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Value creation space: The role of events in a service-dominant marketing paradigm

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Abstract

This paper provides a new conceptual contribution to our understanding of the value of events, examining their potential through the lens of service dominant logic. Through a conceptual analysis and discussion, augmented by a small scale and exploratory empirical study using semi-structured interviews, it evaluates the growing resonance of events in modern day marketing. The paper advances the conception of ‘value creation space’ as an overarching term to coalesce the otherwise disparate range of organisational events that have marketing imperative, and/or impact. The underpinning virtues of events are recognised and used to build a discussion that can provide a coherent basis for further conceptual development. The findings depict considerable synergy between the collaborative nature of events and the service dominant logic notions of co-creation (or co-destruction), and co-production. However, an intuitive and well executed event marketing approach is critical to events’ continued success as value creation spaces.

**Keywords:** Service Dominant Logic; Marketing Events; Co-creation; Co-destruction; Qualitative Interviews
Introduction

Paradigm shifts from a product to a service orientation, and from transactional to relational approaches, have created fertile ground for the advancement of events as a marketing approach. Underpinned by their experiential make-up, events, in their many guises, are usefully perceived as an integral, yet distinct, facet of the increasingly prominent suite of experiential communications (Schmitt and Rodgers, 2008; Schmitt, 1999). As such they have an enhanced relevance and authority in contemporary marketing. This is endorsed by their increasingly eclectic and sophisticated application in the field, as marketers grapple to maximise their value (Fahmy, 2009; Gupta, 2003; Heasley, 2010; Wohlfeil and Whelan, 2005; Wood and Masterman, 2007). Despite this growing interest from scholars and industry commentators, literature evaluating marketing events remains embryonic and fragmented. Consequently there is a need for much further research and discussion to reveal the resonance of events within the modern marketing domain.

The changes in the marketing landscape undermine a conventional wisdom that has typically portrayed events as a promotional tool for communicating messages to, and building relationships with, stakeholders (Kotler, 2003). These definitions, while accurate, imply an overly tactical and narrow role, thus such rudimentary language is outdated and falls short of capturing the full scope and depth of their potential contribution. A more progressive and expansive perspective is that expressed by Ramaswamy (2011) who depicts live events as one of an organisation’s ‘engagement platforms’. Such platforms facilitate on going interaction with an organisation’s actors, internal or external, and up or down the value chain, with the intention of creating mutually valuable experiences and enhancing networks. This
ubiquitous depiction is aligned with conceptual developments in this paper, and serves to expound a widened remit, and augmented utility, of event based marketing.

The resonance of events in modern marketing is usefully viewed through the lens of the progression from a Goods Dominant Logic (G-D logic) to Service Dominant Logic (S-D logic). This thinking, introduced in a seminal paper by Vargo and Lusch (2004) articulates a shift from product orientation, to the prevailing notions of co-creation, co-production, value in use, and the primacy of operant resources (Vargo and Lusch, 2008a:256). The philosophy provides a coherent foundation for the integral proposition that the many and varied events hosted by organisations each year have profound scope and meaning, much more than extant literature reflects, perhaps much more than marketing and event managers realise. A recurring premise explored in this paper is the inevitable role of events in the co-creation of value; however a menacing caveat is the sentiment of co-destruction introduced by Plé and Cáceres (2010). They argue that both co-creation and co-destruction are legitimate outcomes of exchange, which is not adequately explained in the S-D logic literature thus far. Therefore couched in all references to co-creation in this paper is the reality that inapt planning and management could lead to a co-destruction in value; the premise being that events are both high in opportunity and risk.

The purpose of this research paper is to make a new conceptual contribution by examining and interpreting the character and potential of events as a value creation space within the context of the S-D logic paradigm. Specifically the paper: (1) discusses a modern lexicon for describing events, representing a shift away from their narrow conceptualisation as a tool for communication, towards a presentation of events as value creation spaces; and (2) explores
how and why events represent a valuable opportunity for the achievement of objectives more closely aligned with relationship building and value co-creation.

The paper offers a critical appraisal of existing literature, with a view to identifying notable insights and expounding the value creation potential of marketing events. Through in-depth interviews with senior event and marketing managers, the paper also provides some empirical exploration of the reality of how events are currently viewed and employed, with a view to scoping the step changes in thinking required to advance events as value creation spaces. The paper represents an early attempt to conceptualise and position events within an S-D logic view of marketing. From this stems an imperative for further, detailed empirical research into the value co-creation potential of events in order to fully test the propositions advanced in this paper. The following discussion introduces S-D logic, and then progresses to examine the nature and value creation potential of events.

**Literature review**

S-D logic view

For decades, the dominant paradigm espoused by marketing academics was that of marketing management, popularised in texts by McCarthy (1960) and Kotler (1967), with a strong focus on the satisfaction of customer needs through decision making centred around the 4 Ps. Evolving from the proliferation of concepts such as services marketing (Shostack, 1977) and relationship marketing (Grönroos, 1994), calls were made for a shift in marketing paradigm to one which more accurately represented the ‘continuous nature of relationships among marketing actors’ (Sheth and Parvatiyar, 2000:140). Vargo and Lusch’s (2004) paper
presents such a change in perspective, with the proposition of S-D logic as not only a functional marketing concept but an overarching organisational philosophy. This new logic espoused the customer as a co-producer of value, later modified to a co-creator of value (Lusch and Vargo, 2006a), with value not residing in products but being defined by and co-created with the consumer (Vargo and Lusch, 2004), and other value creation partners.

A prominent notion is the primacy of the supplier assisting consumers in their own value creation process, with a particular emphasis on the concept of consumer learning through their experiences with the brand (Payne, Storbacka and Frow, 2008). Such learning, and its influence on the operant resources of all parties, becomes pivotal to the optimisation of the core construct of value in use. Markedly, this learning is reciprocal with all participants being resources and therefore experiencing value creation or destruction through the interactive exchanges. Prahalad and Ramaswamy (2000) chart an evolution towards proactive customer involvement, within the context of consumer-supplier relationships, opening up further possibilities for the augmentation of operant resources, as suppliers and consumers learn more about each other (Payne et al., 2008). As such, we see the emphasis on interactivity in supplier-consumer, and more widely network participant, relationships espoused in a service-dominant perspective (Vargo and Lusch, 2004). The relational emphasis is neatly captured by Gummesson (2008), who talks of a network view of marketing, with value created through a network of activities among many stakeholders, in what he terms many-to-many marketing.

Building on Vargo and Lusch’s (2008b) foundational premise that the customer is always a co-creator of value, Payne et al (2008) propose a conceptual framework for value co-creation. The key role of operant resources in Vargo and Lusch’s (2004) S-D logic implies that
consumers’ ability to create value is contingent on the amount of knowledge, information, skills and other operant resources that they can use (Normann, 2001), with the role of the supplier becoming one of ‘providing experiential interactions and encounters which customers perceive as helping them utilize their resources’ (Payne et al., 2008:87). The focus for marketers therefore shifts from one on products to one on value-in-use and the facilitation of relationships and experiences to enhance customer value-in-use (Payne et al., 2008). The achievement of this aspiration impinges upon the ability of the supplier to effectively leverage their operant resources through the resource integration approach elucidated in Lusch and Vargo (2006b). We can clearly see, therefore, that the language of S-D logic talks of interactivity (Vargo and Lusch, 2004), with value being seen as ‘idiosyncratic, experiential, contextual and meaning laden’ (Vargo and Lusch, 2008b:7) and embedded in notions of relationships and networks (Gummesson, 2008). As such, the descriptions of value co-creation echo to a large extent the language used to conceptualise marketing events. In this context, it is to the conceptualisation of marketing events that this discussion will now turn.

Value creation space

Events present themselves in various guises, which represents a difficulty in forging a coherent school of thought, as is evidenced by the fragmented approach in the extant literature. The ensuing discussion addresses this by proposing a new theoretical construct through which to interpret events in a modern marketing context. As suggested in the introduction, customary definitions of events as a communicator of messages and cultivator of relationships (Kotler, 2003) are accurate and relevant but fail to capture the multifaceted role of events in modern day marketing. Not surprisingly, the language used in recent years has been more expansive with progressive characterisations such as ‘brand hyperreality’
(Whelan and Wohlfeil, 2006), ‘live communications’ (Getz, 2007), ‘live the brand’ (Russell, 2007), and even fanciful phrases such as ‘artificial paradises’ (Wünsch, 2008). These characterisations, while disputable, are healthy as they advance the debate and more fully reveal the character of ‘experiential marketing events’ (Wood and Masterman, 2007). Such language lucidly articulates how a live event creates an interaction between the audience and a brand or product, as expressed by Jack Morton Worldwide (cited in Wood, 2009).

Wood (2009) offers a detailed and useful typology of what Wood and Masterman (2007) term experiential marketing events. This includes conventional categories such as product launches, conferences, and exhibitions, but also less renowned forms such as created events and product visitor attractions. Each event type, or marketing event platform (Crowther, 2010a), has a distinct charm and challenge, therefore lending itself to the achievement of specific outcomes, and combinations of outcomes. This point is illustrated through two contrasting examples. Marketing objectives associated with intelligence and co-design through mobilising network actors in the value chain would be best accomplished through a smaller more intimate event space, a workshop or seminar environment. In contrast, the achievement of brand communication objectives, to reach, and develop dialogue with, new customers may be better executed through a roadshow, or outdoor event-based strategy. Event platforms are wide-ranging, but also the marketing space within any given platform is inherently pliable. The application of experience design principles (Berridge, 2007; Pine and Gilmore, 1998; Zomerdijk and Voss, 2010) enables the event space to be customised, or choreographed, to best achieve desired outcomes, but also to favourably connect with the underlying operant resources embodied by the event attendees.
The prevailing literature, such as the typology discussed above, takes an exclusive approach to defining the scope of marketing events, which is problematic. In limiting the focus to only those events with prescribed marketing intent, the discussion overtly disregards the many and varied organisational events with secondary marketing purpose (Wood, 2009), and indeed impact. The approach is therefore inadequate, and incongruent, given that the interactive and experiential dimensions of all organisational events inescapably represent a co-creation or co-destruction of value among network actors. Indeed all organisational events represent a 4D communiqué of the brand regardless of whether the event has foremost marketing intent.

Given the primacy of ongoing relationships (Grönroos, 1990), and the thinking around value creation and value exchange (Vargo and Lusch, 2004), a much wider range of organisational events, with secondary, indirect, or event latent, marketing significance need to be accounted for in theoretical development around events and marketing. This discussion validates an outcome-oriented viewpoint signifying that all organisational events are advantageously considered marketing events, or more accurately events with marketing resonance. While experiential marketing events is an apposite term to represent those ‘esteemed’ events with calculated marketing purpose, perhaps ‘latent marketing events’ is a purposeful phrase to recognise the marketing potential and risk of all other organisational events.

This paper advocates a more significant departure from the established thinking, suggesting that a progressive and pertinent characterisation would be to adopt the overarching terminology of ‘value creation space’ to incorporate all organisational events. Value creation space is thus characterised by the following core determinants: pre planned time and physical space; congregation and/or coalescence of internal and/or external network actors; and, a programme, distinct from day to day operations and processes, that would include core elements that may embrace learning, social, and entertainment. The terminology is a fusion
of value creation (Vargo and Lusch, 2004), and the notion of marketing space, which is a
term adopted to reflect the transient temporal and physical reality that events provide, as
detailed in Crowther (2010a). Such terminology is inclusive and therefore reflective of the
modern day democratisation of marketing, and also the reality that event planning, delivery,
and participation proliferate throughout an organisation. ‘Value creation space’ can be
expressed as a designed intersection within an infinitely more fluid process of exchange
between network actors. The use of the term intersection is deliberate and designed to
suggest that these occasions should be purposeful and strategically informed and integrated.
Figure 1, below, depicts the pivotal notion of an organisation’s events as value creation spaces.
Clearly for the activation of events as value creation spaces to be realised, all aspects of the
event design must be optimised. Therefore, the following section will address the virtues of
events as value creation spaces before critically appraising the challenges in harnessing that
event space.

Virtues of events

Noteworthy attributes of events include: experiential, interactive, targeted, and relational.
The sentiment that consumers buy experiences (Schmitt, 1999) and, even, crave experiences,
is palpable. Parsons and MacLaren (2009) chart the trend of hyperreality, which is an
appreciable portrayal of some event spaces. Therefore a constructive point of departure is to
view the customer as an active participant, or a co-creator of value (Vargo and Lusch, 2004);
a perspective easily reconcilable with the value creation space of an event. These features
prevail in the modern marketing landscape, yet of course these attributes are shared with
other communication vehicles, especially those within the realms of experiential marketing.
It is expedient to reflect upon the distinct characteristics of events that define their contribution as a modern marketing approach. Perhaps the distinction of events is underpinned by a fusion of the following five qualities that are not so readily replicated by other methods. Firstly, the attendees are typically voluntary and active in their physical attendance at the event. This is a point of different with a whole range of other communication forms, where the attendee is characteristically involuntary and passive (Duncan and Moriarty, 1998). This willingness on the part of the attendee, and face to face characteristic, is noteworthy, facilitating a more intimate dialogue as opposed to a remote didactic communication. Prahalad and Ramaswamy (2000) note that the market has become a venue for proactive customer involvement, therefore events can be conceived as an opportune vehicle through which to mobilise the customer as an operant resource (co-creator) rather than an operand resource (target).

Secondly, the congregation of people at an event is significant, affording the potential to create a sense of community, or communitas (Getz, 2007), which can heighten the experience. A secondary facet of this congregation is the opportunity it provides to maintain a frequency and intensity in relationships (Gummesson, 1999). Many organisations and their clients experience ad hoc transaction patterns, therefore particularly in business to business marketing, there is an issue around maintaining the relationship. Events present a conduit to achieve more frequent and consistent ‘conversations’ with customers. Equally, from a network perspective, planned events offer those many to many marketing opportunities advocated by Gummesson (2008), acting as a platform through which organisations can consult, engage, and build fruitful relationships with a wide range of important stakeholders, including, among others, future employees, suppliers, and influencers (Christopher et al, 1991). Aligned to the previous point are the participative and interactive qualities of events
which are highly relevant given the growing sentiment of doing things ‘with and for’ customers (Gummesson, 2002; Vargo and Lusch, 2004). Dissimilar to many other communication forms, events provide opportunity for dialogue and intimacy between the respective actors.

A fourth stark reflection is that events provide a space within which to leverage manifold communication outcomes from awareness right through to action (Strong, 1925). The interactivity of marketing events presents the opportunity for consumers to gain direct experience of the product’s value in use. This is reinforced by Nancy Niepp, Senior Director at Cisco (Fahmy, 2009) who, referring to technical products, emphasises the value of events in satisfying many of their customers who want to ‘dig in, ask questions and put their hands on the products’. As such, event-based marketing is the antithesis of a structured monologue between marketers and consumers, presenting a much more reciprocal environment for value co-creation. A final distinguishing feature is the pre planned nature of events which provides notable distinction from other experiential communication platforms. The fluid and reciprocal vehicle of an event as a value creation space presents considerable challenges to planning and management. Palpably, however, the certainties of time, location, audience, and so forth provide a greater locus of control to the organisation in choreographing an event (performance) that is premeditated and practiced. Event management, as expressed by Bowdin et al (2006) is an art as well as a science, which permits the design of the time and space to be deliberate. Aligned with S-D logic, this design should seek to harness and communicate the operant resources appropriate to the desired outcomes and audience.

All communication forms have their own makeup; likewise events have a distinct DNA, which underpins their relevance to modern marketing. The marketing space framework
(Crowther, 2010a) is a constructive lens through which to conceptualise the resonance of marketing events as expressed in this above discussion. The conception, and associated marketing space framework, is inspired by the thinking of Belk et al (1989), with the proposition that event space can be characterised by a blurring of the boundaries between the sacred and profane, which can be expressed (for business to business) as the commercial and the social, or (for business to consumer) the everyday lived experience and the stimulation and escapism of the event. Implicit within this thinking is that such a reality can conceivably create a heightened experience with attendees more relaxed, uninhibited, and open to new ideas (Getz, 2007). The discussion now turns to the realisation, or activation, of the virtues discussed.

Harnessing the event space

It is striking that while events comprise inherent qualities that are aligned and favourable with S-D logic thinking, the degree to which these qualities are roused is situational and impinges upon the design and execution of the event. The manifestation of an event is the core space, physical time and location, which can be strategically infused through experience design. The requirement for experience design to be optimal is conspicuous in the context that all interactions, certainly planned interactions, such as events, involve notable input, or sacrifice (time, effort, money, opportunity cost) on behalf of the attendee (Monroe, 1991). This reality places a heightened emphasis on the facilitation of positive experience, with events positioned as noteworthy touch points in the value creation (or dilution) journey. Furthermore, fully realising the diverse marketing possibilities demands a management approach that incorporates an integration and leveraging of the augmented space, pre and post event (Crowther, 2010a). The connection between events and the wider integrated
communications is integral to their success in realising defined outcomes. At the heart of the
design is a coherence with the specific, or combination of, marketing outcomes. This
purposeful process is in contrast to findings in some of the existing research which suggests a
fracturing of the strategic and tactical with events being more of an informal adjunct to
marketing strategy, lacking required integration and strategic intent (Crowther, 2010b; Pugh
and Wood, 2004). Consequently an underlying narrative is the importance of an integrated
and strategic approach to the leveraging of event based marketing, in contrast to an overly
myopic and operational reality.

The ambition is that the value creation spaces facilitated through staging events foster co-
creation. However as soberly promoted by Plé and Cáceres (2010), the inescapable extension
of this logic is that co-destruction is equally prominent, with the interaction proving
suboptimal for one or both parties. Therefore inapt integration and/or application of
resources or lack of alignment with expectations could result in co-destruction. Given that
events are complex and demanding vehicles to successfully employ, such co-destruction
through ‘accidental misuse’ (Plé and Cáceres, 2010:432) is conceivable. Misuse is a term
used to reflect a failure to integrate or apply resources in a manner that is appropriate or
expected by the other service system. Prevalent service characteristics, including
inseparability, heterogeneity, inventoriability, and perishability (Lovelock and Gummesson,
2004), create palpable tensions and difficulties in seeking to optimise the event space. The
challenge is augmented when adding in composite factors such as: experiential
communication of the brand, attendee incongruity, and the management of diverse tangible
and intangible cues. Such a reality takes the marketer outside of their core competence and
into the realms of event designer, event manager, and even service recovery manager. It also,
as Gummesson (2002) postulates, propels a wide range of part time marketers to the fore.
Realising the value co-creation possibilities of events is therefore palpably high in risk and opportunity. This challenge is compounded when one considers that organisations will likely engage with a range of event platforms and event episodes each year.

Previous empirical research has revealed that there exists a host of events that receive no, or negligible, marketing focus but nevertheless are occasions where an organisation’s stakeholders come together as an audience and interact with the product or brand (Crowther, 2010b). Notably, in this research, such events far outnumbered those receiving direct marketing focus, including such platforms as workshops, learning events and charity fun days. Notably, the basis for the suggestion of an absence of marketing focus was the non-existence of marketing department involvement, and also disconnect between event managers and marketing strategy. Clearly, and particularly given the proliferation of events, and event management, throughout an organisation, the suggestion that marketing purpose is synonymous with marketing department involvement is fallacious and out-dated. However the risk is that such events lack strategic congruence and therefore become informal adjuncts, or even mavericks, that in the first instance represent missed opportunities, and more pessimistically, lead to eclectic brand communications and incongruous relationship management.

Of course, the organisation’s aspiration would be that actors’ participation in event spaces positively impacts upon their experience, so sustaining value in use. The planned cultivation of such space is consistent with Vargo and Lusch’s (2004) pivotal notion of co-creation, but also co-production, emphasising the participative and reciprocal behaviour on behalf of all actors. Given the physical act of event attendance and participation, it could be argued that events by their very nature are synonymous with co-production, as co-production is defined
as a task undertaken prior to, or during, experience (Hilton and Hughes, 2008). All actors can be seen as operant resources and therefore event space is an apposite tool to realise this co-production potential of engaging customers, suppliers, and other stakeholders in joint collaboration. However, the design of the event determines to what degree, beyond their physical attendance, attendees are active (or passive) in their role within the event space. The activation of the attendee in the experience is contingent upon a variety of factors. Equally, the emphasis on an attendee to be actively collaborative in the event space changes the dynamic of the value creation process.

The degree of co-production to embed in the event design is a key decision in choreographing the event. The theoretical framework of value creation put forward by Payne et al (2008) argues that an outcome of relationship experiences between suppliers and consumers is consumer learning. If such learning is positive (via positive experiences), consumers may develop a preference for that brand over competitors (Payne et al., 2008), representing a valuable outcome for suppliers. Given the characteristics of events, such as seminars, trade shows and conferences, well designed events of this nature can act as a service delivery process through which to facilitate the leveraging of such operant resources as knowledge, skills and expertise. This argument meshes with a pivotal notion in Grönroos and Ravald’s (2011:8) paper that value facilitation is a pre requisite in supplier consumer relationships, recognising that value facilitation processes only prevail when ‘the customer becomes better off in some respect, as subjectively judged by the customer’. As such, event organisers are challenged to consider the apposite design to facilitate value creation within the event space, harnessing events as a positive contributor to value creation.
Figure 1, below, provides a visual summary of the amalgam of organisational events as value creation spaces that have the potential for co-creative and co-destructive outcome. Having reviewed the extant literature, the following section will outline the methodology adopted for the empirical research component of the study, before moving to a comprehensive discussion of the value creation potential of events.
Methodology

This paper provides a new conceptual contribution to our understanding of the value of events through the lens of S-D logic, as evidenced by the preceding critical review of existing literature. This conceptual analysis and discussion is augmented by a small scale and exploratory empirical study, based on a series of ten semi-structured in-depth interviews with marketing, sponsorship and event practitioners. Interviewing was selected as the means of collecting data as the researchers were interested in eliciting individuals’ experiences, allowing for the ability to pursue specific lines of enquiry as issues were raised. The authors acknowledge the small sample size; however the inclusion of empirical data is viewed as integral to the development of understanding by adding a practitioner’s voice to this primarily conceptual paper.

Given the exploratory nature of the study, a qualitative methodology was applied, with the interest being in the individuals’ professional experiences rather than the generalisability and measurable information a quantitative study would bring (Bryman and Bell, 2003; Cotterill and Letherby, 1994; Hussey and Hussey, 1997). The use of in-depth interviews allows for a deeper understanding (Gwinner et al, 1998) of the value creation potential of events in the words of the event practitioners. Given the diversity of event platforms, objectives and environments within which event managers operate, a semi-structured interview format was deemed most appropriate in order to capture the differing realities of the event managers and the event management landscape. There are obvious limitations to semi-structured interviews, notably that they can pre-structure the direction of enquiry within the frame of reference of the interviewer, rather than that of the interviewee (Jones, 2004). However, given that the respondents were selected in their professional capacity, the aim of the research
was to explore the value co-creation potential of events within organisations, rather than the specific viewpoints of individuals (Flick, 2002). Considerable further empirical research is nonetheless advocated to more fully explore the issues raised in this paper.

Interviewees were selected via a purposive sampling method (Bogdan and Biklen, 1992; Patton, 1990) with the inclusion criteria being that all respondents had professional experiences and responsibilities, at a strategic level, within the area of events as a marketing approach. Therefore respondents comprised a mixture of senior marketing managers (directors), sponsorship managers and senior event managers. The questions to participants were structured around key topic areas. Many of the questions were focussed around understanding the connection between strategy and events and subsequent planning and delivery. Questions were also focussed upon events vis à vis other communication platforms, and events’ role within the integrated communications mix.

Thematic analysis was used to analyse the data gathered with the researchers using a systematic approach as outlined by Braun and Clarke (2006), who emphasise that thematic analysis carried out in a systematic manner is a very critical and detailed method of qualitative analysis. The three major stages of thematic analysis are: the researchers immersing themselves in the data and looking for meaning; the generation of codes, involving the organisation of the data into meaningful groups; and the searching for themes, whereby the researcher develops descriptive themes which are then further analysed and developed into analytical themes (Braun and Clarke, 2006). The researchers developed themes from the interview data gained through the primary research; in addition, themes were derived deductively from the secondary research through the literature review.
A rigorous process was followed to ensure trustworthiness and honesty within the research process (Bryman and Bell, 2003; Lincoln and Guba, 1985). Prior to the interviews, to allow respondents to provide full and accurate answers, some outline questions and topics for consideration were circulated (see Appendix 1 for example questions). Once transcribed, each interviewee received a copy of the interview to confirm the information given by the participant had been correctly interpreted by the researcher. A notable observation was the ability of the senior marketing managers to engage much more fully in the discussion, particularly around connections between events and strategy, and the differential role of events within the communications mix. This differential engagement is reflected in a slight imbalance in the data in the findings below, however manifold contributions from the full range of respondents are used to ensure a balanced analysis.

Analysis and discussion

As indicated by the above discussion of overlapping descriptive terminology between events and value co-creation, the inherently collaborative character of an event provides an environment ripe for the reciprocal creation of value. Palpably the event space can be seen as an opportune setting for the mutual exchange of operant resources fuelling relationships between network participants. Building upon the literature reviewed above, this section will draw on empirical data from interviews with event practitioners to explore how and why events represent a valuable opportunity for the achievement of objectives more closely aligned with relationship building and value co-creation. The thematic analysis employed revealed three main analytical themes that were congruent with the aims of the paper. These are discussed in the sections below, under the headings: the eclectic value creation potential of events; activating the space; and pre- and co-destruction.
The eclectic value creation potential of events

On many occasions interviewees juxtapositioned the physicality of events with the virtual nature of so much modern communication, contrasting the ‘promiscuous [online] environment’ (interviewee E) with the face to face interactive potential of events. While there is increasing interest in and application of online or virtual events (Pearlman and Gates, 2010), such a discussion is beyond the scope of this paper. The promise of proximity and interaction represents one of the key strengths of events as a value creation space, as echoed by interviewee A:

‘[what] we’re seeing is quite a lot of companies using events now as a...way of experiencing the brand and interacting with the brand in a physical way that people aren’t used to doing so much these days.’

As such, events represent potentially valuable brand-consumer encounters or experiences, which are central to facilitating value co-creation by allowing consumers to construct relevant meanings around a brand (Payne et al., 2008). Interviewee A provides an apposite reflection here, relating to the music industry’s use of events to create those face to face experiences:

‘we’re seeing an increasing emphasis on event based marketing because [sales have] all gone on-line...People don’t interact with albums, they don’t interact with...the physical presence of music anymore. It’s all downloaded off the internet sites, so you’ve got to compensate for that by having a physical, event based marketing strategy.’

The service-centred approach places considerable emphasis on demonstrating value in use and therefore, in the context of largely remote consumer transactions, events can offer brands ‘an opportunity to demonstrate what our [product] is, what our [staff] are like and get
people to experience the [brand] experience as a fantastic event that they'll really enjoy’
(Interviewee I), thus highlighting the value in use of their products and services. Such a view
is echoed, in a sponsorship context by Interviewee G, who talks of the power of sponsorship-
linked events to get ‘under the skin of fans and [provide] those great experiences.’

An example of brands using events to demonstrate value in use is Renault Sport’s track days
(Renaultsport, 2011), whereby Renault Sport owners are invited to attend (for a fee) a track
day, where they have the opportunity to drive round one of a variety of race circuits, receive
tuition and interact with other Renault Sport owners. Interviewee F, head of events and
marketing at an experience centre for a competing car manufacturer, reflects upon the impact
such events have ‘on customer loyalty...and submerging new customers in the brand’. Such
events represent a constructive value co-creation space by facilitating a clear demonstration
that assists customers in realising their own value in use. This type of customer event not
only affords brands the opportunity of ‘engaging people and keeping people with the brand
because they feel valued and loved and rewarded for their loyalty’ (Interviewee G) but can
also engender a sense of ‘brand envy’ among non-customers, which may drive acquisition.
They also act as a conduit for dialogue and networking not only between consumers and the
brand but also among consumers themselves, thus ‘driving brand affinity’ (Interviewee G).
As such, the event can act as the catalyst for a series of tangential interactions between
various stakeholders, setting up opportunities for wider consumer learning and value co-
creation. Here we see the potential of events for achieving objectives associated with
relationship building and value co-creation not only as a means of demonstrating value in use
but also in terms of facilitating interaction, dialogue and networking between stakeholders.
Similarly, the creative potential offered by events provides not only opportunities for ‘really
interacting with people’ but also ‘pushing the boundaries a bit’ (Interviewee H), for example
through innovative event design and execution. Thus, events, with their experiential qualities, embody the notion of value as being ‘idiosyncratic, experiential, contextual and meaning laden’ (Vargo and Lusch, 2008b:7).

The event can be seen as a physical catalyst which creates the intensity and interest upon which relationships can be forged and dialogue generated. Insightful event design can, for example, forge interaction and engagement between clients and technical staff that will unleash mutual exchange of operant resources, and palpably embed heightened value for clients. Equally the proximity this forges can provide a valuable feedback / feed forward. As articulated by interviewee A, events allow brands to ‘build in the opportunity to interact...build in the opportunity to meet people...[and] build in the opportunity to have a community.’ The growing acknowledgement of events as a strategic tool for value co-creation is borne out by the progression in this sector in recent times with the value proposition being less centred on ‘visiting stands’ and much more deliberately infused with diverse elements such as learning workshops, speakers, animation and interactive displays, and planned networking opportunities.

We have seen from the above discussion that events offer a pliable form that can be deliberately and creatively designed to leverage a range of marketing outcomes within a single event or event strategy. However, it is far from the case that all organisations and event managers view events in this way and as such, events still teeter, for many, on the precipice between value creation and value destruction spaces. Interviewees reflected on event objectives ranging from sales conversion (interviewee B) to brand repositioning (interviewee C), and from building relationships with a small number of key influencers (interviewee A) to achieving national media coverage (interviewee E). Clearly, the pursuit of
some of these objectives still represents a logic of doing things ‘to’ rather than ‘with’ consumers and as such, we see evidence that event practitioners may have not yet realised the full value creation potential of events. Therefore, the potential is ripe, but often the opportunity is underexploited by a strategically inept execution that sends a couple of reluctant staff to ‘man the stand’. As such, the value creation potential for events can only be realised through insightful and purposive design and activation of the event space.

Activating the space

In designing value creation spaces, interviewee E posits an underlying conundrum: ‘there’s actually two agendas going on. There’s our objectives and there’s the attendees’ objectives and...how do you sort of match those two things’. S-D logic guides us to a mindset that the event space is a reciprocal forum within which to market with, not market to, attendees. Given the collaborative nature of events, the term participant should supersede attendee, with the host organisation also being a participant. Therefore the dominant principle of event design must be to understand the reciprocal basis of the exchange, and build the event design from that bedrock. The design is therefore reflective of both ‘agendas’. Given the importance of ‘sharing the experience,’ as expressed by interviewee C, only in this context of reciprocal exchange can organisations’ many and varied events be sustainable net contributors to value co-creation.

A pertinent challenge for event managers is how this reciprocity can be embedded within the value creation spaces. S-D logic views customers as playing multiple roles and as active players who co-develop and personalise relationships with suppliers (Payne et al, 2008), with the voluntary and active nature of event attendance creating a rich environment for positive
value creating experiences. However, the degree of active participation at an event will vary not only according to the nature of the event but also the way in which the event is designed to either facilitate or hinder interaction and participation. Vargo and Lusch (2008a) contend that it is the knowledge and skills (competencies) of the providers that represent the essential source of value creation. Each event space is therefore an amphitheatre for such co-creation, characterised by reciprocity as both the organisation and customer possess operant resources (knowledge, skills, expertise, capacity and time of people). A manifest challenge in the design of value creation spaces is the degree to which they can cultivate a reality favourable to the conveyance of these operant resources. For example, interviewee A reflected that many events, particularly conferences, adopt ‘the wrong format’ in that they overload programmes with speakers, neglecting to offer the true value enhancing opportunities for interaction and networking. Thus, the connection between outcomes and event design (or activating the event space) is palpable and this link must be at the forefront of all event management decision making if events are to realise their value creation potential.

The event space provides a setting rich in potential to transcend the customary parameters that define connections between parties. Through innovative design the event space can provide a fusion of the sacred and profane (Belk et al., 1989) and in so doing embed much richer opportunities for value creation relating to social connections, enjoyment, and new experiences. Such outcomes are central to the success of events in a service-centred approach. A progressive and constructive event strategy will involve truly seeing consumers as co-producers. Provoking a more active role for the participant is emphasised by interviewee A in underlining the inherent value of ‘sparking off interrelationships among stakeholders...[and] putting different groups of customers together’. The notion of strategically using the event space to facilitate virtuous interplay, not exclusively between the
host organisation and other party, but among participants, is striking. Conceivably the participative involvement of the actors would also serve to underpin their bond to the organisation, with the act of co-production of ideas and plans being compelling. An example of such event practice is provided by Interviewee J, who talks of getting a well-known and respected personality to:

‘come along and talk to our clients about what it is that [the brand] is doing to make a difference, the delivery of [the event], and then that sparks some conversations between our people and the clients and they can talk about a specific piece of work that we're doing for [the event] that they think might be relevant to that client.’

Therefore the setting and design of the event acts as a resource integrator, creating an agora for the potential of resources to be actualized. Applying the thinking of Ballantyne and Varey (2006), the marketing event provides a space to facilitate communication between all network participants to co-create value through trust, learning, and adaptation. Here we see the truly integrative value of experiential events to act as an arena for value co-creation between a network of stakeholders.

A more subtle example of co-production with event attendees is cited by interviewee B suggesting ‘you might want to involve them [as a guest speaker] in terms of using their expertise.’ Such involvement can be a valuable means of cementing supplier-consumer relationships in a co-produced and co-created learning environment and is in contrast to the more traditional (and in many senses one-way) event based approach of event hospitality. The movement of event strategy towards this collaborative vision not only helps to position events within a service-dominant perspective but may also become an imperative to the survival of experiential marketing events, particularly in the business to business sector, where interviewee B reports ‘most large buying operations have ethics in place which means
that they don't encourage their buying staff to attend events.’ The basis for this argument is
the objectionable connection between event attendance (particularly hospitality events) and
buying expectations, not least in the context of the UK Bribery Act 2010. Given the
prominence of ethics and also the required efficiencies consistent with the business to
business environment, the days of the ‘jolly’ or ‘junket’ are numbered. Organisations have to
find more creative ways to ensure attendance from stakeholders and customers at their events.
Against this backdrop, more laudable intelligence and learning objectives are increasingly
informing marketing events, particularly in businesses to business, but also business to
consumer, sectors.

Ostensibly the move away from overt hospitality does not represent a shift in event
objectives, only execution, but this does imply a culture shift in how events are
conceptualised and designed by organisations. This point is further developed by interviewee
C who, talking in the context of trade shows and exhibitions, emphasises the importance of
‘making sure that those that come feel that they’re going to have learnt something by
coming.’ The voluntary nature of event participation by consumers also impacts on their
potential as value creation spaces as consumers need to be offered a compelling reason to
give up time and money to attend if they are to even have the opportunity to engage with
brands/suppliers. In the context of business-to-business events, in the words of interviewee
E:

“if they come along and attend...a few interesting seminars and feel they’ve learnt
something, get an opportunity to network with a few appropriate people in a different
sort of space, they’ll have had a good day and therefore will take a day out of their
work to go to such an event.”
Thus, well-executed events can create experiences to facilitate consumer learning and value co-creation. It is this focus on learning, not only in the context of events playing an educational role, but also through the lens of S-D logic as a conduit to value co-creation, which needs to permeate all aspects of contemporary event design. Equally, it is in adopting these event design principles that events begin to realise their full value creation potential.

Pre and co-destruction

Analysis of the interviews revealed a resounding theme that challenges the realisation of events’ value creation potential as evaluated in this paper. Integral to the efficacy of the value creation space is a congruity between strategy and design. The interviews exposed a theme of eclectic input which militates against a coherence of purpose and therefore design. This is first reflected in the thoughts of interviewee A who notes that:

‘[events] tend to be cross-platform in the sense of they involve a number of different people from a number of different functions and you’ve got to get everybody to buy into the same agenda and the same objectives.’

This view is reinforced by interviewee E who suggests that ‘maybe at different times different stakeholders influence [event] objectives in a tactical or strategic way’. Event management has frequently been viewed as a ‘cottage industry’ (Crowther, 2010b), with a fragmentation of event input and management. For example interviewee B reflects that ‘event management would probably be done by sales or some other admin functions’. The incongruity that can stem from this backdrop tangibly impedes the required resource integration expounded in the S-D logic literature. This ultimately manifests itself in the value creation utility, or futility, of the event space.
Divergent strategic input coupled with a fragmentation, and even downgrading, of event planning and delivery, is a theme that also resonates in previous research (Crowther, 2010b; Pugh and Wood, 2004). Fully embracing the strategic potential of events, as value creation spaces, is improbable against the backdrop of incongruent strategic direction, and inconsistent delivery. Evident here is a mismatch between the underlying capability of events and the organisational application. Inapt execution belies the experiential utility of events as value creation spaces, fostering missed opportunities, and provoking co-destruction.

**Limitations and areas for future research**

While striving to augment the primarily theoretical discussion with the practitioner ‘voice’ through semi-structured interviews, the authors acknowledge a limitation of the research is the small sample size of this interview sample. As such, no claims are made of the representativeness of these views beyond the context of the organisations represented by the interviewees. In recognition of this limitation, a much more comprehensive empirical investigation into the value creation potential of events is advocated, employing multiple methods to capture the voice of all event stakeholders, including participants and consumers.

Stemming from this paper, many areas are ripe for future exploration. Of particular note is the S-D logic notion of the consumer, and other actors, as resources, and the expedient features of events as a conduit through which to activate and facilitate reciprocal exchange of those operant resources. Implicit in this discussion of operant resources is the reality that, to a large extent, such resources are not like commodities on a shelf that can be wheeled into the event space; they are people, processes, and ideas that are often concealed in the inner reaches of an organisation. Therefore, further research is advocated into the way in which
such diverse resources should be integrated and managed to resonate within the event space, to maximise the value creation potential of all organisational events. Equally, how the event space can be best designed to facilitate the wider, and virtuous, interplay of the operant resources embodied by all parties and participants is worthy of investigation.

Inseparable from this discussion is the challenge of event design which underpins the degree to which strategies and aspirations are achieved. In this respect co-destruction loiters around the event space, should the resources fail to be effectively integrated and/or aligned with the expectation of customers and other network participants. Aligned with the above pessimism is the knotty issue of the degree to which event planning, and ultimately the value creation space, is strategically infused, or disconnected. Certainly some of the interview data in this study is optimistic in signalling a progressive application of events in the field. However a far more extensive study with a different methodology would be needed to test such contentions. As such, further empirical investigation into the current reality of event management is justified, in order to inform our understanding of the extent to which events currently live up to their value creation or value destruction potential.

Conclusion

The paper has provided an early attempt to conceptualise the role of events within a service dominant paradigm. Significantly, the notions and rationale introduced in this paper, are readily reconcilable with progressive thinking in the area of service logic. Of particular note is Grönroos and Ravald’s (2011) discussion of value creation processes, with an emphasis on the virtue of organisations creating interactions to influence the process of value creation. Logically this paper proposes events as one such value facilitation process.
The term ‘value creation space’ is introduced as an overarching lexicon to coalesce the otherwise disparate range of organisational events that have marketing imperative, and/or impact. This is underpinned by the integral conviction that all organisational events have, to some degree, marketing resonance, and therefore extant focus on ‘experiential marketing events’ was inadequate given the primacy of value creation processes. In so doing this paper has provided a new and progressive lens that provides a coherent basis for further conceptual development.

In espousing the potential of events as value creation spaces, this paper has also drawn upon empirical data from interviews with event and marketing management practitioners. Empirical findings show some support from practitioners for the value creation potential of events, with a recurring narrative around notions of consumer engagement and the demonstration of value in use as well as the facilitation of brand-consumer and consumer-consumer dialogue. However, such optimism is tempered with a view of the reality of how events are managed, outlining their consequent value destruction potential. Event design is also identified as evolving towards a greater focus on learning and value creation, in light of increasingly tight governance regulations surrounding corporate hospitality and gifts. Therefore an intuitive and well executed event marketing approach is critical to events’ future success as value creation spaces.
References


Appendix 1: Interview Questions

Do you see your organisation's events as having a direct relationship with the achievement of strategic plans / objectives? In what way(s)?

Which areas of wider strategy do you see events as particularly relevant to?

What is it about events that you see as powerful in the achievement of objectives?

Are there some particular examples of events that have had very strong links back to strategy and can you provide a couple of examples?

Thinking about the entirety of events your organisation delivers, would you consider that they are adequately integrated with strategy or are they sometime (often?) detached?

How do you maintain that link between strategy and the operational delivery of the event?

Is there a clear system in place to evaluate outcomes from events - linked back to initial strategic objectives?

Would be very helpful for the research if we could see / have any evidence of event objectives linked to strategy etc - is that possible?

We are interested in how the event is planned and designed to achieve the strategic outcomes discussed above. Therefore got some areas of planning to ask about: (please give a range of relevant examples in responses to the below):

Do you try and adopt a theme for your events?

What about pre promotion of events? And/or post event communication?

How is your choice of venue affected by your event objectives?

What about the programme of the event, for example how you use learning, entertainment, and socialising elements during your event?

Do you consciously use catering (food, drinks) to communicate a certain message or link to the overall them of the events?

Reflecting on our discussion today, what do you see as the successes of your organisation's approach to events? Also, what do you see as the areas where you could improve your approach?