range of training programmes. We do business with so many PDTPs. I prefer to minimize dependency on PDTPs."

### 3.5.1.4 Reduction of Information Uncertainty

Professional development training providers (PDTP) play an important role in reducing information uncertainty of customers. Customers want to reduce their information uncertainty in order to make optimal decisions. The four most important sources to gather information are previous experience(s), a customer's network, the PDTP's website and the Internet.

Previous experience(s) and the customer's network are considered as the most reliable sources of information:

"Advice about specific PDTPs comes from my network. I trust the information of my network. People in my network often indicate a specific and excellent trainer."

The importance of previous experience(s) is illustrated by the following quote:

"Sometimes we purchase a "pilot" professional development training from a PDTP. If the pilot is successful, it is likely that we purchase more training courses from this PDTP. The first experience is very important."

Customers admit that they see no reason to switch to another PDTP when they are satisfied. Furthermore, the importance of previous experience(s) is illustrated by the fact that not every customer gives a second chance to a PDTP:

"After a bad experience, we don't give a second chance to that specific PDTP."

Besides previous experience(s) and information from a customer's network, customers reduce information uncertainty by checking reviews that are available:

"Quality is assessed by experiences of other organizations. You read the reviews/general experiences to discover patterns. You check on which matters those reviews focus. Then you make an estimation if a specific PDTP is a potential candidate."

Reviews are seen as nice-to-have and as a certain warranty of quality. Customers estimate expected performance based on reviews. Cases about other customers in the same industry as the customer are seen as very valuable:

"Trust is created when a PDTP can show us that they solved a comparable learning question for an organization in our industry."

The website of a potential PDTP is sometimes identified via Google. In this case, it is important that the website of a PDTP can be found easily. When potential customers are on the website, high-quality (training) content, and a fresh and professional look of the website are considered as the most important factors. Furthermore, the working method and the way a PDTP is organized (permanent trainers or temporary trainers) is read regularly. Finally, the text of the website has to be proactively written and visitors of the website must be able to navigate easily through the pages of the website.

Customers also check the reputation and history of a PDTP to reduce information uncertainty. A respondent states the following:

“Is a PDTP well-known? Which organizations already have experience with a specific PDTP?”

Reputation and history are considered as criteria to guarantee the quality of a professional development training course. Some customers admit that they only look for well-known suppliers. Then, without a reputation and history, a PDTP doesn't even make a chance. In certain industries, organizations have to meet extensive regulations. The controlling body of the extensive regulations look at the quality of employee development. Therefore, for customers in those industries, it is important to purchase professional development training courses from well-known PDTPs.

When a potential customer has made the decision to contact a PDTP, it is important that the PDTPs personnel provides high-quality information to them:

“If we have a clear view of our learning question, we start to look for suitable PDTPs. We contact the suitable PDTPs by phone. We ask some questions to check if it matches with the result we expect.”

Another respondent states:

“We gather the largest part of the information from the personal contact with a PDTP. We don't look so much at the website.”

Furthermore, it is important that a PDTP can provide high quality brochures to support the decision making process of the customer.

For, often larger and longer, professional development training courses, an intake finds place between the customer and PDTP. An intake is a way to deepen the knowledge of a PDTP about a learning question. During an intake the development needs of a customer and participants of a professional development training course are thoroughly discussed. Furthermore, it is the moment to discuss the working method, history, references, flexibility, evaluation etc. By properly harmonizing mutual expectations with one another, a win-win situation can be created. For larger and longer professional development training courses, customers often prefer to meet the trainer:

“We like to meet the trainer for larger and longer professional development training courses, because a large amount of money is involved. It is crucial to have a good feeling about the trainer after the meeting.”

During an intake, it is important for potential customers that a PDTP has made effort to get into the organization, the industry of the organization, the learning question and the contact person.

Finally, the training quotation is a source for customers to reduce information uncertainty:

“We request training quotations from a couple of PDTP. Then, we look what fits best with our organization. Clear language, quality of the quotation and price are very important.”

Furthermore, it is very important that the quotation is sent on time to the customer.

### *3.5.1.5 Tailored Training Programmes*

In total, 19 respondents indicated that tailored training programmes are very important for them. Respondents have diverse reasons to prefer tailored training programmes. The most frequently mentioned reason is the applicability of the training in practice:

“We don't use standard training programmes. Every training programme is tailored, because we want the professional development training to be applicable in practice.”

Another respondent states:

“Almost every training programme is tailored. If the practice of our organization isn't processed in the professional development training, our employees don't know how to apply the information from the professional development training.”

Another reason for the preference of tailored training programmes is the diversity in needs across different functions:

“Most of our training programmes within our organization are tailored. This is the result of the diversity in needs across different functions. The tailored training programme determines our choice for a specific PDTP.”

Furthermore, the results of the professional development training course can be more easily controlled when the training programme is tailored:

“The advantage of tailored training programmes is that the training programme is designed based on the need at that moment. You can more easily control the results of the professional development training course.”

Finally, customers prefer tailored training programmes, because the vision, culture and goals of an organization can be more easily processed in a training programme when it is tailored:

“Can a PDTP process our organizational goals into a training programme and does the training programme match with the vision of the organization?”

### *3.5.2 Service Encounter Stage*

In the service encounter stage, 7 dimensions of value-in-use are identified. The following dimensions of value-in-use are identified (in alphabetical order): discovering talents and developing skills & knowledge, flexible, alternate and interactive training methods, high-quality trainers, match between training/trainer/target group/PDTP/customer, networking, practice-oriented training, and price.

#### *3.5.2.1 Discovering Talents and Developing Skills and Knowledge*

During professional development training courses, customers want employees to 1) discover their talents and 2) develop skills and knowledge. Generally, customers don't randomly purchase professional development training courses for their employees. This is illustrated by the following example:

“Our process starts with a training need. We assess the training needs by conversations with our supervisors. Based on these conversations, we develop a list with training needs of our employees for the coming year. Subsequently, we match these needs, in cooperation with the supervisors, with the training needs of our organization. The supervisors determine if employees are intrinsically motivated to learn, why a specific training matters, and how it helps the organization.”

However, a small part of the respondents admit that their employees are free to decide which training to follow:

“Our need behind training courses is to develop individual employees. At the moment, there is no plan behind that. Employees have a personal development budget. They are free to decide where they want to develop themselves. Employees should do what makes them happy and what gives them energy.” A possible explanation for this is illustrated by a quote of another respondent:

“Our employees experience value if we give them the chance to follow professional development training courses to accelerate personal development.”

If employees develop skills and knowledge, they should be better able to execute their functions (i.e. professionalizing personnel) and are more versatile within the organization. Employees that don't develop their skills and knowledge are possibly not interesting for a customer in the future:

“The development of employees is very important for us. Employees are obligated to follow a training programme at least

once per year. This is part of the yearly performance appraisal. If employees don't follow a professional development training, they don't grow, which makes them possibly not interesting for our company in the future anymore."

Customers regard high-quality training content as an important factor for developing an employee's skills and knowledge. As a result of that, the quality of the training content is considered as an important factor in deciding which PDTP to choose:

"The content and quality of a training programme are very decisive in our choice for a specific PDTP."

Professional development training courses are, by a small part of the respondents, also regarded as a way for employees to discover their talents:

"We like helping our employees to discover their talents and how they can use these talents in an optimal way. When you do what you are good at, you become happy."

Customers expect that employees start to work on their talents. Ultimately, this should result in more happiness and improved performance of employees.

### 3.5.2.2 Flexible, Alternate and Interactive Training Methods

Customers regard it as important that PDTPs don't stick to old-fashioned training methods. Based on own experience (for example through evaluations) and professional development training trends, customers experience that interactivity is crucial for training results in the modern world. At the same time, training participants are becoming increasingly demanding. A consequence of that is that training participants see it as a requirement that their own learning goals are processed in a professional development training. However, learning goals of training participants aren't always correctly processed in a training programme. Therefore, flexibility during the professional development training is important to adjust the training programme during the execution of the professional development training. Finally, alternate training methods are important to make professional development training courses more attractive.

An interactive training method involves, amongst other things, variation during the training. A monologue of the trainer is seen as a bad thing. A respondent explains:

"A component of a high-quality training is interactivity. Part of this interactivity is shifting between theory and practice."

Another respondent states:

"A trainer has to understand that a training isn't a monologue. There has to be interactivity. You have to make people active by letting them do, for example, by completing exercises. A training has to be fun to follow."

Besides shifting between theory and practice, there has to be alternation between sending information, active learning and a diversity of exercises. This results in a very interactive professional development training:

"Interactive training sessions are experienced as very positive by our employees."

The advantage of interactive training methods instead of a monologue is that employees are obligated to think about the training content. Furthermore, interactivity in the form of questions by training participants improves the applicability of the training in practice.

Another important component of a professional development training is flexibility. This means that a trainer is able to 1) adjust the professional development training to the needs of the training participants and 2) that a trainer is able to answer questions of training participants. This is illustrated by the following quote:

"A trainer should take the needs of training participants into account. He/she is allowed to have a personal view beforehand,

but he/she has to be flexible during a training by changing the training programme and answering questions."

Another respondent states:

"A PDTP sometimes provides us feedback about an established training programme. It could be that the training group has different needs than the content of the training programme solves. Showing flexibility by adjusting the training programme is very important in that case."

If the training programme doesn't match sufficiently with the training group, there is no or less added value. Then, the investment in the professional development training would never be optimal. Flexibility can also involve changing the training method based on an observation of the group's characteristics:

"A trainer has to keep an eye on group dynamics. He has to adjust the training to create a match between the training and the training group. A trainer has to identify, for example, if a group needs to be challenged additionally by, for example, increasing the amount of exercises."

A flexible trainer often needs more knowledge than expected beforehand:

"If a trainer has sufficient knowledge about the content of the training, then he/she can show flexibility. For us, it is important that training participants say: "I have spent my time wisely", when they leave the classroom."

Innovativeness is also seen as a quality of PDTPs:

"We observe trends in the professional development training market. For example, we see that employees don't want to be in the classroom for days. They want to learn 24/7. PDTPs should have an idea about how to apply, for example, blended learning forms."

However, it is important that the alternation of learning forms fits with the target group:

"Practical exercises, digital methods, etc. I don't believe in classroom training courses. An alternation of learning forms seems logically to me. However, these learning forms should fit with the target group. A target group can be very different. For example, a management team is very different from a team of secretaries."

Customers believe that the alternation of learning forms improves the results of professional development training courses. Furthermore, the intrinsic motivation to learn is likely to improve when a fit between learning methods and a training participant exists.

### 3.5.2.3 High-Quality Trainers

According to the respondents, the quality of trainers has a large influence on the success of a professional development training:

"The trainer is the most important component of a professional development training. A trainer has to be specialized in a specific discipline."

The most frequently mentioned aspects of a high-quality trainer are knowledge, didactic skills, passion and giving personal attention. For customers, it is important that the trainer is specialized in a specific discipline. During an intake of longer and larger training courses, the knowledge of a trainer is tested by potential training participants. However, assessing external trainers is sometimes experienced as difficult:

"We purchased a leadership training course for our managers. During the break of the actual execution of the professional development training, our managers called the learning and development department of our organization: if this trainer is still our trainer after the break, we will leave the training. This happened despite we assessed the trainer during the intake. This illustrates why it is sometimes difficult for us to assess the quality of a trainer."

Customers assume that trainers of PDTPs have up-to-date knowledge. Up-to-date knowledge of trainers is a reason why customers choose to purchase professional development training courses instead of organizing a professional development training internally:

“A trainer has to excel in expertise and convinces me if he/she provides me with new information. He/she has to be concrete rather than being vague.”

Another respondent states:

“A trainer has to challenge the training participants. Our employees are well-educated and a PDTP has to select trainers who can deal with our well-educated people.”

A high-quality trainer is able to inspire training participants. Therefore, a trainer has to show passion, enthusiasm and professionalism. The importance of enthusiasm is illustrated by the following quote:

“A bad-tempered trainer is one of the reasons why a professional development training has failed in the past.”

The importance of professionalism is illustrated by another respondent:

“Our employees trust professional trainers. Therefore, we regard professionalism as important for the success of a training.”

Passion in combination with enthusiasm is also mentioned as important:

“It is important that training participants are made active. A high-quality trainer can inspire training participants and turn them in a sort of action-mode by showing passion and enthusiasm.”

Furthermore, didactic skills are seen as an important aspect of a high-quality trainer. Sometimes, the knowledge to organize professional development training courses internally is present within an organization, but didactic skills are lacking. The importance of didactic skills is illustrated by the following quote:

“The quality of a trainer is decisive for the success of a training. He/she is responsible for the transfer of knowledge. Didactic skills are, amongst other things, very important to achieve that.”

Another respondent stated the following:

“The way a trainer communicates has to be attractive. Our employees shouldn't fall asleep during the training. Ultimately, the trainer makes or breaks the training. We assess the trainer on different criteria per training course. However, didactic skills are always important.”

Finally, a high-quality trainer has to keep an eye on individual training participants. Not every training participant needs the same level of attention. A high-quality trainer is able to differentiate effectively between training participants who need much attention and training participants who need less attention: “A trainer has to keep an eye on the individual training participants. Giving personal attention provides much added value for our employees.”

#### *3.5.2.4 Match Between the Trainer, Training, Target Group, PDTP and Customer*

During the service experience, it is very important to develop a match between the trainer, training, target group, PDTP and customer. This match consists of the following components: a match between the trainer and a customer('s employees), a match between the training and a customer('s employees), the working method of a PDTP, and the right preconditions.

First of all, a trainer has to match with a customer and its employees. An intake between a customer and a PDTP is a very suitable method to assess if a trainer matches with the ideas of a customer and its employees. This is illustrated by the following quote:

“Not every trainer understands our organizational culture. A trainer has to understand our culture and should be able to

connect with our training group. This can be assessed during an intake.”

Customers often have a clear view on how they want to provide their service. A trainer has to understand this to train employees to provide a service in a way the customer wants. A respondent states:

“We experience it as very positive when a trainer understands our practice and vision. Then, he/she is able to think along with us about how we can process our practice and vision in a training.”

The importance of a connection between a trainer and target group is illustrated by the following quote:

“It is crucial for a trainer to have a connection with our training group. Then, it is more likely that our training group believes in a specific trainer. Generally, this results in improved professional development training results.”

Furthermore, a match between the training and a customer and its employees is very important. Important aspects of a match between a professional development training and a customer and its employees are the content of a training and the learning methods. The training content has to be adjusted to the vision of a specific customer and the learning methods have to fit with the target group. The importance of an adjusted training content are: “Our organizational culture is the main characteristic of our organization. This organizational culture has to remain guaranteed in a training.”

Another respondent states:

“A training has to match with our organization. The training has to propagate what our organization wants to propagate.”

The importance of a match between the target group and the learning methods of a professional development training is illustrated by the following quote:

“Every target group requires a different approach. Therefore, the learning methods have to be adjusted to create a fit with a target group.”

Another important aspect of the match is the working method of a PDTP:

“What is the working method of a PDTP and does this working method fit with us? The PDTPs where we purchase professional development training courses from have the right working method.”

However, respondents weren't able to describe concrete characteristics of the 'right' working method. Consequently, it is difficult for PDTPs to learn from this value-in-use dimension. Answers of respondents are rather vague. Respondent use terms as 'the same systematic working method', 'a good plan behind a training course', and 'vision on what is important for learning' to describe the right working method. After asking follow-up questions, respondents were also not able to provide clear characteristics of the right working method.

Finally, the right preconditions are part of the match between the trainer, training, target group, PDTP and customer. If a training isn't organized in-company, which means not at a customer's location, a PDTP is responsible to ensure the right preconditions. These preconditions are almost always part of the evaluation that employees have to fill in after a professional development training course. The most frequently mentioned preconditions are: a quiet and inspiring location, providing cater, the organization of a training, the presentation of a training, high-quality training materials, and the pace of a training.

#### *3.5.2.5 Networking*

Networking during a professional development training can involve the following: getting in touch with employees of other

organizations and/or getting in touch with employees of the same company.

People can get in touch with employees of other organizations when the training is an open enrollment training. An open enrollment training is organized by a PDTP and anyone from any organization can sign up for this training. In this case, people who don't know each other before the training get in contact with each other:

"During a training, our employees get in touch with employees of another organization. Potentially, this is interesting, because our employees can learn from employees of other organizations." Another respondent states:

"I like it when our employees say 'I have met someone who I can contact if I have a specific problem'. Networking is definitely an advantage of professional development trainings – learning from other organizations and/or their employees."

People can also get in touch with employees of the same company. This could be interesting for several reasons. A respondent explains:

"Our company is getting bigger and bigger. We are on the edge that our employees don't know everyone within our organization by name. Professional development training courses can help us with that problem, because people who don't meet each other during daily practice can be put in a training group."

Some customers evaluate the success of a professional development training based on networking:

"A professional development training is a success for us when employees contact each other afterwards."

Sometimes, employees that know each other are put in the same training group:

"During a training people start to learn each other better and better. This supports knowledge sharing."

Finally, a customer whose employees are often at an external location have less social interaction, which makes professional development trainings interesting:

"Our employees are often work at an external location. As a consequence, there is less social interaction between employees. Therefore, we organize a joint professional development training at least once per year."

### 3.5.2.6 Practice-Oriented Training

A practice-oriented training is very valuable according to the respondents. A PDTP is more likely to organize a successful practice-oriented training when they and the deployed trainer have knowledge of a customer's daily practice and industry. For PDTPs it is an advantage to have knowledge about the daily practice of a customer's organization as is illustrated by the following quote:

"There is a large chance that we stay with PDTPs/trainers that we know, because they have knowledge of our daily practice. Through their knowledge of our daily practice, they are better able to support our employees, which gives our employees trust." The importance of PDTPs with knowledge of a customer's practice is illustrated by the following quote:

"Trainers and PDTPs must have knowledge of our organization. We work a lot with self-management teams, and this has to be taken into account during professional development training courses, because teams carry additional responsibilities. A professional development training has to be adjusted to this characteristic of our organization. Trainers/PDTPs can contradict the way we work, but this makes no sense. If they contradict the way we work, we will choose for other trainers/PDTPs."

Another respondent explains why a practice-oriented training is important for their organization:

"If our practice isn't processed in a training, our employees don't know how to apply the training in practice. In that case, the training is far less valuable."

It is important that a trainer/PDTP has knowledge about the industry of a customer. The reason why this is important is illustrated by the following quote:

"For us, it is important that a PDTP has 'feeling' with the discipline we operate in. We have a lot of experience with PDTPs. But, in our experience, trainers of PDTPs that have experience in our industry are more flexible. Furthermore, less resistance of our employees has to be overcome."

The knowledge of a trainer/PDTP about an industry is often assessed during an intake:

"During an intake, it is important for me to assess to what extent a PDTP/trainer has knowledge of our industry. They should, for example, know what the trends are at the moment. It's fascinating for me if they understand my learning question and if they provide solution for my learning question."

Demonstrating knowledge in and experience of an industry can, for example, be accomplished by showing reference cases about comparable learning questions in a specific industry.

### 3.5.2.7 Price

There is some variation in this dimension of value-in-use. The importance of price depends on the budget for learning and development, the number of PDTPs that are used, if a professional development training is tailored or standardized, and the importance of a professional development training.

A large part of the customers regard price as an important aspect. The following quote illustrates one of the reasons for that:

"We purchase a lot of training courses per PDTP. Therefore, we want price advantages – we make contractual arrangements with PDTPs about price."

Furthermore, price can be important because of the learning and development budget:

"Price is an important factor for us because of the learning and development budget. Our learning and development budget has to be spent effectively. Sometimes you want higher quality, but price prevents us from buying higher quality."

Another respondent stated something interesting about price:

"We search for training courses that fall within a certain price range. If prices are too low, we don't trust it. However, if prices are too high, we can't afford it. The price has to be an average market price."

Price becomes more important when a professional training is standardized, which is illustrated by the following quote:

"Price becomes important when the demanded performance is standardized and large differences in quality aren't expected."

However, some customers look at potential value creation instead of price:

"Looking at price can't be justified. You have to look at the potential value creation. The added value of a professional development training is important. 'Expensive' is just a relative term. Ultimately, value creation determines if an investment is worth it."

Price is less relevant when a PDTP can offer exactly what a customer demands:

"If a PDTP can offer exactly what we need, we are willing to pay a high price for that."

Price isn't important at all when the training is crucial for the customer:

"When there is a high risk on damage as a result of the quality of a training, price isn't important at all. In this case, the value of the potential damage is much higher than the differences in prices

between PDTPs. We will choose for the, in our eyes, best PDTP. No matter what the price difference is.”

Nevertheless, assessing PDTPs based on price is often regarded as difficult:

“Unfortunately, comparing professional development training offers is difficult because no professional development training is the same. We look at the content of the professional development training course, how many contact hours are involved, etc.”

### 3.5.3 Post-Encounter Stage

In the post-encounter stage, 5 dimensions of value-in-use are identified. The following dimensions of value-in-use are identified (in alphabetical order): attracting and retaining employees, a feedback conversation, improved organizational performance, putting the training into practice, and sustainable employability.

#### 3.5.3.1 Attracting and Retaining Employees

Personal development is important for people nowadays:

“Our employees experience added value if we support them in their personal development.”

Because personal development is important for people nowadays, customers use professional development trainings to attract and retain employees:

“Attracting and retaining employees is very difficult in our industry. If you don’t pay attention to an employee’s personal development, there is a bigger chance that they leave your organization earlier than you want.”

The following quote illustrates a typical example of a customer that uses professional development training courses to retain employees:

“Most of our colleagues regard personal development as very important. Personal attention increases the chance that our employees don’t leave our organization. Professional development training courses are a very important part of that personal attention.”

Retaining employees is very important for organizations in tight labor markets. This is illustrated by the following quote:

“If you show that you pay very much attention to personal development as an organization, you differentiate from your competitors. Paying attention to personal development is an excellent way to respond to the tightness in a labor market.”

Besides retaining employees, professional development training courses can also be used to attract new employees. This is illustrated by the following quote:

“The biggest challenge for us is to get new human resources. The management of our organization decided to look for those human resources in the Netherlands. Professional development training courses are not a tool to retain employees, but a tool to attract new human resources (i.e. employees).

#### 3.5.3.2 Feedback Conversation

For customers, it is important that there is contact between them, a trainer and a PDTP after the execution of the main service. A productive feedback conversation is seen as value-adding. The importance of feedback about the training group is illustrated by the following quote:

“We like it when a PDTP/trainer provides feedback about trends in the training group. The feedback can be used to improve our organization. For example, from a professional development training about aggression, we got the feedback that our employees wait too long with responding to aggression.”

Another respondent states:

“We like to receive feedback from a trainer/PDTP after a professional development training course about, for example, remarkable things and how they think about the professional

development training course. I compare the ideas of a PDTP/trainer with my own ideas. This improves my view about what is happening within our organization. Unfortunately, receiving feedback isn’t an obvious thing.”

The feedback of PDTPs and trainers supports the value creation process of customers. It is important that a PDTP/trainer acts on the feedback that is provided:

“If we notice trends in the evaluations of training participants, we discuss that with a PDTP/trainer. We expect that a PDTP/trainer shows how they have acted on our feedback.”

The mutual feedback between a trainer, PDTP and customer provides important lessons. These lessons can help to improve future performance:

“The evaluation with a trainer and PDTP adds value. All parties can learn from the lessons of the evaluation.”

Finally, a respondent stated the following interesting matters:

“What characterizes a fantastic training? If the PDTP/trainer calls each training participant within 30 days after a training to check which aspects of the training programme are put into practice. The PDTP/trainer can also learn from the feedback of training participants.”

However, it is not likely that trainers/PDTPs are going to call each training participant if the customer doesn’t pay for that, because trainers/PDTPs should make notes of each training course and individual training participants. The additional feedback moment costs extra effort and time, which reduces the margin on a specific sale for a PDTP.

#### 3.5.3.3 Improved Organizational Performance

For some customers, professional development training courses are a way to steer an organization in a certain direction based on their vision and/or strategy. Ultimately, this should lead to improved organizational performance:

“Why we deploy professional development training courses? We want to develop our organization. Where do we want our company to be in a couple of years? What do we need to achieve that? Professional development training courses are, amongst other things, needed to achieve that. Our managers stimulate employees to sign up for professional development training courses that contribute to improved organizational performance.” Some customers have the goal to improve organizational performance, but don’t stimulate employees to sign up for specific professional development training courses:

“Everyone is free to indicate which professional development training courses they want to follow. We don’t have personal development budgets. If a professional development training course ultimately results in improved organizational performance, we are happy.”

Improved organizational performance can also mean that professional development training courses are used as a means to realize change:

“Our academy wants to support learning and development by keeping in mind the goals of the organization. Professional development training courses are deployed when certain systems (i.e. the way of working) have to be changed. This is, for example, when the law changes or we observe that our employees aren’t cooperating very well.”

Some customers deploy a professional development training plan/curriculum to keep organizational goals in mind:

“We use a professional development training plan/professional development training curriculum. As an organization, we describe in the training plan/training curriculum where we want to stand within two years and how we will try to achieve that. If a professional development training doesn’t fit with the professional development training plan/professional development training curriculum, there is a little chance that an employee is allowed to follow that professional development

training. Ultimately, the organization as well as the employee should improve after a professional development training.”

The reason why improved organizational performance adds so much value for customers is simple:

“The goal behind professional development training courses is to improve our primary process, which means improving the quality of our service, because that is our core business.”

#### 3.5.3.4 *Putting the Training into Practice*

Ultimately, it is important that individual employees put the professional development training into practice:

“It is probably fun for employees to follow amazing professional development training courses. For our organization, an amazing training is important, but if an employee can’t put anything of a professional development training into practice, there is simply no added value for the organization.”

A professional development training is more likely to be put into practice by an employee when the training programme is tailored:

“We prefer a professional development training that is specifically developed for our organization. This is the case when, for example, certain company-specific applications are used. Then, the value of a professional development training improves, because there is a higher chance that our employees put the training into practice.”

Another respondent states:

“An employee should have more knowledge and skills to put into practice after following a professional development training. The goal is to change his/her behavior on the work floor.”

#### 3.5.3.5 *Sustainable Employability*

Sustainable employability of employees is regarded as an important source of value by customers:

“Our market is changing very fast. To be able to successfully complete increasingly complex projects, our employees and teams should learn. Professional development training courses are an important source to improve sustainable employability.”

Value is created by customers through being ready for the future:

“A lot of subsidies are provided for professional development training courses. Our vision supports learning within our organization. Learning by employees ensures a constant fit between the job and the employee. The question is: How do you stay ‘fit’ for the future? The word ‘sustainable employability’ matches with that. Staying employable is crucial for employees.”

Another respondent states the importance of sustainable employability for their employees and organization:

“Markets are changing faster nowadays. Therefore, employees have to learn. An employee that doesn’t learn gets behind his colleagues. This employee will probably not be interesting for our company anymore in the near future.”

#### 3.5.4 *Interaction Stage*

In the interaction stage, 6 dimensions of value-in-use are identified. The following dimensions of value-in-use are identified (in alphabetical order): flexibility of a PDTP, pleasant communication, relationship, reliability of a PDTP, unburdening the L&D/HR-department, and value co-creation mindset.

##### 3.5.4.1 *Flexibility of a PDTP*

The flexibility of a PDTP involves several things: flexibility in arrangements, flexibility in capacity and flexibility to solve problems.

Flexibility in arrangements means that a PDTP can fully attune to the needs of the customer. A PDTP should thus not stick to their own preferences and ideas:

“A PDTP needs to be flexible and think along with us. If a PDTP succeeds in that, I am inclined to purchase the next professional

development training from them, because they showed that they were able to fully attune to our organization’s needs.”

Fully attuning to the needs of the customer can, for example, involve flexibility in training dates and times. The importance of flexibility in contractual arrangements is illustrated by the following quote:

“Generally, professional development training courses can be cancelled 4 weeks before the start. We demand a 2 weeks cancellation arrangement, because employees sign up late in our company, which we know through earlier experiences.”

Furthermore, flexibility requires a PDTP to be able to change things fast:

“Decisions are made slowly in our organization through the number of organizational layers we have. Every decision has to be assessed by a high number of organizational layers. Furthermore, the organizational layers cause a lot of changes during a professional development training course. A PDTP has to show flexibility to deal with that. They should be able to deal with changing circumstances.”

In addition, flexibility can involve a PDTP that is being able to execute professional development training courses at the location of a customer:

“We prefer PDTPs who are able to execute professional development training courses at our own location. Then, we can address location-specific problems in an optimal way.”

Finally, customers experience value when a PDTP is willing to relinquish from standard procedures:

“We find it very valuable when a PDTP is willing to relinquish from standard evaluation procedures. Regularly, an evaluation finds place after a professional development training course. We want to evaluate during a professional development training course with fewer questions.”

Flexibility in capacity involves the ability of a PDTP to execute large professional development training courses and the ability to deal with, for example, illness of trainers. The ability of a PDTP to execute large and diverse professional development training courses is a reason for customers to purchase professional development training courses instead of organizing a professional development training internally.

“We need PDTPs, because our organization is small and our training needs are diverse.”

Another respondent states:

“We purchase larger professional development training courses from PDTPs, because our own capacity and expertise is insufficient.”

The capacity of a PDTP can also be important for larger customers:

“Can a PDTP, in terms of capacity, fulfil our requirements? I prefer a larger PDTP, because they have, for example, a larger network of trainers.”

Flexibility of PDTPs to deal with, for example, illness creates value for a customer. This is important for customers that release employees from the work floor to follow professional development training courses. These employees are replaced by other employees to fulfill the work duties. If the training is cancelled due to whatever reason, training participants are, ultimately, released from their work duties without a reason, which costs a lot of money for a customer:

“The capacity in terms of number of trainers has a large advantage. If a specific trainer isn’t able to provide a training, it is pleasant that another trainer can replace him/her. A PDTP needs an extensive network of trainers for that.”

Finally, the problem solving skills of a PDTP are value-adding for a customer:



“After a negative experience, we start the conversation with a PDTP about what has happened. We communicate our expectations to that PDTP again. Until now, a PDTP seldom blows a second chance. Ultimately, the PDTP improves its service and we indirectly profit from that.”

PDTPs are sometimes provided with a second chance by customers if the first experience is negative. During this second chance, a PDTP has to show that it has improved its service:

“Negative evaluations are always taken into consideration. However, we don’t say goodbye after one bad experience. We provide feedback to a PDTP. In the next training, I want to see that the PDTP has acted upon our feedback.”

After a bad experience, the PDTP and customer start a conversation about why the experience is bad. The willingness and ability to solve problems is important for customers, because they want to see service improvement. Otherwise, there is a large chance that a customer won’t do business with that specific PDTP again.

### 3.5.4.2 Pleasant Communication

Pleasant communication with a PDTP adds value for customers. The way customers experience communication is based on several aspects: response time, short communication lines, proactive personnel, gut feeling and customer friendliness.

#### 3.5.4.2.1 Response Time & Short Communication Lines

The response time of a PDTPs personnel is regarded as important by customers:

“We expect that a PDTP reacts fast on our questions. The response time is an important part of how we experience the communication of a PDTP. The goal of a PDTP should be a satisfied customer.”

Customers generally expect that PDTPs react within 24 hours on their questions. Besides the response time, it is important that there are short communication lines between a PDTP and a customer. Short communication lines mean that customers can easily approach the right employee of a PDTP. The assignment of a permanent contact person is experienced as pleasant:

“We expect short communication lines. Furthermore, a permanent contact person is preferred. A permanent contact person is pleasant to have, because if you have a question, you know who you have to call. Also, in the past, we experienced that, with a permanent contact person, our problems are solved faster.”

Short communication lines are experienced as a more personal approach by customers:

“We demand a very personal approach. A PDTP has to work like the informal way of working we value in our company.”

A permanent contact person also adds value by having knowledge about the customer’s organization:

“It is annoying when the contact person of a PDTP changes regularly. You have to become acquainted with new people again and again. It is pleasant to have a permanent contact person who knows the ‘ins and outs’ of our organization.”

#### 3.5.4.2.2 Proactivity of a PDTP’s Personnel

Proactive personnel is experienced as value-adding by customers:

“An account manager of a PDTP has to be proactive. He/she should call me after a professional development training course about our experiences, because development is a continuous process. Furthermore, it is pleasant to have contact with a PDTP once per two or three months to discuss developments and how they could play a role in these developments.”

Proactivity involves thinking along with a customer without a request:

“A PDTP should ask us: Did you take into account this perspective? We expect a PDTP to be a specialist, and that we can learn from them.”

However, proactivity is often not experienced as pleasant if there is no relationship between the customer and PDTP:

“If a PDTP detects trends in the market, we like it when they share these trends with us. They should ask us: How do you deal with those trends? What are your ideas about those trends? Can we support you in dealing with those trends? However, we don’t like it when random PDTPs do that. We expect this from PDTPs where we have developed a relationship with over time.”

#### 3.5.4.2.3 Gut Feeling

Respondents admitted that gut feeling is an important aspect that they take into account:

“The gut feeling like ‘this fits with our organization’ is important.”

The gut feeling serves as the basis for a relationship between a PDTP and customer:

“Personal contact is very important for us. There has to be a match between the PDTP and our organization. There is no rational basis for deciding what kind of PDTP matches with our organization.”

Respondents admitted that the contact person of a PDTP is important for the gut feeling:

“It is important for me that my contact person has social skills. The cooperation with the contact person has to be pleasant.”

Gut feeling can be developed by showing interest in the customer:

“The relationship between contact persons of both organizations (i.e. PDTP and customer) is very important. A relationship can be developed by asking questions such as: how were your holidays?”

Gut feeling is important, because it gives the customer trust that a specific PDTP can deliver the demanded quality.

#### 3.5.4.2.4 Customer Friendliness

The customer friendliness is important for the way customers experience communication. A PDTPs personnel has to be friendly and has to put the customer at the first place. A respondent illustrates a negative experience:

“A PDTPs telephonist rejected to notice my name for a callback request. Simplistic things like this that add value through personal attention should be very normal in my opinion. However, practice reveals that customer friendliness can’t be simply expected from every PDTP.”

Another respondent sums up examples of customer friendliness:

“Examples of customer friendliness are timely communication to training participants, lovely welcoming training participants, things like coffee, thee and water, and a nice and clean location.”

#### 3.5.4.3 Relationship

The results in this dimension of value-in-use are mixed. The results are mixed through the willingness of customers to develop relationships with PDTPs. The first category of customers prefer to purchase professional development training courses from a diversity of PDTPs without developing extensive relationships. One of the reasons behind this preference is to minimize dependency:

“We purchase training courses from multiple PDTPs, because we want to minimize dependency. PDTPs aren’t seen as strategic partners for us. Furthermore, we don’t expect PDTPs to be strategic partners for us in the future.”

Because this category of customers don’t want to develop extensive relationships, PDTPs are potentially in danger:

“We constantly evaluate the PDTPs we purchase training courses from. After a bad experience, we look further for new potentially

interesting PDTPs. There is a big chance that we choose for another PDTP after a bad experience.”

Furthermore, expanding their horizon is a motive of this category of customers to purchase training courses from multiple PDTPs: “We often purchase professional development training courses from different PDTPs. We believe that this provides us with fresh ideas over time. Diverse PDTPs can have a different view on professional development training courses, a different approach, and different way of working. This could work refreshing for our organization.”

If a customer has a very diverse training need, it is even deemed necessary to use multiple PDTPs:

“We have very diverse training needs within our organization. This makes it impossible to work with a small number of PDTPs.”

According to respondents, using multiple PDTPs allows them to find the best trainer/PDTP for each professional development training:

“We purchase from a very diverse pool of PDTPs. Our goal is to find the best trainer/PDTP per professional development training. We prefer trainers that are specialized in a specific discipline. PDTPs aren’t seen as strategic partners. Long-term relationships aren’t important. However, a certain level of trust is necessary, because a lot of money is involved with purchasing professional development training courses.”

Customers experience serious differences in delivered quality by PDTPs:

“We don’t work with a fixed pool of PDTPs. We continuously evaluate PDTPs. Where are they good at? You can’t say there are only three high-quality PDTPs for us where we purchase all our training courses. The differences in quality are large. PDTP A can be good at X, but PDTP B can be very good at Y. Unfortunately, one-stop buying isn’t possible. Each PDTP has its unique selling points.”

One of the respondents illustrates the consideration of using multiple PDTPs or not:

“The advantage of multiple PDTPs is the diversity of possibilities. However, the disadvantage are often higher prices and the communication (for example making arrangements) with multiple PDTPs.”

Another respondent illustrates their consideration to use a great diversity of PDTPs:

“Normally, you would prefer to have only one partner. You have less problems to solve, there is less paperwork to process, and contractual arrangements can be made. However, with developing knowledge, it doesn’t work like that. You should always go for the PDTP that fits best with a specific learning question, no matter if that costs more time and energy.”

The second category of customers prefers to develop a relationship with a small and fixed pool of PDTPs. One of the reasons behind this preference is to create a better match between a professional development training and training participants:

“We work with well-known PDTPs for longer periods. This allows us to improve the professional development training courses for employees and to create a better match between the professional development training and training participants. It is a PDTP’s job to select the right trainer for our organization.”

If a PDTP and customer develop a relationship, they start to learn about each other. Knowledge of a customer can, for example, involve information about a customer’s applications, culture or employees. It is assumed that a PDTP with extensive knowledge of a customer is better able to develop a tailored training course: “We use a fixed number of known PDTPs. Every training course is tailored and PDTPs with extensive knowledge about our organization are better able to develop the tailored training

course we want. We propose our learning question to this fixed group of PDTPs first.”

A relationship where a PDTP and customer learn about each other is experienced as value-adding by a customer:

“If you purchase from a fixed pool of PDTPs, you can learn from the evaluations. By doing this, you learn about the needs of employees. For example, if employees experience the training pace as too high. However, you can also learn from the strengths of a training. What do our employees regard as important?”

If a PDTP knows their customers very well, they can advise them about which training courses they should follow. Furthermore, if a customer develops knowledge about different PDTPs, they know where they should purchase a specific training or who they should ask for advice:

“In the future, it would be great if I know exactly which PDTP I have to consult for a specific question.”

To develop a relationship with a PDTP, a customer requires that a specific PDTP matches with their organization:

“We prefer to work permanently with a couple of suppliers. Suppliers in this pool work like our company, which involves, amongst other things, flexibility. The PDTP’s culture has to match with our organizational culture.”

Besides the extensive relationships with a small group of PDTPs, these customers also purchase training courses from PDTPs without developing a relationship with them. One of the respondents illustrates this:

“We want to develop relationships with some PDTPs, but not for every training course. I don’t believe that you have to develop a relationship with every PDTP you purchase training courses from.”

A reason why customers develop a relationship with a specific PDTP could be their specialism:

“For very specialized professional development training courses, we use a fixed pool of PDTPs. These preferred suppliers exactly know what our employees want. However, for more general training courses we purchase from a great diversity of PDTPs. We don’t see why we should develop relationships with PDTPs that are used only once or twice a year.”

A relationship between a PDTP and customer is more likely when a customer purchases a lot of training courses from the same PDTP:

“We develop relationships with PDTPs that are used a lot. These relationships are very intensive. For example, if you develop a summer school together, then you work together very closely. However, there is no motive to develop relationships with PDTPs that are used less.”

The advantages of a relationship with a PDTP that is used often are illustrated by the following quote:

“We develop relationships with PDTPs for categories of professional development training courses that are purchased a lot. This is often due to compliance requirements. The advantage is that both parties profit from a relationship. You are willing to improve each other’s business by, for example, giving feedback. These PDTPs are seen as strategic partners.”

To develop a relationship with a PDTP, a customer requires that a PDTP invests in them:

“The relationship with a PDTP is called a kind of partnership within our organization. It is crucial that a PDTP invests time and resources to understand our organization. They should be able to perfectly analyze our learning questions in order to provide optimal advice.”

Investing time and resources to understand a customer involves also analyzing their industry:

“It is amazing when a PDTP is aware of the trends in our industry. Based on these trends, a PDTP is able to provide better advice. Potentially, a PDTP could be a strategic partner for us in this case.”

Simply investing time and resources isn't sufficient. Ultimately, the delivered service performance is crucial for a relationship to exist:

"If you successfully purchase training courses from a certain PDTP, a kind of gut feeling starts to arise. You know what you can expect in terms of communication and quality from that PDTP after a while, which creates trust between a PDTP and our organization."

For some customers, the added-value of a relationship is reflected in the quality of their service or product:

"The value of a relationship can't be described in monetary terms. Instead of that, the value of a relationship is reflected in the quality of our business. If the quality of the training courses is high, our employees are satisfied. We experience that the quality of our professional development training courses improves when we develop a relationship with a PDTP."

#### *3.5.4.4 Reliability of a PDTP*

The reliability of a PDTP is considered as an important source of value. Accuracy and complying to the agreements are important aspects of reliability:

"I expect a PDTP to work accurately. Unpunctuality is a bad characteristic of a PDTP. PDTPs should comply to the agreements that are made. An example is an agreement about the starting time of a professional development training. If the starting time is 9:00AM, then the training has to start at 09:00AM. The trainer shouldn't be busy with distributing the training materials or something like that at that time."

An example of a loss of value through an unreliable PDTP is shown by the following quote:

"One negative experience was a trainer who logged off at the morning of the training. As a result, the training didn't take place that morning. We incurred high costs due to hiring additional personnel to cover the absence of the training participants. The PDTP didn't show any form of compassion. Until today, we haven't done any business with that PDTP again."

A PDTP that complies to the agreements is seen as an important aspect to create trust:

"It is important that trust is created between a PDTP and our organization. To create trust, a PDTP needs to comply to the agreements that are made."

Reliability also involves that a PDTP is honest about what happens during a professional development training:

"A PDTP has to be honest about the training participants. For example, our training participant shouldn't receive certificates to make us satisfied. Quality is the ultimate goal."

Another aspect of reliability is integrity:

"We share confidential information with our PDTP to improve the results of professional development training courses. A PDTP has to show integrity. Otherwise, we will say goodbye to this PDTP."

Finally, reliability involves transparency. Transparency means that a PDTP is clear about its own qualities and services:

"A PDTP has to be honest about the services being offered. We need to create a good view of the offered services: What can a specific PDTP mean for us and what can they not mean for us?"

Transparency is deemed necessary to find out if a specific PDTP is able to solve the learning question of a customer:

"We ask ourselves: Is this PDTP able to solve our learning question? The personnel of a PDTP should have a clear view if they are able to solve our learning question. The personnel of a PDTP should be honest about their ability to solve our learning question. They shouldn't say they are able to solve the learning question to increase their turnover. We need an open and honest relationship with a PDTP."

#### *3.5.4.5 Unburdening the L&D/HR Department*

Sometimes, customers prefer to purchase professional development training courses instead of organizing these courses internally, because it unburdens the L&D/HR department:

"We have a lot of knowledge in-house to organize professional development trainings internally. However, our colleagues are too busy with other matters. Fortunately, PDTPs can take control over the complete process of organizing professional development training courses."

As illustrated by the quote above, saving time by using the services of a PDTP is a source of value for customers. Another respondent states:

"The advantage of a PDTP is that we can use their expertise and that we keep time to do other things. If we want very specialized training courses, we look for the right PDTP to help us with that. A PDTP always has to unburden our employees."

An example of how a PDTP can unburden the L&D/HR department is illustrated by the following quote:

"A PDTP can control the planning of professional development training courses. Furthermore, a PDTP can execute the intake with participants of training courses to reveal their real learning needs."

#### *3.5.4.6 Value Co-Creation Mindset*

Customers regard a co-creation mindset of PDTPs as value-adding. A co-creation mindset involves a PDTP that thinks along with their customer. The focus of a PDTP shouldn't solely be on increasing turnover without taking the customer's perspective into account. This is illustrated by the following quote:

"Expertise and thinking along with us is very important. Value creation will be optimal when a PDTP offers exactly what we want. This involves thinking along with us about potentially interesting training courses, matching with the vision of our organization, informing us about trends in the market and thinking along about tailored training courses."

For a value co-creation mindset, a PDTP has to be able to put itself in the perspective of the customer:

"Everything has to be arranged in cooperation with each other. PDTPs should react on questions as if they were us. They have to think about: How can we cooperate? How can we do what our customer demands?"

A value co-creation mindset also involves learning from the past:

"We like to have a conversation with a PDTP to discuss things that went wrong. A PDTP has to explain us how they will improve next time. We want to create a development programme in cooperation with the PDTP where both parties benefit from."

Through a value co-creation mindset, a PDTP can increase customer satisfaction:

"A PDTP has to understand our vision, and present a solution that fits with our values. We are very satisfied when we can develop optimal solutions in co-creation. A PDTP that tells us 'this is our solution and you have to do it like we want' is very undesirable. We want to co-create with our partners."

A value co-creation mindset involves investing time and resources to understand the customer. A customer likes it when a PDTP shows effort and interest in their organization. Both parties should have the goal to create a win-win situation. Customers pay attention to the level of interest that a PDTP has for their organization:

"If we have a conversation with a PDTP, we check if they listen to our needs before they tell where they are good at. Often, it isn't necessary for a PDTP to tell their whole story. As a customer, I want to hear how they can help us with our learning question. It is important to listen to us to understand our business and learning question(s)."

Finally, a respondent illustrates what a value co-creation mindset means for them:

“We want to have the feeling of a cooperation instead of a commercial relationship. PDTPs should genuinely look if they can match with our needs. I prefer a PDTP that tries and shows genuine effort over a PDTP that always says that they are able to solve our learning question and fails afterwards.”

### 3.5.5 Value-In-Use Comparison Across Customers

Value is a subjective concept and the value experienced during a service experience can differ across customers (Low, 2000). Therefore, approaching each customer in the same way will thus definitely not result in optimal performance for a supplier, since customers have different service experiences and needs. In order to reach each market segment in the most effective way, suppliers should focus on the rising demand for variability (Nadler & Tushman, 1999). This chapter uses the results of the data analysis to compare customers’ value-in-use. The goal is to find out how heterogeneous customers in the professional development training market are.

Customers’ value-in-use is compared in two different ways. At first, customers’ value-in-use is compared without taking into account the different variables (for example size or industry) to detect if groups of customers with a comparable value-in-use can be identified. Secondly, customers’ value-in-use is compared according to the following variables: Industry, Number of Employees, Ratio Extern/Intern Training Courses, HR in FTE, L&D in FTE, L&D as a % of HR, and L&D as a % of Total Employees. This is done in order to analyze if relationships exist between for example Industry and customers’ value-in-use.

Comparing value-in-use across customers is important, because service providers recognize that they can increase profits by identifying groups of customers with comparable behaviour and responses (Rust, Lemon, & Zeithaml, 2004). The tables of the comparisons per value-in-use dimension are available on request. Although some patterns (for example the relation between certain industries and certificates) can be identified in certain dimensions of value-in-use, results are too mixed in general. The results might be too mixed through two specific characteristics of B2B service industries. At first, customers’ uses of services are highly heterogeneous (Steiner, Eggert, Ulaga, & Backhaus, 2016). Secondly, the willingness to pay (WTP) of customers is highly heterogeneous (Steiner et al., 2016). The customers’ uses of services may also be different through the WTP (Steiner et al., 2016). Customers that have a high WTP probably demand a different level of service than customers with a low WTP.

In conclusion, it has been found that the professional development training market is a highly heterogeneous service industry in the Netherlands. It seems that suppliers in the professional development industry that still focus on customer segments based on, for example, industry or geographical location have a wrong view of the market. Customer needs have become extremely fragmented, which prevents suppliers from being able to benefit from clear customer segments. This supports the view of Zeithaml & Bitner (2003) that customers have unique demands and experience the service in a unique way.

## 4. DISCUSSION AND CONCLUSION

Nowadays, suppliers face difficulties in obtaining competitive advantage in a highly competitive and rapidly changing environment. This research paper supports the view that suppliers can obtain competitive advantage by allowing customers to optimize value creation from their service usage. However, suppliers need to uncover what their customers value in order to be able to optimize value creation from their service usage. Analyzing customer value is important for B2B suppliers, because customers in B2B markets, and especially in the professional development training market, realize that their price-based buying decisions are no longer valid and, as a

consequence, buying decisions will be based on value creation in the future (Adkins, 2016; Docherty, 2015; Van der Hoek, 2013). In the academic world, value-in-use is increasingly used for analyzing customer value. Therefore, the aim of this research paper was to find an answer on the following main research question: “How can KIBS firms improve their value offering based on a value-in-use perspective?”

Through an extensive qualitative research, this research paper identified 23 dimensions of customers’ value-in-use in the professional development training market. Table 2 provides an overview of the identified value-in-use dimensions per stage of the customer service experience:

**Table 2. Overview of the identified value-in-use dimensions**

Pre-purchase stage	Service encounter stage
Certificates	Discovering talents and developing skills & knowledge
Professional training and advice	Flexible, alternate and interactive training methods
Range of training programmes	High-quality trainers
Reduction of information uncertainty	Match between training/trainer/target group/PDTP/customer
Tailored training programmes	Networking
	Practice-oriented training
	Price

Post-encounter stage	Interaction stage
Attracting and retaining employees	Flexibility of a PDTP
A feedback conversation	Pleasant communication
Improved organizational performance	Relationship
Putting the training into practice	Reliability of a PDTP
Sustainable employability	Unburdening the L&D/HR department
	Value co-creation mindset

After uncovering what your customers truly value, suppliers can start to optimize their service. However, simply optimizing your service to develop a “one-size-fits-all” approach that takes into account the needs of every single customer is not valid. Increasingly heterogeneous customers cause suppliers using a “one-size-fits-all” approach to fail (Goyat, 2011). Customers demand tailored offerings suited to their needs. Value-in-use has been suggested as the primary variable to differentiate between needs of customers (Hinterhuber, 2008). Therefore, this research paper has compared customers’ value-in-use. The results show that, although some patterns of value-in-use across customers can be identified, customers’ value-in-use is highly heterogeneous. This analysis confirms the research of Steiner et al. (2016), who found that the customers’ uses of services are highly heterogeneous nowadays. Furthermore, the analysis of value-in-use across customers confirms that the fragmentation of markets has become even more extreme after the 2000s.

An implication of the findings is that suppliers in the professional development industry using customer segments based on, for example, geographic areas, trade sectors, or products groups for approaching customers have a wrong view of the market. This is an important finding, because Simkin (2008) showed that

organizations in the B2B market still use no more than trade sectors or product groups as the basis for customer segmentation. Nevertheless, value-in-use certainly deepens our understanding of the professional development training market. The identified dimensions of value-in-use are very valuable for professional development training providers, because suppliers know what their customers truly value and that their needs are very diverse. A single flexible market approach is suggested for a highly heterogeneous market. A flexible market approach a partly standardized approach that is flexible enough to meet the needs of each specific customer (Anderson & Narus, 1998). A supplier's ability to manage flexible market offerings rests on its understanding of the value each component of the service creates (Anderson & Narus, 1998). Therefore, the results of the value-in-use analysis are crucial to successfully employ a flexible market approach.

An interesting finding, however, is that customers can have a different value-in-use based on the characteristics of the professional development training course and the needs of the involved employees of the customer. This is in line with the central assumption of the S-D logic that a supplier cannot deliver value, but that customers determine how much value is created by the consumption of a service based on their value-in-use. A single approach for a specific customer will thus not lead to resource optimization from the perspective of the supplier and optimal value creation from the perspective of the customer. To achieve that, a supplier has to learn how a specific customer wants the service to be provided based on the characteristics of the professional development training course and the needs of the customer's involved employees. Characteristics of a professional development training course that influence a customer's value-in-use are, for example, length, amount of money involved, and importance of the professional development training course for the customer's business.

Because value-in-use differs across customers and per professional development training course, a professional development training provider can only offer a single, flexible value proposition. The customer determines how much value is created by means of participating in the consumption process. In line with the S-D logic, the value proposition of a professional development training provider should offer the greatest potential to co-create value with customers in order to obtain competitive advantage. This research paper supports the view of Woodruff & Flint (2006) that the focus of a value proposition has to be on customer-related factors, although suppliers often have a one-sided provider perspective at the moment, as they articulate benefits predetermined by the provider. This implies that professional development training providers have to further redevelop their value proposition. Finally, a next step is required for suppliers to benefit from an optimized value proposition. This next step involves documenting, communicating, and demonstrating your optimized value proposition. Anderson et al. (2006) illustrates the importance of this step, because if a supplier optimizes their value proposition, but doesn't document, communicate and demonstrate it, customers are likely to dismiss the optimized value proposition. Customers have to be completely convinced that a supplier's offering is superior to the offerings of alternatives.

In conclusion, the empirical analysis of customers' value-in-use analysis is very valuable for suppliers to improve their value offering. The results show what customers truly value and how the value-in-use dimensions lead to actual value creation for customers. Because the value-in-use of customers is obviously highly heterogeneous, simply optimizing your service will not result in optimal performance and value creation from both the perspective of the supplier as well as the customer. A supplier has to offer a flexible service in which the customer's value-in-

use determines how the service has to be provided in order to optimize customer value creation.

## **5. RELEVANCE OF THE RESEARCH PAPER**

### **5.1 Theoretical Contribution**

The analyzed market, the professional development training market, is a business-to-business knowledge intensive business services market. The level of competition among B2B suppliers becomes increasingly intense, and as a result, value creation becomes a key factor in B2B markets to attract and retain customers (Lindgreen et al., 2009). Customers increasingly demand value-added services in a competitive environment (Rackham, 2000), which forces suppliers to seek for new ways to obtain, retain, or improve their competitive advantage (Woodruff, 1997). Delivering superior customer value has been suggested as a way to obtain sustainable competitive advantage (Ravald & Grönroos, 1996). Therefore, understanding customer value is very important for suppliers. Value-in-use is seen as the modern way to understand customer value (Grönroos, 2011). As indicated by Prahalad & Ramaswamy (2004), the customer is more and more involved in a value creation process in which value is "co-created". In this value creation process, it is crucial that suppliers understand their customers' value-in-use to optimize the potential for customers to create value. However, the literature about what customers value in the professional development training market is very limited. Furthermore, the research on value-in-use and end-user needs is still limited (Gummerus & Pihlström, 2011). This research paper adds to the literature on KIBS and value-in-use by empirically uncovering and understanding customers' value-in-use in the four stages of customer service consumption to analyze how suppliers can improve their value offering based on a value-in-use perspective. Therefore, it can be stated that this research contains a high degree of theoretical relevance.

### **5.2 Practical Relevance**

The service B2B environment is changing rapidly through, for example, globalization and digitalization. Customers can, for example, choose suppliers from an increasing supply base (Van Weele, 2010). However, at the same time, customers try to reduce the number of suppliers they work with (Van Weele, 2010). As a result, value creation became a key factor in the B2B market to attract and retain customers (Lindgreen et al., 2009). To optimize customer value creation, a supplier has to know what their customers value before, during, and after the service delivery. The view on value creation has changed more recently. The customer is now seen as a co-creator of value. Furthermore, value-in-use is increasingly used to understand customer value. Value-in-use means that value will not be gained until customers have taken part in the activities that comprise the service (Sandström et al., 2008). As a consequence, the value-in-use of a customer determines how much value is created. This implies that suppliers can't push value to the customer, but they have to develop a value proposition which leads to the highest value-in-use for customers. Unfortunately, value propositions often have a one-sided provider perspective, as they articulate benefits predetermined by the provider while customer-related factors should be key (Woodruff, & Flint, 2006). This is probably the result of suppliers not knowing their customer's value-in-use. This research paper empirically analyzed the value-in-use of customers in the professional development training market and how a supplier can improve its value offering based on a value-in-use perspective. In conclusion, it can be stated that this research paper is practically very relevant.

## **6. IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES**

### **6.1 Managerial Implications**

This section presents the managerial implications of this study. The context for this empirical study is the professional development training market, which is a knowledge intensive business services (KIBS) market. Early research showed that KIBS can differ significantly. Future research has to find out if the findings of this research paper are also relevant for other KIBS markets. Therefore, the managerial implications pertain especially to professional development training providers and potentially to other KIBS suppliers.

The empirical analysis of customers' value-in-use in the professional development training market uncovered 23 dimensions of value-in-use across the following stages of customer service consumption: 1) pre-purchase stage, 2) service encounter stage, 3) post-encounter stage, and 4) interaction stage. These value-in-use dimensions help professional development training providers to understand customers' value-in-use experience across the different stages of service consumption. Knowing your customers is crucial for professional development training providers to design the service according to the customers' needs. Optimizing potential customer value creation helps professional development training providers to actually differentiate from competitors. If professional development training providers don't exactly know what their customers value, they risk facing the service paradox. The service paradox means that professional development training providers significantly invest in extending their service whereby higher costs are incurred, but the higher returns don't exceed the costs. Because the identified dimensions of value-in-use are subdivided according to the stages of service consumption, professional development training providers can assess at which stage(s) they excel and at which stage(s) they have to optimize their service in order to suit the needs of customers. After optimizing their service, professional development training providers can use their knowledge about what their customers truly value to persuade potential and existing customers that buying from them is in their best interests. Understanding customers' value-in-use is crucial in this case, because it describes how customers actually experience value. This knowledge can be used to illustrate how potential and existing customers can create value through using the services of a professional development training provider.

Interestingly, the empirical analysis showed that customers are highly heterogeneous and their value-in-use can even differ per professional development training course. These heterogeneous customers in the professional development training market increasingly demand tailored offerings. An implication of this finding for professional development training providers is that approaching different customer segments based on, for example, geographic areas, trade sectors, or products groups is no longer valid. However, professional development training providers should also not provide a service whereby all insights in the dimensions of value-in-use are actually implemented in the service, because a fully standardized approach never leads to optimized resource spending from the perspective of the professional development training provider and an optimal service experience from the perspective of the customer due to the differences in customer needs. This research paper suggests that professional development training providers should employ a flexible market approach to suit the needs of all heterogeneous customers. A flexible market approach is a partly standardized approach to customers, which is sufficiently flexible to suit the needs of heterogeneous customers. The identified dimensions of value-in-use are crucial for employing flexible market approach,

since the success of its application depends on understanding your customers' needs. Furthermore, professional development training providers have to learn about specific customers to deal with the differences in value-in-use across customers and the variation in value-in-use per professional development training course. Then, resource spending and value co-creation can be optimized from both the perspective of the professional development training provider and customer.

As a consequence of employing a flexible market approach, professional development training providers have to develop a single flexible value proposition. This flexible value proposition should offer the greatest potential to co-create value with customers. The insights into customers' value-in-use helps professional development training provider to make customer-related factors key in determining emphasis on different factors of the value proposition. However, simply designing an excellent value proposition is not sufficient for professional development training providers. Customers should namely be completely convinced that a supplier's offering is superior to the offerings of alternatives. To convince customers, the optimized value proposition has to be documented, communicated and demonstrated. After convincing your customers, professional development training providers can actually obtain competitive advantage from optimizing the service and value proposition. Allowing customers to maximize value creation from your service is namely a source of sustainable competitive advantage.

### **6.2 Limitations**

Each research paper has its limitations. This research paper is no exception. While the findings are very valuable, a number of limitations are present. The first limitation is that not each industry is evenly represented in the empirical analysis. For example, seven organizations are from the health care industry, while only one organization from the manufacturing industry is present. Potentially, distributing the interviews more evenly across diverse industries might have resulted in new insights. However, this is not very likely, because theoretical saturation was reached during the last interviews, which were with interviewees of organizations from less well represented industries. The sample was also influenced by the willingness of organizations to conduct an interview. Not every organization wants to free up time for interviews, which makes it difficult to choose a sample of your own choice. The second limitation is that, with qualitative research, it is difficult to assess how important a certain dimension of value-in-use is for a customer. With qualitative research, findings aren't tested whether they are significant or due to chance (Atieno, 2009). Possibly, if it is mapped how important certain dimensions of value-in-use are for customers, you are better able to see value-in-use patterns across different types of organizations. Finally, a limitation is that no separation is made between different types of professional development training courses. As indicated by some respondents, they demand a different value-in-use per professional development training course. Focusing on, for example, professional development training courses where more or less than €8.000 is involved might have given different results.

### **6.3 Future Research Opportunities**

First of all, future research could generalize the results of this research paper across different contexts. For example, are certain identified dimensions of value-in-use more important for specific industries, or are the identified dimensions of value-in-use more general? Secondly, it would be interesting to see if it is possible to segment customers based on the identified dimensions of value when a quantitative research is conducted. To conduct a quantitative research, a quantitative measurement scale of the identified dimensions of value-in-use has to be developed.

Thirdly, future research may conduct the same research in another (service) industry. Are other industries as fragmented as the professional development training market, or is the fragmentation a specific characteristic of the professional development training market? Fourthly, an interesting study is to analyze professional development training providers themselves. How do they view the market? Are their value propositions ready to deal with the extremely heterogeneous customers? Fifthly, focusing on professional development training courses where more or less than €8.000 is involved might solve the limitation of customers requesting a different value-in-use per professional development training course.

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## 9. APPENDIX

### 9.1 Appendix A: Interview Format

#### Background information

- (1) Name of the interviewee
- (2) Function of the interviewee
- (3) Name of the organization
- (4) Size of the organization
- (5) Industry of the organization
- (6) Size of the HR department
- (7) Size of the L&D department
- (8) Ratio extern/intern training courses
- (9) Interview duration

#### Interview questions

- 1) Why are professional development training courses employed within your organization (i.e. the need)?
- 2) Which considerations are made when determining to train internally or externally? Why are those matters important?
- 3) How do you identify professional development training providers? Which criteria are important when identifying professional development training providers? Why are these criteria important?
- 4) What are important qualities of a professional development training provider? Why are those qualities important?

5) Could you tell me more about the experiences regarding contact with professional development training providers in the past? What is important for you with regard to contact? Why?

6) Could you tell me more about the experiences regarding professional development training courses in the past? What is important for you with regard to professional development training courses? Why?

7) Could you tell me more about the experiences regarding trainers in the past? What is important for you with regard to trainers? Why?

8) What do you expect with regard to after-sales? Why?

9) How do you evaluate a professional development training? What subjects are addressed during an evaluation? Why are these subjects important?

10) Do you use a fixed pool of professional development training providers? Why (not)?

11) Are you interested in a relationship with a professional development training provider? Why (not)? How would you describe the ideal relationship with a professional development training provider?

12) Could a professional development training provider be a strategic partner? Why (not)?

13) How would you describe value creation through professional development training courses / the services of a professional development training provider? How could value creation be improved?