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Is perceived value more than value for money in professional business services?

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ABSTRACT

It is well documented in the literature that customer perceived value plays an important role in understanding behavioral outcomes of business customers. However, most business-to-business research has focused on the functional dimension of perceived value, while consumer research has already advanced to a multidimensional value conceptualization. This study expands the concept of perceived value in the professional business services context to functional, emotional, and social perceived value. Based on signaling theory, we conceptualize and empirically support links between the three dimensions of perceived value and its antecedents (perceived corporate reputation, perceived corporate credibility, and perceived relationship quality) and outcomes (satisfaction and loyalty). The results of a survey involving 228 business clients reveal differences in links between value antecedents and the three perceived value dimensions: while perceived corporate credibility and relationship quality impact all dimensions, perceived corporate reputation impacts only perceived emotional value. Results of our study help in understanding how satisfaction and loyalty are viewed as perceived value outcomes; apart from functional value, emotional and social values play a significant role in the satisfaction and loyalty of professional business services clients.

1. Introduction

In a seminal paper on consumer perceptions of price, quality and value, Zeithaml (1988, p. 14) defined customer perceived value (CPV) as a "…*customer's overall assessment of the utility of a product based on perceptions of what is received and what is given*". CPV has captured a considerable amount of interest in business-to-business (B2B) research (Eggert & Ulaga, 2002; Lapierre, 2000; Lindgreen, Hingley, Grant, & Morgan, 2012). Research findings indicated that perceived value complements business customers' satisfaction, and plays a vital role in various behavioral outcomes (Eggert & Ulaga, 2002). However, previous studies in a B2B setting have taken an undifferentiated approach to value and have mostly focused on a functional aspect of CPV. This study argues for advancement to a multi-dimensional conceptualization of perceived value in a B2B setting. By decomposing value into three distinct dimensions – functional, emotional and social value – it is more likely possible to disentangle the effect of perceived value with regard to different kinds of outcomes. Therefore, our research questions are as follows: (1) Does multi-dimensional conceptualization of perceived value apply in a B2B setting (in terms of professional services)? (2) In what way do value antecedents determine the three CPV dimensions? (3) How are the three CPV dimensions related to satisfaction and loyalty as value outcomes?

Drawing from the theory of consumption values (Sheth, Newman, & Gross, 1991) and its operationalization in consumer research (e.g. Sweeney & Soutar, 2001), we propose and empirically test the extension of functional perceived value with emotional and social perceived value dimensions in B2B services. Previous in-depth reviews of perceived value research (e.g. Boksberger & Melsen, 2011) suggested that value is a multi-dimensional rather than a single, all-encompassing concept. This proposition is empirically validated in the business-to-consumer (B2C) setting, and recent B2B studies have shown that both emotional and social value perceptions, although neglected, play an important role in business relationships (Candi & Kahn, 2016; Prior, 2013). Consequently, business relationships could be decomposed to relationships between individuals in firms, where social and emotional value perceptions are manifested alongside functional ones. We adopt the multidimensional approach because we expect to show that value dimensions have differing impacts on attitudinal and behavioral outcomes. Although functional value is unarguably important, value

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outcomes (i.e. satisfaction, loyalty) might not depend only on functional value and adding emotional and social value can help to better understand and predict those outcomes. A multidimensional approach also assumes being able to provide more specific guidelines for managers (e.g. on which dimension of value to focus). In order to validate our proposal, we place the multidimensional CPV within the framework of intangible perceived value antecedents and value outcomes in the context of professional business services.

This study intends to make three contributions. First, we propose accounting for both the emotional and social perceived value of business clients in order to better understand the CPV determinants and outcomes. Namely, when CPV is conceptualized and operationalized as "value for money", which assumes perceptions of a trade-off between quality and the price of the provider's services (e.g. Monroe, 1990), the fact that decisions are made by humans in an organization who are not always guided by rationality is largely overlooked. We note that emotional and social value are rarely analyzed in the B2B context in general, and are seen to be "…not as relevant in an industrial or business-to-business context as they might be in a consumer purchase" (Patterson, Johnson, & Spreng, 1997, p. 424). Yet, recent studies offered preliminary evidence that emotions play an important role in explaining business clients' behavior (Candi & Kahn, 2016; Leek & Christodoulides, 2012; Lynch & de Chernatony, 2004; Prior, 2013) stating that, in terms of complex industrial solutions "…there is direct consideration of social, emotional and functional aspects of customer perceived value in terms of the influences of specific activities" (Prior, 2013, p. 1193). Similarly, Candi and Kahn (2016) extended the benefit side of perceived value in business services by adding emotional and social dimensions to the functional dimension. Our study complements this work by offering a conceptual explication of CPV and its dimensions, and empirically testing the proposed conceptual framework. We therefore extend the CPV definition provided earlier and point out that business clients make trade-offs between perceived benefits and sacrifices on functional, emotional and social bases.

Second, we relate the three CPV dimensions with intangible value antecedents supported by signaling theory (Kirmani & Rao, 2000): (1) corporate reputation, known as a signal of unobservable service quality which helps in forming value perceptions through alerting "…another firm to its intentions, commitments and motives" (Herbig & Milewicz, 1995, p. 5); (2) credibility, encompassing trust and professionalism, that is related to consistency in acting in a promised way and in being trustworthy, which further serves as a signal and risk-perception reducer (Kirmani & Rao, 2000); and (3) relationship quality, that reflects communication and information sharing, and thus may contribute to perceived value assessment by reducing the information asymmetry level (Hansen, Samuelsen, & Silseth, 2008).

Finally, we relate the three CPV dimensions with satisfaction and loyalty as value outcomes. Previous research has frequently related CPV to these two outcomes (Eggert & Ulaga, 2002; Lam, Shankar, Erramilli, & Murthy, 2004; Patterson & Spreng, 1997). However, only functional value was applied to explain satisfaction and/or loyalty. We aim to extend this explanation by adding emotional and social perceived value as determinants of satisfaction and loyalty. In this way, we aim to answer the question of whether and how the CPV dimensions affect the satisfaction and loyalty of business clients in a professional services context.

The rest of the paper is organized as follows. We first describe the study's conceptual framework, explicating and defining the CPV dimensions, and relating them theoretically to the CPV antecedents and outcomes. We then operationalize and empirically test the developed framework, taking the advertising agency–client relationship as representative of a professional business services context. Finally, the results are presented and discussed together with the theoretical/managerial implications, as well as offering recommendations for further research.

2. Conceptual framework

Although numerous studies have examined the perceived value domain and scope, there is a lack of consensus among researchers on the conceptualization of CPV which makes research findings mixed and often inconsistent. Researchers still disagree on several important issues (Lin, Sher, & Shih, 2005) such as the distinction between "value" and "values" (Lindgreen & Wynstra, 2005; Sánchez-Fernández & Iniesta-Bonillo, 2007), the definition of CPV, as well as its operationalization (a uni-dimensional or multi-dimensional construct, formative or reflective, a ratio or difference between benefits and sacrifices, a first- or second-order construct, etc.). Nevertheless, the importance of CPV has been underlined by describing it as the key for achieving sustainable competitive advantage (Ravald & Grönroos, 1996).

In this study, we argue that CPV in business services should advance from simpler value conceptualizations (Graf & Maas, 2008; Lindgreen & Wynstra, 2005) to a more complex multidimensional conceptualization (Petrick, 2002; Sánchez-Fernández & Iniesta-Bonillo, 2007; Sheth et al., 1991; Sweeney & Soutar, 2001). Understanding of perceived value has progressed in the past 20 years, enabling a better and more in-depth comprehension of the concept. This is even more the case for service-based business relationships as opposed to goods-based business relationships because the service offer assumes a high level of participation on the part of business clients' representatives and the intangibility of services (Zeithaml, Parasuraman, & Berry, 1985).

The main basis for developing the multidimensional CPV concept is the theory of consumption values. Although primarily developed for explaining consumers' behavior, it can be applied to a "full range of product types… industrial goods, and services" (Sheth et al., 1991, p. 159). We adapt the functional, emotional, and social perceived value dimensions to the business services framework, and define CPV in business markets as *the perception of the functional, emotional, and social benefits and sacrifices related to a service provider's offering as recognized by key decision-makers in the client's organization.*

Consumption values theory (Sheth et al., 1991) in its original format explains why consumers make choices and how they behave. It has already been applied to multidimensional conceptualization of perceived value in the B2C setting (Sweeney & Soutar, 2001). Recent studies extended this framework to business markets, having conceptualized benefits, as one component of value, in business services as functional, emotional and social benefits (Candi & Kahn, 2016). We make a further extension building upon benefits and defining perceived functional, emotional and social value. When it comes to the extension to emotional and social value dimensions, we build on related expectancy-value theory that stresses "…the temporal, attributional and emotional determinants of deliberative choice behaviors" (Kanfer, 1990, p. 82). Attributes assuming social approval and emotions are affecting value perceptions and ultimately shaping the purchase behavior of business clients.

The *functional value dimension* is the most commonly explored perceived value dimension in business services relationships. It assumes economic and monetary benefits and costs, and that the perception is created after a trade-off between the two is made (Anderson, Jain, & Chintagunta, 1993). Utility of choice (taken from the field of economics) and means-end theory serve as justifications for this dimension in the general theory of consumption values (McFadden, 1986; Zeithaml, 1988). Two of the most prominent components of functional value are quality and price of goods/services (Eggert & Ulaga, 2002; Lapierre, 2000; Lindgreen & Wynstra, 2005; Ravald & Grönroos, 1996; Ulaga & Eggert, 2001). We adapt Sweeney and Soutar's (2001) definition of explaining functional value as *the utility derived from perceived quality, a perceived reduction in short- and long-term costs, and the expected performance of service offers and processes for business client firms.*

Emotional value is neglected in business research with the underlying notion that organizations are rational formations that can only assess functional value elements. We disagree with this reasoning as CPV is more complex than "just mere rational assessment of utility" (Sánchez-Fernández & Iniesta-Bonillo, 2007, p. 429). Conceptual explanation of emotional value in the theory of consumption values is substantiated in motivation theory (Kanfer, 1990). Research has demonstrated differences in cognitive and non-cognitive, conscious and non-conscious motives, as well as in verbal and non-verbal processing that drive choices and behavior (Sheth et al., 1991). Andersen and Kumar (2006, p. 526) described the emotional reaction at the managerial level in the following way: "the emotional dynamics that get instigated at this level, no matter how rare, are of crucial significance because the decision-makers at this level can crucially decide as to whether to continue or discontinue the relationship." We see emotional value as a basis for provoking such emotional reactions. Further support for adding the emotional value as a perceived value dimension lies in the B2B branding literature (Leek & Christodoulides, 2012; Lynch & de Chernatony, 2004). Leek and Christodoulides (2012, p. 108) have stated that "…brand value encompasses not only delivering the functional qualities but also delivering emotional qualities which help the buyer in the decision making process". In his recent qualitative study, Prior (2013) established the grounds for examining both emotional and social value in the context of complex industrial solutions. When talking about business services, purchase units are run and operated by people, and selected service providers need to work with people from client firms. In the context of professional services, people are the key element on both sides. On the side of the provider, they are the key "ingredient" of the services provided. On the side of the client, without expressing needs and conceptions, and without close cooperation with people, the provider will hardly understand the client's expectations. We therefore postulate that, even if a formal procedure for the selection of a certain business service provider exists, the emotional value perception of the service provided is still present (both during and after the service process). We adapt Sweeney and Soutar's (2001) emotional value definition, describing it as *the utility derived from the feelings or affective states that the service offers and the process generated for the decision-makers/buying-center participants of the business client firm*.

The third dimension we conceptualize in our framework is *social value*. Social value is explained through social self-concept in the theory of consumption values. It has already been researched in the business relationship context, mostly pertaining to the social bonds between a provider and a client (e.g. Candi & Kahn, 2016; Liu, 2006; Prior, 2013). The assessment of the social value of a provider's services may differ in terms of its relevance to either the client's products/services or the client's firm. In terms of professional business services, a client's product/service may be socially perceived in a certain way due to the fact that a specific service provider is engaged (e.g. if a certain advertising agency is known in the market for a highly-rated video production, a client's products/services can be more highly valued if they are using that agency's services in the new ad campaign). Yet, professional business services may also have a social value in terms of business references for the client's firm in general, so that a firm is valued more highly (e.g. working with a specific provider may boost the credibility of the client itself). We adapt Sweeney and Soutar's (2001) definition of social value, postulating it as *the utility derived from the acceptance, positive impression and social approval of the business client firm and its products/services that the service offer and process generated.* Social approval encompasses the approval of different stakeholders (e.g. owners, clients, industry partners).

CPV is placed in the conceptual framework that positions its three dimensions separately in a nomological network of value antecedents and outcomes (see Fig. 1). The following sections present the arguments and theoretical grounds for the hypotheses in the conceptual framework.

2.1. Perceived value and its antecedents

Professional business services are usually described in terms of knowledge intensity, low capital intensity and a professionalized workforce (von Nordenflycht, 2010). The nature of service activity in all professional services is hence highly intangible, in that it depends on the knowledge of the workforce. In terms of the degree of contact, they range from moderate to high levels of contact, with a high level of customization and concern for individual client-firm needs. The professional service literature deals with clients finding it difficult to assess the skill levels of a service provider (Mikolon, Kolberg, Haumann, & Wieseke, 2015). Therefore, due to the intangible and complex nature of professional business services, business clients often use signals such as corporate reputation or communication when they assess a provider's characteristics. This mechanism is explained by the theory of signaling unobservable characteristics (Erdem & Swait, 1998; Kirmani & Rao, 2000). We use signaling theory to develop the links between the multidimensional CPV and its antecedents.

Corporate marketing framework (Balmer, 2009, 2011), an umbrella term for a set of corporate marketing activities directed towards internal and external stakeholders encompasses: corporate reputation, corporate identity, corporate communications, corporate image, and corporate brand (Gray & Balmer, 1998). By applying the framework to professional business services, corporate reputation, credibility, and relationship quality are selected as intangible antecedents of CPV, that all refer to the visible side of the corporate marketing framework which can be evaluated by external stakeholders (i.e. business clients). Previous research has also used similar determinants of perceived value (e.g. Cretu & Brodie, 2007; Hansen et al., 2008).

Most of the researchers agree that corporate reputation is "…a relatively stable, issue specific aggregate perceptual representation of a company's past actions and future prospects compared against some standard" (Walker, 2010, p. 370). Corporate reputation as a signal (Kirmani & Rao, 2000; Spence, 1973, 2002) decreases purchase risk and thus perceived sacrifices (Helm & Salminen, 2010; Sheehan & Stabell, 2010) and, when the relationship between a provider and client is already established, increases confidence and respect for the provider firm (Keh & Xie, 2009), thereby enhancing the perceived benefits. If corporate reputation is high, clients do not need to spend additional resources on supervising the relationship (Hansen et al., 2008), which lowers the perceived sacrifices and therefore increases the perceived value trade-off. We can say that, through the mechanism of signaling theory, the provider's corporate reputation is directly related to benefits and, at the same time, inversely related to sacrifices in the client's value perception. This postulation is the same for all three value dimensions – functional, emotional, and social value.

For functional value perception, corporate reputation signals the level of quality of the provider's service. As price is often used as a signal of quality (Dawar & Parker, 1994), even high prices will not be perceived as a large sacrifice if a reputable provider is involved, because reputation entitles a guarantee of quality. For the emotional value, the provider's actions in increasing the corporate reputation (and, along these lines, showing that it is a good employer, a good company to work for, stable as well as responsible) will contribute to the positive emotional perceptions of business clients. A clear connection with social value is also evident since business clients perceive more reputable companies as the ones which offer higher social benefits. Therefore, we hypothesize:

H1. *The perceived corporate reputation of the provider is positively related to the client's perceived (a) functional value, (b) emotional value, and (c) social value.*

A concept closely related to the concept of corporate reputation is *perceived corporate credibility*. It is still debatable whether or not past credibility leads to present reputation (Herbig & Milewicz, 1995) and whether present credibility helps shape future reputation. In this study, we observe both credibility and reputation at the same point of time and separate them with conscientious conceptualization and operationalization. Newell and Goldsmith (2001, p. 235) define perceived

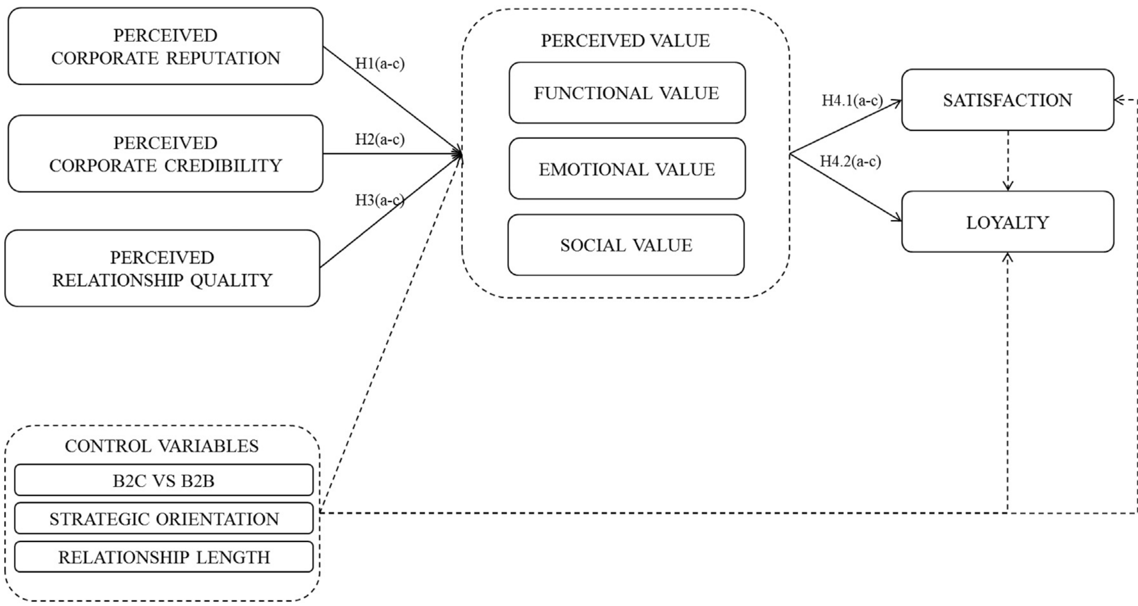

Fig. 1. Conceptual framework.

corporate credibility as: "… *the extent to which consumers feel that the firm has the knowledge or ability to fulfill its claims and whether the firm can be trusted to tell the truth or not*". Perceived corporate credibility is conceptualized through two dimensions: (1) trustworthiness; and (2) expertise. Both trustworthiness and expertise cues have been shown to be important for perceived value and for business service relationships (Barrutia & Gilsanz, 2012; Duhan & Sandvik, 2009; LaBahn & Kohli, 1997). A recent qualitative study assessed possible value drivers in cross-industry settings and credibility was found to be a relevant value determinant for B2B clients (Arslanagic-Kalajdzic & Zabkar, 2015).

By being more credible (both knowledgeable and trustworthy), a provider is able to send a positive signal to the client. A communicated proof of expertise could be regarded as a warranty of quality by clients, and it might increase the functional value perspective. If the provider's credibility is low (e.g. in the case when a provider is selected on the basis of the procurement procedure with the lowest price as the only criterion, credibility is often questionable) this can definitely cause more frustration and stress for the client firm and hence a low emotional value perspective is evident. Regarding perceived social value, the credibility of the provider, and in particular in terms of trustworthiness, represents an important signal, as it can serve for recommendation purposes with business partners. The second hypothesis is formulated as follows:

H2. *The perceived corporate credibility of the provider is positively related to the client's perceived (a) functional value, (b) emotional value, and (c) social value.*

Finally, the relationship quality concept "…consists of the assessment of various episodes within an association… reflecting the overall strength of the relationship" (Lages, Lages, & Lages, 2005, p. 1041). We focus on three different dimensions of relationship quality: information sharing, communication quality, and long-term relationship orientation all of which are important for perceived value and value outcomes (Tarasi, Bolton, Gustafsson, & Walker, 2013).

If a service provider is open to its clients and offers all the important information necessary for the service process, this increases the clients' perceived benefits (Tai & Ho, 2010) and reduces uncertainty. It is also known that business markets operate under conditions of lots of hidden information and information asymmetry, even after the selection of the provider is made (Fayezi, O'Loughlin, & Zutshi, 2012). Information sharing results in a "…reduction of information asymmetry and performance ambiguity" (Hansen et al., 2008, p. 208). However, the set of information that the selected provider is required to share is usually defined in the mutual agreement, and extended information shapes relationship quality perceptions and impacts on value perception.

Frequent and relevant information sharing is a signal of commitment to the relationship that may further decrease the costs clients would incur if they wish to collect such information on their own (Lee, So, & Tang, 2000). Communication quality and long-term relationship orientation are seen as positive signals that help create higher quality perceptions. That is, they increase functional benefits. Furthermore, better communication quality and orientation in the long-term help to reduce insecurity, instability, and potential frustration with the provider, which causes a decrease in the client's emotional and social sacrifices. Contacts & communication among client and service providers may relate to positive emotional/social benefits from personal relationships and positively impact value perceptions. Hence, postulations are provided in the same direction with regard to functional, emotional, and social value. Therefore, our third hypothesis is as follows:

H3. *Perceived relationship quality with the provider is positively related to the client's perceived (a) functional value, (b) emotional value, and (c) social value.*

2.2. Perceived value outcomes

Many researchers have analyzed and discussed links between value and value outcomes. Well-documented links exist between CPV and satisfaction (Chi, Yeh, & Jang, 2008; Eggert & Ulaga, 2002; Kuo, Wu, & Deng, 2009; McDougall & Levesque, 2000), and CPV and loyalty (Gallarza & Saura, 2006; Lam et al., 2004; Yang & Peterson, 2004). However, previous B2B services research only used the perceived functional value when explaining satisfaction and loyalty. In this study, we delineate two new sets of pathways – emotional and social perceived value – and thus provide a differentiated approach to the assessment of perceived value effects. Such an approach offers better possibilities for understanding the causes of value outcomes, and enables us to test whether or not the different value dimensions influence the selected value outcomes in varying ways.

Following Eggert and Ulaga (2002, p. 109), we define business client's satisfaction with the service provider as "… an affective state of mind resulting from the appraisal of all relevant aspects of business relationship". Loyalty is defined as "…a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1999, p. 34).

If CPV, as determined by the previously outlined antecedents, is in focus as the final output of the process, it works towards explaining satisfaction and loyalty (Briggs & Grisaffe, 2009; Eggert & Ulaga, 2002). We argue that functional, emotional, and social perceived value behave in the same direction in terms of the outcomes, and outline a set of hypotheses that link the perceived value dimensions and client satisfaction as well as client loyalty. Accordingly, if the functional, emotional, and social perceived values are increased, client satisfaction is also increased. Furthermore, if the functional, emotional and social value dimensions are increased, loyalty is also increased. Therefore, we hypothesize:

H4.1. *The client's perceived (a) functional value, (b) emotional value, and (c) social value is positively related to the satisfaction with providers of professional business services.*

H4.2. *The client's perceived (a) functional value, (b) emotional value, and (c) social value is positively related to the loyalty to providers of professional business services.*

Finally, consistent with earlier research that confirmed a strong positive link between satisfaction and loyalty (Lam et al., 2004; Lee, Lee, & Feick, 2001; Rauyruen & Miller, 2007), we add this link to our conceptual framework, but do not hypothesize it.

3. Methodology

In line with the outlined conceptual framework, a questionnaire for use in a quantitative survey was developed. We selected relationships between advertising agencies and their clients as representative professional business service relationships. We followed a key informant approach (Eggers, Kraus, & Covin, 2014; Kumar, Stern, & Anderson, 1993) and contacted CEOs and marketing managers as key decision-makers who have access to all the necessary information. In order to assure the variance in relationships included in the sample, informants in firms were asked to assess the current or the most recent advertising agency their company had cooperated with.

All measures were adapted from the existing literature: client-based corporate reputation was operationalized reflecting: (1) customer orientation; (2) a good employer; (3) a reliable and financially strong firm; (4) service quality; and (5) socially and environmentally responsible (Walsh & Beatty, 2007; Walsh, Beatty, & Shiu, 2009). In addition, perceived corporate credibility (Newell & Goldsmith, 2001) encompasses (1) trustworthiness and (2) expertise, while relationship quality (RELQUAL) is reflected through: (1) information sharing; (2) communication quality; and (3) long-term relationship orientation (Lages et al., 2005).

A detailed review of research on CPV in terms of business relationships resulted in the following components: functional value – quality (Park, Lee, Lee, & Truex, 2012), functional value – price, emotional value, and social value separated into the social value perception of the firm and the social value perception of the firm's goods and services, all adapted from Sweeney and Soutar (2001). For operationalizing the value outcomes we used the following scales: client satisfaction (Eggert & Ulaga, 2002; Maxham & Netemeyer, 2002) and client loyalty (Arnold & Reynolds, 2003; Dagger & O'Brien, 2010).

We included three control variables to test the robustness of the model. Length of the relationship between the client and its service provider (an advertising agency), is included to test are there differences in outcomes that are due to the relationship duration. Relationship length was assessed in absolute figures – rounded off to the closest whole number (e.g. < 6 months is equal to 0 years). The type of business activity of clients is included to assess if clients' primary activity has a role to play in terms of the outcomes in our model. Clients were asked to distribute the percentage of their total activity to business (B2B) and consumer (B2C) markets. Finally, the strategic orientation of a client firm is included as a control, to assess whether a focus on long- vs. short-term emphasis when achieving results makes a difference to client's satisfaction and loyalty. Strategic orientation was measured on a scale from 1 to 10, where 1 is a short-term and 10 is a long-term orientation (Verhoef & Leeflang, 2009).

The questionnaire was prepared in the local language and back translated (Brislin, 1970; Douglas & Craig, 1983). Prior to launching the survey and in order to assure the face and content validity of the questionnaire, its substance and understanding were assessed in detail by three academics and two practicing managers. Moreover, we ran a pilot survey with 20 respondents and completed a preliminary analysis. Subsequently, the survey was conducted among companies from a Central European country. A total of 4591 e-mails, with addresses drawn from the general database of businesses, were sent and, after three reminders, 927 companies were reached. Due to the policy of personal data protection, most e-mails were sent to the general (info) e-mail addresses of the companies, and the reach was therefore lower than it would have been with direct access to respondents. Out of the 927 companies that were reached, 20% were not using any advertising agency services. As a result, 228 usable questionnaires were returned in time for the analysis (a 31% response rate). Anonymity was guaranteed to all respondents, which is a tool that minimizes potential bias related to confidentiality issues according to Hair, Black, Babin, and Anderson (2010). We used the time trend extrapolation test suggested by Armstrong and Overton (1977) to test for non-response bias. No significant differences were identified, suggesting that non-response bias is not likely to be a problem.

Information about the structure of the sample and firmographics is presented in Table 1. The majority of client firms (118 out of 228) listed the name of the advertising agency they were working with. The average length of their relationship was 3 years (the range was less than a year to 20 years) and the average spend with the selected agency was 32% of the total marketing budget. Almost half the respondents (46%) were directors of the firms (CEOs, general managers), followed by heads of the marketing department and members of the marketing department.

4. Results

Covariance-based structural equation modeling (SEM) in LISREL

Table 1
Firmographic information about the sample.

Business activity	%	Size	%
Manufacturing	20.53	Micro (up to 10 employees)	21.77
Trade	16.56	Small (10–49 employees)	30.61
Services	39.73	Medium (50–249 employees)	31.29
Mixed	23.18	Large (250 + employees)	16.33

Legal status		Type of ownership	
Joint stock	24.22	Only (or > 50% of) domestic capital	67.15
Limited liability	68.75	Only (or > 50% of) foreign capital	24.82
Other	7.03	Mixed (domestic and foreign) capital	8.03

B2C vs. B2B markets		Ownership structure	
100% B2C	10.09	Only (or > 50%) governmental ownership	8.51
> 50% B2C	41.28	Mixed (governmental and private) ownership	3.55
Up to 50% B2C	27.52	Only (or > 50%) private ownership	87.94
100% B2B	21.11		

Table 2
Discriminant validity.

#	Construct	CR	1	2	3	4	5	6	7	8
1	Functional value	0.88	**0.80**	0.39	0.35	0.34	0.34	0.26	0.49	0.33
2	Emotional value	0.89	0.62[a]	**0.72**	0.37	0.37	0.38	0.25	0.47	0.36
3	Social value	0.92	0.59[a]	0.61[a]	**0.88**	0.33	0.34	0.24	0.45	0.30
4	Corporate reputation	0.95	0.58[a]	0.61[a]	0.57[a]	**0.83**	0.39	0.34	0.40	0.32
5	Corporate credibility	0.93	0.59[a]	0.62[a]	0.59[a]	0.62[a]	**0.87**	0.26	0.47	0.35
6	Relationship quality	0.83	0.51[a]	0.50[a]	0.49[a]	0.58[a]	0.51[a]	**0.62**	0.35	0.30
7	Satisfaction	0.98	0.70[a]	0.69[a]	0.67[a]	0.64[a]	0.69[a]	0.59[a]	**0.93**	0.44
8	Loyalty	0.93	0.57[a]	0.60[a]	0.55[a]	0.56[a]	0.59[a]	0.55[a]	0.67[a]	**0.82**

Note: CR = composite reliability; Average variance extracted are shown at the diagonal in bold; Correlations are shown below the diagonal; Squared correlations are shown above the diagonal.
[a] $p < 0.01$.

8.71 was used to test the hypothesized model following a two-step approach (Anderson & Gerbing, 1988). First, a confirmatory factor analysis (CFA) was used to test the measurement model. We conducted this analysis at the item level, separately for perceived value and all antecedents, and jointly for the value outcomes. We then assessed the validity and reliability of the measurement model (see Appendix A). All constructs demonstrate high composite reliabilities and AVEs. The model's convergent validity was supported, as all *t*-test values of the indicator loadings in the measurement model were statistically significant. Discriminant validity of all constructs was achieved (see Table 2) as the AVE for each construct exceeded the square of the correlation estimates between pairs of constructs (Fornell & Larcker, 1981; Hair et al., 2010). The data were also tested for common method bias. When conducting the survey, we made an effort to control for common method bias by protecting the respondents' anonymity and assuring them about it, thereby reducing evaluation apprehension. We also carefully planned the questionnaire design, introduced different visual question types and various answer modes. Statistically, we tested the presence of common method bias using a marker variable test (Lindell & Whitney, 2001). The marker variable was unrelated to the other items and factors, namely: "How important do you consider the personal (achievement, energy, tolerance, etc.) competencies of the manager for presenting the impact of marketing activities on the firm's result?" We correlated this variable with the constructs of interest. All resulting correlations were not significant and were lower than 0.1 (as shown in Appendix B) which suggest that common method bias is not likely to be the problem.

Before proceeding to assess the structural model, we aggregated (based on average value) first-order items of the latent variables in order to improve the model's parsimony (Baumgartner & Homburg, 1996; Hair et al., 2010). Hypotheses tests are presented in Table 3. The overall fit of the model (df = 109, $\chi^2 = 379.05$; $\chi^2/df = 3.47$, RMSEA = 0.10, NNFI = 0.97, CFI = 0.98, GFI = 0.83, SRMR = 0.04) is acceptable. When it comes to value antecedents, only corporate credibility positively and significantly influences all dimensions of perceived value, functional, emotional and social value (H2a–H2c). For corporate reputation, the only significant effect is on emotional value (H1a–H1c). On the other hand, relationship quality does not have a significant effect on emotional value; however, it does significantly impact both functional and social values (H3a and H3c).

For value outcomes, functional and social values positively and significantly influence satisfaction, and satisfaction, in turn, influences loyalty. Emotional value does not influence satisfaction but, in turn, directly and positively influences loyalty. This reveals varying effects of the value dimensions on different value outcomes.

We further proceeded to test if satisfaction mediates the effect of functional and social perceived value on loyalty. A mediation test was conducted in line with the Preacher and Hayes (2004) procedure using the PROCESS SPSS script, separately for functional value and separately for social value effect. Results confirm that satisfaction fully mediates

Table 3
Hypotheses test and fit indices.

Path	St. coefficient	R^2	Hypothesis/result
Corporate reputation → functional value	0.11[ns]	0.82	H1a/not significant
Corporate credibility → functional value	0.60[a]		H2a/supported
Relationship quality → functional value	0.57[a]		H3a/supported
Corporate reputation → emotional value	0.33[a]	0.86	H1b/supported
Corporate credibility → emotional value	0.56[a]		H2b/supported
Relationship quality → emotional value	0.28[ns]		H3b/not significant
Corporate reputation → social value	0.20[ns]	0.78	H1c/not significant
Corporate credibility → social value	0.59[a]		H2c/supported
Relationship quality → social value	0.40[b]		H3c/supported
Functional value → satisfaction	0.70[a]	0.93	H4.1a/supported
Emotional value → satisfaction	0.25[ns]		H4.1b/not significant
Social value → satisfaction	0.24[a]		H4.1c/supported
Functional value → loyalty	− 0.41[ns]	0.49	H4.2a/not significant
Emotional value → loyalty	0.69[b]		H4.2b/supported
Social value → loyalty	− 0.15[ns]		H4.2c/not significant
Satisfaction → loyalty	0.74[a]		
Controls: Functional value			
B2C vs. B2B	− 0.29[ns]		
Strategic orientation	− 0.25[ns]		
Relationship length	− 0.26[ns]		
Controls: Emotional value			
B2C vs. B2B	− 0.06[ns]		
Strategic orientation	0.26[ns]		
Relationship length	0.53[a]		
Controls: Social value			
B2C vs. B2B	− 0.55[a]		
Strategic orientation	0.28[ns]		
Relationship length	0.14[ns]		
Controls: Satisfaction			
B2C vs. B2B	− 0.09[ns]		
Strategic orientation	0.10[ns]		
Relationship length	0.01[ns]		
Controls: Loyalty			
B2C vs. B2B	− 0.10[ns]		
Strategic orientation	− 0.13[ns]		
Relationship length	0.48[ns]		

Model fit: df = 109, $\chi^2 = 379.05$, $\chi^2/df = 3.47$; RMSEA = 0.10; NNFI = 0.97; CFI = 0.98; GFI = 0.83; SRMR = 0.04.
[a] $p < 0.01$.
[b] $p < 0.05$.
[ns] Not significant.

the effect of the functional value on loyalty (β = 0.79, S.E. = 0.09, CI (0.61, 0.98)) as well as the effect of social value on loyalty (β = 0.79, S.E. = 0.08, CI (0.65, 0.94)), as presented in the Table C.1 (see Appendix C).

For the control variables, relationship length positively and significantly influences the perceived emotional value (β = 0.53***), which suggests that the longer the relationship between a service provider and a client, the higher the emotional value and tie with that service provider. The social value perception is higher for firms that are particularly active in B2B markets (β = − 0.55***). Since the social value displays the importance of the relationship with the provider to "others" and focuses on social approval, it is expected that the relationship with a specific service provider will bring more benefits/references for clients operating in business markets compared to clients operating in consumer markets.

5. Discussion and implications

Providing valuable services to clients is core for every service offer (Chandler & Lusch, 2015) and a serious challenge for professional business services firms. This study attempts to ease this challenge by making a theoretical and managerial contributions through conceptualizing CPV in business services in terms of functional, emotional and social perceived value. The empirical results confirm our propositions and add to the body of knowledge on perceived value in business services. Primarily, we see that the theory of consumption values can be applied with modifications to business markets. Apart from utility theory, motivation theory can be applied to business clients' value perceptions. Such an application opens a new stream of research that helps in understanding the creation of value perceptions in business services.

5.1. Theoretical implications

The main contribution of this paper is in extending the perceived value dimensionality and demonstrating that three dimensions relate differently with their antecedents and outcomes. A strong link between perceived functional value and satisfaction was shown in previous research (Eggert & Ulaga, 2002) and our study confirms this finding. However, we also show that satisfaction is further explained by perceived social value.

Emotional value does not have a direct effect on satisfaction, but it directly influences loyalty. On the one hand, this finding can be interpreted through the view that emotional value has a particular role for loyalty, which is defined as deeply held long-term commitment (Oliver, 1999), and that for that reason, emotional value serves as an argument for continuance or termination of a relationship with a provider (Andersen & Kumar, 2006). On the other hand, functional and social values primarily elicit satisfaction as an immediate outcome, and influence loyalty only indirectly. These findings help disentangle the effect of value dimensions and encourage further development of the conceptualization of relationships between perceived value dimensions, satisfaction and loyalty.

When it comes to value antecedents, corporate credibility is the strongest predictor for all three CPV dimensions, followed by relationship quality. This shows that corporate credibility is a signal and cue that has the power to influence all value dimensions. Relationship quality positively impacts functional and social value, while it has no effect on emotional value. Thus, information sharing, communication quality and long-term relationship orientation may send positive signals to clients and increase perceived functional and social benefits. Relationship quality helps in reducing insecurity related to the provider, which means a decrease in clients' sacrifices related to the service provider's offering.

Finally, consideration of corporate reputation is important only for perceived emotional value, that is, benefits/sacrifices based on feelings and affective states. This finding suggests that good reputational signals are able to increase the perception of joy (and other emotional value benefits) in working with the particular provider and/or decrease the perceived stress, as well as related emotional value sacrifices. It is however interesting that corporate reputation does not seem to signal the level of quality (functional value) of the provider's service. Surprisingly, nor does it play a significant role with regard to perceived social value, since better corporate reputation would be expected to imply higher social approval. One possible explanation for this finding is that, in the presence of multiple cues, reputation is not the dominant one anymore. Accounting for multiple cues and multiple value dimensions seems to enable us paint an interesting picture about the role of different signals for perceived value.

5.2. Managerial implications

In relation to implications for managers, the majority of the hypothesized relationships that are confirmed in our framework show that service providers cannot solely rely on functional value, and that developing a positive emotional and social value notions should also be considered. By building and sustaining a good corporate reputation, making investments to improve credibility and by ensuring high relationship quality, service providers could improve different facets of perceived value and through them positively impact their clients' attitudinal and behavioral outcomes.

The results show that the main focus in terms of building credibility should be on increasing the expertise and trustworthiness of front-line employees, e.g. key accounts managers. By being credible or, in other words, by showing expertise and trustworthiness, service providers may appreciably improve all facets of perceived value. This results sends a clear message to professional service providers to invest in credibility for the strongest impact on CPV dimensions.

The relationship quality concept presented in our research is all about different ways of communication such as information sharing and communication quality. Our findings show that relationship quality has a strong effect on functional and social value, but is not significant for emotional value. This means that communication quality and information sharing, as well as the overall long-term approach towards the relationship, should be in the focus of professional service firms if they want to increase the perceived utility of their services. This is also since value perceptions begin to form while clients are experiencing the service (Chandler & Lusch, 2015), when relationship quality should be assessed as well as related to perceived benefits and sacrifices.

Unexpectedly, the effect of corporate reputation is only significant for the emotional value dimension. High corporate reputation might increase the initial expectations of the buyer, and hence raise the bar when it comes to value perceptions. This makes it harder for the provider to meet or exceed the client's expectations, in particular when it comes to the functional value benefits that are expected. Nevertheless, the importance of corporate reputation should not be underestimated since it has important internal and external repercussions for every firm (e.g. it has an important role in branding efforts of the firm, as well as the role for other stakeholders).

The antecedents in our model explain high amount of variance in functional (82%), emotional (86%) and social (77%) value, making it worthwhile for professional service firms to work on their reputation, credibility, and relationship quality with business clients. We believe these findings can offer important guidelines and a "toolbox" for professional service firms in their efforts to attract and keep their clients. Namely, managers should be concerned about the three different types of value perception with their business clients, all three relevant for attitudinal and behavioral outcomes. Value antecedents are the tools in the hands of professional services managers, and they should use them in line with what they observe is needed with their clients (e.g. if their clients' satisfaction is high, but they do not stay loyal, it might be due to the lack of perceived emotional value that needs to be taken into consideration). However, the search for the optimal combination of marketing efforts in terms of value antecedents, and work on their effect should continue.

The results of this study could be generalizable at the level of professional services. Hence, replications across different professional services industries (e.g. IT services, consultancy services, accounting services, banking and insurance services) should yield consistent results. When it comes to other industries, especially if we talk about manufacturing industries or supply chain relationships, we are of the opinion that the main elements of the framework could be transferred to this context. However, the model should be adjusted, in particular in relation to the level of knowledge/expertise the provider needs to offer, the length of the purchase phase, the general intensity of the relationship with the provider and the role of the decision-making unit in more complex purchase situations.

5.3. Limitations of the study

Results of our study should only be viewed accounting for its limitations. One of the limitations of this study is that it does not encompass a whole decision-making unit of the client firm. Instead, it is focused on the key decision maker in each firm. Furthermore, we use a cross-sectional study design and that limits the ability to make causal inferences. These limitations can be addressed by future studies.

6. Conclusions and future research directions

This paper investigates a multidimensional nature of client's perceived value (CPV) in professional business services and identifies three CPV dimensions: functional, emotional and social value, both conceptually and empirically. We relate CPV dimensions to signaling-based value antecedents (corporate reputation, corporate credibility, and relationship quality), and to satisfaction and loyalty as value outcomes. Study shows that perceived corporate credibility and relationship quality impact all CPV dimensions. Perceived corporate reputation impacts only perceived emotional value. Furthermore, business customers' satisfaction is explained by functional and social value, and satisfaction mediates their effect on loyalty. Emotional value however impacts loyalty directly.

In this study, we focused on satisfaction and loyalty as consumer outcomes. However, consumer outcomes such as word-of-mouth and repurchase intentions should also be included in the analysis. These constructs could be included, together with (or separately from) satisfaction and loyalty in order to better understand different attitudinal and behavioral outcomes. In particular, we find it interesting that emotional value seems not to behave in the same manner as functional and social value, in terms of its direct link with loyalty and insignificant link with satisfaction. This finding should be further examined and discussed in future research.

In terms of CPV and its antecedents, complementarity of value cocreation (Aarikka-Stenroos & Jaakkola, 2012; Vargo, Maglio, & Akaka, 2008) and relationship value (e.g. Ulaga & Eggert, 2006) concepts could be examined. In light of value signals, precise role of corporate reputation should be established since our findings contrasts some previous studies (e.g. Hansen et al., 2008). Furthermore, potential boundary conditions (interactions) between value antecedents and dimensions of value could be further explored in a relative sense for the three dimensions. It could be argued that different boundary conditions interact with an effect of antecedents on different value dimensions, such as environmental aspects (e.g. level of involvement) or provider/customer specific concepts (e.g. level of customer knowledge/confidence in service provided).

In order to get richer insights into the perceived value dimensionality, further empirical studies might include the whole buying center, as this would enable the apprehension of how perceived value varies across the unit. Such study might utilize a multilevel approach, grouping members of the decision-making unit within the firm. Further research could also include a longitudinal study design, measuring antecedents, CPV and outcomes at different points in time. For example, a longitudinal/experimental study design would allow establishing the order between value antecedents (i.e. assessing whether or not credibility mediates the effect of reputation on value). Detailed examination of the relationships between the anteceding constructs and assessing whether there is a structure behind value antecedents remains to be done.

We further believe that additional substantive findings could be obtained by assessing how different objective characteristics of professional service firms, e.g. identified through a survey with providers, influence present conceptual framework, with perceived value in its center. This could help better explain the dyadic and network-embedded relationships that exist in provider firm he professional business services context.

Appendix A. Item and construct reliability assessment

Table A1
Item and construct reliability.

Construct	Item	Statement	Loading	*t*-Value	CR	AVE	α	Mean	S.D.
Customer perceived value									
Customer perceived value – functional value – quality	CVFQ12	…was able to provide emergency service delivery.	0.79	Fixed	0.94	0.75	0.94	4.95	1.47
	CVFQ13	…kept promises on deadlines and due dates.	0.89	15.74					
	CVFQ14	…provided prompt service.	0.92	16.42					
	CVFQ15	…instilled confidence.	0.87	15.17					
	CVFQ16	…gave my firm individual attention.	0.86	15.17					
Customer perceived value – functional value – price	CVFP1	…are reasonably priced.	0.92	Fixed	0.97	0.88	0.97	4.41	1.58
	CVFP2	…offer value for money.	0.95	27.52					
	CVFP3	…are good services for the price.	0.97	29.64					
	CVFP4	…are economical.	0.91	23.89					
Customer perceived value – emotional value	CVE1	My firm enjoys the relationship with this advertising agency.	0.87	Fixed	0.89	0.72	0.89	4.88	1.49
	CVE2	There is no stress when my firm is using services of the advertising agency.	0.81	13.04					
	CVE4	The advertising agency treats my firm with respect.	0.87	10.58					

Customer perceived value – social value – products/services	CVSPS1	…help my products/services to feel acceptable.	0.90	Fixed	0.95	0.83	0.95	4.86	1.45
	CVSPS2	…improve the way my products/services are perceived.	0.92	22.94					
	CVSPS3	…make a good impression on others.	0.93	29.83					
	CVSPS4	…give my products/services social approval.	0.92	21.30					
Customer perceived value – social value – firm	CVSF1	…help my firm feel acceptable.	0.94	Fixed	0.97	0.89	0.97	4.73	1.55
	CVSF2	…improve the way my firm is perceived.	0.96	26.39					
	CVSF3	…make a good impression on others.	0.96	28.59					
	CVSF4	…give my firm social approval.	0.92	27.91					

Goodness of fit: df = 160, χ^2 = 526.86, RMSEA = 0.10, NNFI = 0.98, CFI = 0.98, GFI = 0.81, SRMR = 0.03.
Notes: CR = Composite Reliability, AVE = Average Variance Extracted; α = Cronbach's Alpha; S.D. = Standard deviation

Construct	Item	Statement	Loading	*t*-Value	CR	AVE	α	Mean	S.D.
Corporate reputation									
Corporate reputation – customer orientation	CRCO1	…has employees who are concerned about client needs.	0.71	Fixed	0.88	0.72	0.95	5.14	1.45
	CRCO2	…has employees who treat clients courteously.	0.93	13.57					
	CRCO3	…is concerned about its clients.	0.88	12.89					
Corporate reputation – good employee	CRGE2	…seems to treat its people well.	0.94	Fixed	0.94	0.88	0.91	4.96	1.50
	CRGE3	…seems to have excellent leadership.	0.94	26.39					
Corporate reputation – reliable and financially strong	CRRFS1	…tends to outperform its competitors.	0.90	Fixed	0.92	0.80	0.94	5.10	1.44
	CRRFS2	…seems to recognize and take advantage of market opportunities.	0.89	21.11					
	CRRFS3	…looks like it has strong prospects for future growth.	0.89	21.35					
Corporate reputation – service quality	CRSQ1	…offers high quality services.	0.93	Fixed	0.95	0.86	0.94	4.93	1.46
	CRSQ2	…is a strong, reliable firm.	0.95	28.01					
	CRSQ3	…develops innovative services.	0.91	24.11					
Corporate reputation – social and environmental responsibility	CRSER1	…seems to make an effort to create new jobs.	0.95	Fixed	0.91	0.73	0.92	4.59	1.48
	CRSER2	…would reduce its profits to ensure a clean environment.	0.93	27.86					
	CRSER3	…seems to be environmentally responsible.	0.74	15.13					
	CRSER4	…seems to be socially responsible.	0.78	17.05					

Goodness of Fit: df: 80; χ^2 = 298.73, RMSEA = 0.11, NNFI = 0.98, CFI = 0.98, GFI = 0.91, SRMR = 0.03.
Notes: CR = Composite Reliability, AVE = Average Variance Extracted; α = Cronbach's Alpha; S.D. = Standard Deviation.

Construct	Item	Statement	Loading	*t*-Value	CR	AVE	α	Mean	S.D.
Corporate credibility									
Corporate credibility – expertise	CCE1	The advertising agency has a great amount of experience.	0.68	Fixed	0.84	0.64	0.93	4.95	1.25
	CCE2	The advertising agency is skilled in what it does.	0.80	11.36					
	CCE3	The advertising agency has great expertise.	0.90	12.65					
Corporate credibility – trustworthiness	CCT1	I trust the advertising agency.	0.94	Fixed	0.93	0.82	0.94	4.79	1.41
	CCT2	The advertising agency makes truthful claims.	0.91	24.99					
	CCT3	The advertising agency is honest.	0.87	21.77					

Goodness of Fit: df = 8, χ^2 = 25.52, RMSEA = 0.09, NNFI = 0.98, CFI = 0.99, GFI = 0.96, SRMR = 0.02.
Notes: CR = Composite Reliability, AVE = Average Variance Extracted; α = Cronbach's Alpha; S.D. = Standard Deviation.

Construct	Item	Statement	Loading	*t*-Value	CR	AVE	α	Mean	S.D.
Relationship quality									
Relationship quality – information sharing	RQIS1	The advertising agency frequently discusses strategic issues with us.	0.78	Fixed	0.76	0.61	0.76	2.96	1.03
	RQIS2	The advertising agency openly shares confidential information with us.	0.78	20.40					

Relationship quality – communication quality	RQCQ1	We have continuous interaction with the advertising agency during implementation of a project.	0.87	Fixed	0.92	0.75	0.92	3.76	0.94
	RQCQ2	The project's objectives and goals are communicated clearly to the agency and us.	0.90	39.48					
	RQCQ3	Team members openly communicate while implementing a project.	0.89	38.40					
	RQCQ4	There is extensive formal and informal communication during implementation.	0.80	31.95					
Relationship quality – long-term orientation	RQLO1	We believe that in the long run our relationship with the advertising agency will be profitable.	0.88	Fixed	0.92	0.73	0.91	3.50	0.96
	RQLO2	Maintaining a long-term relationship with the advertising agency is important to us.	0.92	42.94					
	RQLO3	We focus on long-term goals in this relationship.	0.88	38.88					
	RQLO4	We are willing to make sacrifices to help this advertising agency from time to time.	0.73	27.96					

Goodness of Fit: df = 32, χ^2 = 135.36, RMSEA = 0.11, NNFI = 0.96, CFI = 0.71, GFI = 0.90, SRMR = 0.05.
Notes: CR = Composite Reliability, AVE = Average Variance Extracted; α = Cronbach's Alpha; S.D. = Standard Deviation.

Construct	Item	Statement	Loading	*t*-Value	CR	AVE	α	Mean	S.D.
Value outcomes									
Satisfaction	S1	My firm is satisfied with the overall experience with the advertising agency.	0.96	Fixed	0.98	0.93	0.98	4.71	1.64
	S2	I am satisfied with the services the advertising agency provides to my firm.	0.97	39.83					
	S3	It is a pleasure to have a relationship with the advertising agency.	0.96	37.23					
	S4	We are very satisfied with our advertising agency.	0.96	37.21					
Loyalty	L1	My firm is a loyal client of this advertising agency.	0.86	Fixed	0.93	0.82	0.92	4.62	1.66
	L2	My firm has developed a good relationship with this advertising agency	0.90	17.98					
	L3	My firm considers this advertising agency to be its first choice of advertising agency.	0.93	18.78					

Goodness of Fit: df = 13, χ^2 = 61.95, RMSEA = 0.12, NNFI = 0.97, CFI = 0.98, GFI = 0.93, SRMR = 0.02.
Notes: CR = Composite Reliability, AVE = Average Variance Extracted; α = Cronbach's Alpha; S.D. = Standard Deviation.

Appendix B. Common method bias test

Table B.1
Marker variable test.

Marker variable = ACOI8		CVFQ	CVP	CVE	CVSPS	CVSF	CRCO	CRGE	CRRFS	CRSQ
ACOI8	Pearson correlation	− 0.05	0.10	0.08	0.12	0.10	0.06	0.04	0.01	− 0.05
	t-Value	0.49	0.15	0.25	0.07	0.15	0.39	0.56	0.83	0.94

Marker variable = ACOI8		CRSER	CCE	CCT	RQIS	RQCQ	RQLO	SAT	LOY
ACOI8	Pearson correlation	0.04	0.08	0.09	− 0.01	0.12	− 0.04	0.13	0.06
	t-Value	0.54	0.22	0.16	0.86	0.06	0.54	0.09	0.36

Note: There are no significant correlations.
Legend: CVFQ = customer value-functional value-quality, CVP = customer value-functional value-price, CVE = customer value-emotional, CVSPS = customer value-social value-products/services, CVSF = customer value-social value-firm, CRCO = corporate reputation-customer orientation, CRGE = corporate reputation-good employer, CRRFS = corporate reputation-reliable and financially strong, CRSQ = corporate reputation-service quality, CRSER = corporate reputation-social and environmental responsibility, CCE = corporate credibility-expertise, CCT = corporate credibility-trustworthiness, RQIS = relationship quality-information sharing, RQCQ = relationship quality-communication quality, RQLO = relationship quality-long term relationship, S = satisfaction, L = loyalty.

Appendix C. Results of the mediation test

Table C.1
Mediation test.

	Model 1: Perceived functional value (independent variable)	Model 2: Perceived social value (independent variable)

	β	S.E.	*t*-Value	Bootstrapping BC = 95% CI		β	S.E.	*t*-Value	Bootstrapping BC = 95% CI	
				Lower	Upper				Lower	Upper
Direct effects										
Perceived functional value → satisfaction	1.00	0.04	28.74	0.94	1.07					
Perceived functional Value → loyalty	0.07	0.09	0.83	− 0.10	0.25					
Perceived social value → satisfaction						0.97	0.04	24.28	0.89	1.05
Perceived social value → loyalty						0.04	0.08	0.49	− 0.12	0.19
Satisfaction → loyalty	0.79	0.08	10.07	0.64	0.95	0.82	0.07	11.85	0.68	0.96
Indirect effect										
Satisfaction (mediator)	0.79	0.09	–	0.61	0.98	0.79	0.08	–	0.65	0.94
R^2	0.71					0.71				

Notes: S.E. = standard error; BC CI = Bias corrected confidence intervals ($p < 0.05$); 5000 bootstrapped samples.

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