The concept of “value” has been of great interest in recent years. Among the diverse range of issues associated with the concept, the role of customer value as a source of sustainable competitive advantage has received particular attention.

Indeed, customer value has become the main concern of both manufacturing and service organizations in the increasingly competitive environment of today's customer-centred era. Many organizations have been transforming their business models to enhance their ability to create value for their customers. In this process of creating customer value, marketing and quality both have crucial roles to play.

During the 1990s, the notions of value creation and value delivery became increasingly prominent. At the same time there was a shift from the 4Ps of marketing (product, price, place, and promotion) to an emphasis on relationship, networks, and interaction. From this, the concept of a marketing relationship arose. This emphasized the development of trusting attitudes between seller and buyer, together with the reciprocal satisfaction of expectations, with the overall objective of creating and providing value for both parties engaged in the exchange process.

More recently, a so-called service-dominant logic has emerged to challenge the traditional goods-based logic that had previously dominated marketing. This service-dominant logic stresses the central role of the customer as co-creator of value in the value-creating process.

The concept of a quality vision has received increasing attention, and, according to this view, quality is no longer defined in terms of products with zero defects; rather, quality is increasingly understood in terms of the value generated by a system that is characterized by continuous improvement in every respect (including human resources), with the aim of satisfying the explicit and implicit expectations of customers and all relevant stakeholders. According to this perspective, quality is the element that focuses the attention and commitment of the whole firm on customer satisfaction to maximize the creation and diffusion of value by and for a network of actors.

These developments in the two domains of marketing and quality reveal a crucial point of congruence – the creation of customer value.

**TQM in service and manufacturing firms**

In recent years, an increasing number of firms have adopted the principles and practices of TQM with a view to becoming more customer-oriented through a quality-driven strategy. However, it appears that service organizations are lagging behind their manufacturing counterparts in terms of the effective deployment of TQM, especially with respect to the cultural and operational aspects of TQM implementation.

Service companies tend to look for short cuts to success by attempting to identify the aspects of TQM that especially apply to service organizations, without investing the time and money associated with fully fledged TQM.

There are differences between the management of quality in services and manufacturing in terms of underlying values, actual practices, and eventual outcomes. In particular, service firms emphasize customers and employees in their implementation of TQM, whereas manufacturing organizations tend to focus on processes and on systematic quality management. Nevertheless, some have commented on the positive impact that TQM can have on the strategic and operational aspects of service firms as they attempt to transform their business and redefine themselves as “experience creators” in order to create long-term customer relations.
Such a transformation blurs the traditional dichotomy between service firms and manufacturing firms as the application of TQM elevates service quality to a similar level of importance as that of product quality in manufacturing industries.

**Links between marketing and quality**

Many believe that the principles of TQM have contributed to the recent conceptual developments in marketing with respect to relationship marketing and a so-called market orientation. In particular, the tools and techniques of TQM promote more efficiency in the implementation of marketing than was possible under the traditional marketing paradigm.

"The concept of customer value is becoming increasingly prominent as a crucial strategic factor in gaining a competitive advantage."

With regard to the reciprocal influence of marketing on quality, marketing might not be playing a significant role in quality strategy. A relative lack of marketing interest in the programs of TQM could be linked to the traditional customer focus of marketing, which has meant that marketers do not perceive TQM as being especially novel; indeed, TQM might even be perceived by marketers as a threat to their traditional "territory".

**Customer value**

The literature on both marketing and quality stress the importance of customer value. Perceived value represents an all-inclusive evaluation by the customer of the utility of a product on the basis of "what is got and what is given". Value resides in the balance between the functional solution acquired by the customer and that customer's sacrifice in acquiring the solution.

The concept of customer value is becoming increasingly prominent as a crucial strategic factor in gaining a competitive advantage. It is also increasingly seen as a key building block in the development of relationships.

An aspect of great interest is the question of how customer value is created.

The delivery of value consists of the following phases:

1. choose the value;
2. provide the value; and
3. communicate the value.

The value-creation process is in similar phases:

1. value-defining;
2. value-developing; and
3. value-delivering.

Relationship value involves:

1. value determination;
2. value creation;
3. value delivery; and
4. value assessment.

The implementation of each of these various phases requires specific actions from the organization at each stage.

In the process of the creation and delivery of customer value, marketing and quality both have important roles to play; however there is a paucity of studies in the literature on the relationship between the two domains in value creation.

**Managerial implications**

Analyzing the relationships between TQM and marketing has important implications for managers as it provides insights into how the marketing concept can be oriented towards customer satisfaction, which is the key principle of the modern marketing paradigm. Marketing managers should endeavour to:

- be open-minded about sharing their knowledge of customers with others in the organization;
- acquaint themselves with the principles and methods of TQM, and implement them in their marketing endeavours;
- engage in an ongoing and mutually beneficial dialogue with quality managers with a view to "staying in touch" with customers; and
- interact with customers in assisting them to become co-producers of customer value.

Finally, marketing managers need to understand that marketing and TQM are incomplete in themselves, and that a complementary and synergistic relationship between the two will enable the firm to create value for customers and gain a competitive advantage in the market.
Becoming a customer-oriented enterprise

TQM represents a crucial input in the development of a market orientation. In this context, TQM provides an important influence on both the theory and practice of marketing. To make a real contribution to the success of a modern organization in becoming a customer-oriented enterprise, marketing has an important role to play in terms of market interfacing and knowledge of customers.

Marketing thus assumes a crucial facilitating role in the firm’s efforts to create real value for its customers. TQM and marketing are thus powerful and pervasive allies in advocating and implementing a company strategy of customer orientation. In effect, marketing can sustain the efforts of TQM in “the process of going to market”.

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The author is Cristina Mele.