

CONSUMER VALUES, PRODUCT BENEFITS AND CUSTOMER VALUE: A  
CONSUMPTION BEHAVIOR APPROACH

Albert Wenben Lai, University of Wisconsin-Madison

ABSTRACT -

From the perspective of consumption behavior analysis, this paper constructs a framework of product valuation for consumers and its typology of product benefits. Then, the paper presents a comprehensive model of customer value for the consumer market integrating consumer values, product benefits, logistic benefits, and various costs of consumption. Finally, the implications of holistic consumption behavior analysis for marketing strategy are discussed.

"Everything we do starts with knowing a client's business inside out. That's the key to anticipating their needs, to solving their problems, to bringing them opportunities they might not find on their own." C J. P. Morgan

INTRODUCTION

Most marketing strategists will agree that creating customer value is fundamental to both profit-seeking companies and nonprofit organizations. Indeed, creating superior customer value is a necessary condition for a company securing a niche in a competitive environment, not to mention a leadership position in the market (Day 1990). According to Porter (1980), a company can follow two generic routes to compete in a market: differentiation and low-cost. Day (1990) maintains that both approaches have the same objective to create superior customer value, because "regardless of which of these routes is emphasized, the effort will fail unless significant customer value is created" (Day 1990, p. 163).

Day (1990) addresses the issues in analyzing customer value and proposes that it can be expressed in a "value equation": "Customer's Perceived Benefits-Customer's Perceived Costs=Perceived Customer Value" (p. 142). Although Day's approach to customer value is basically sound, some details regarding consumer customers remain unclear. For example, the process by which consumers perceive product benefits is nebulous: Day particularly addresses product valuation by industrial customers in detail, but this is only in principle a part of a much more complex process of product valuation by consumers. Hence a theoretical framework which underlies the consumers' overall product valuation is still missing in the literature. Such a framework should address the issues of how consumers perceive the benefits and costs of products, as well as what possible benefits and costs consumers may perceive from products in the market. The current paper tries to fill these gaps.

In addition, the word "value" has discrepant meanings in the marketing literature, especially between its two areas: marketing strategy and consumer behavior. What marketing strategists mean by "customer value" is quite different from the meanings of the "consumer values" discussed in consumer behavior research (Clawson and Vinson 1978; Kahle 1977; Peter and

Olson 1990; Sheth, Newman and Gross 1991; Vinson, Scott and Lamont 1977; Wilkie 1990). Generally speaking, "customer value" focuses on the buyers' evaluation of product purchase at the time of buying, while "consumer values" stress people's valuation on the consumption or possession of products. Actually, Day's approach to customer value (Day 1990), by emphasizing the customers' perceptions, indicates a direction in which the two different, but related, concepts of "value(s)" in marketing discipline might be integrated. The current paper helps accomplish this integration by suggesting a model of customer value for consumer markets.

This paper first reviews the literature on consumption behavior analysis relevant to marketing strategy. Next, a framework of product valuation for consumers and its typology of product benefit are proposed based on the consumption behavior analysis. After the process of product valuation for consumers has been made clear, the paper presents a comprehensive model of customer value for the consumer market integrating consumer values, product benefits, logistic benefits, and various costs of consumption. In the proposed model, product benefits, logistic benefits, and costs are defined in terms of consumers' perception in the activities of acquisition, consumption (or using) and maintenance, as well as consumers' expectation of personal values satisfaction before buying. Finally, the implications of consumption behavior analysis for marketing strategy are discussed.

## CONSUMPTION BEHAVIOR ANALYSIS AND MARKETING STRATEGY

Many marketing researchers have maintained that detailed analyses of consumption behavior are the fundamental basis for creating superior customer value for consumers (Day 1990; Boyd and Levy 1963; Treacy and Wiersema 1993; Normann and Ramirez 1993). The importance of a comprehensive analysis of customers' consumption activities in planning effective marketing strategies was first pointed out by Boyd and Levy (1963). They maintain that marketing strategies should be planned and implemented in terms of the customer's needs and behavior patterns. Also, the core element of an effective marketing plan is to think in terms of the "consumption system" in which the product plays a part. Boyd and Levy defined a consumption system as "the way a purchaser of a product performs the total task ... that he or she is trying to accomplish when using the product C not baking a cake, but preparing a meal" (Boyd and Levy 1963, pp. 129-130).

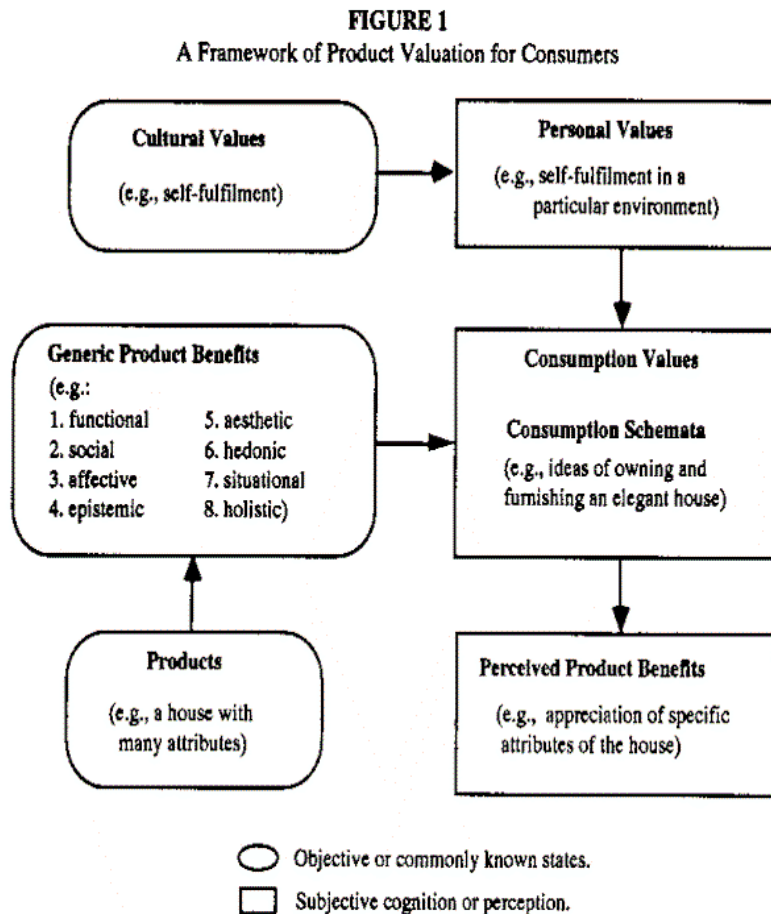
Underlying this systematic view of consumption are at least two concepts critical to customer value analysis. First, this systematic view looks beyond the purchase behavior of buyers to the use behavior of consumers: "Whatever reasons people have for buying a particular product are rooted in how they use that product, and how well it serves the use to which they put it" (Boyd and Levy 1963, p. 130). Second, the systematic view emphasizes the dynamic interrelations between the products that comprise a consumption system: "The use behavior for a particular product is bound to be affected not only by ... the task to be performed with the use of that product but also by the related products and their use behaviors that make up the total consumption system" (Boyd and Levy 1963, p. 130).

Based on their observation of the holistic nature of customer judgment, Day et al. (1979) advocated the application of customer-oriented approaches to defining a product-market and then identifying its competitive structure. In particular, Day and his colleagues endorsed a usage-

situation approach to defining a product-market (or competitive) structure. The usage-situation approach emphasizes that the anticipated use, the functions to be served, and the consumption context of a product ultimately influence consumers' choices among products/brands (Srivastava 1981). Although it takes a systematic view of consumption, the usage-situation approach stresses that the substitutability among products/brands in the usage-situation determines market structures (i.e., the competitive providers) of the product-type in question (Srivastava, Alpert and Shocker 1984). While the usage-situation approach is based on the holistic view of consumption behavior and is dubbed customer-oriented, it deals only with companies' need to define their product-market structures. It has nothing to do with the analysis of customer value and how this value can be expanded. As Solomon (1983) points out, conventional marketing research has paid much more attention to the substitutability of products than to their complementarity, and the usage-situation approach is no exception. In summary, the literature on consumption behavior analysis can proceed further to conceptualize the aspects of complementarity-in-use of products through which consumer may derive product benefits holistically in the product complement.

**FIGURE 1**

**A FRAMEWORK OF PRODUCT VALUATION FOR CONSUMERS**



## CONSUMER'S PRODUCT VALUATION AND TYPOLOGY OF PRODUCT BENEFITS

The questions of how and what consumers perceive from products in the market request the process and structure by which consumers value the products. Based on consumption behavior analysis, the current paper proposes a framework of product valuation for consumers and its typology of product benefits (see Figure 1). This model stresses that to investigate the consumer's product valuation, it is necessary to integrate cultural values, personal values, consumption values, and product benefits (Clawson and Vinson 1978).

### Cultural Values

Cultural, social, and familial environments affect the formation and development of individual beliefs. In a socio-cultural environment, a set of values usually represents widely shared beliefs about what is desirable. These socio-cultural beliefs are called cultural values or "society core values" (Engel, Blackwell and Miniard 1990) and are implanted into individuals "naturally" through socialization and education, perhaps with some modification as personality and attitude moderate the learning process. For example, Kahle (1985) proposes a "List of Values" (LOV) generic to American culture in the 1980s, such as self-respect, security, self-fulfillment, fun and enjoyment in life, and warm relationships with others. These cultural values are seen by some social thinkers as "objective" (Fronzizi 1963). This notion of being objective implies that they are commonly known to the members of a society. However, not all of the cultural values in a society will be adopted unanimously by its members. Some cultural values might be followed by only a small portion of the people, while other values might be accepted widely. In sum, cultural values are generic beliefs about what a society argues to be desirable and beneficial. These values are then freely adopted on an individual basis.

### Personal Values

Personal values are the individuals' beliefs about what are desirable to themselves. They are self-centered; that is, personal values are closely linked to needs. Moreover, they are derived from, and modified through, personal, social, and cultural learning (Clawson and Vinson 1978). From a cognitive perspective, personal values are the mental representations of underlying needs after the modification, taking into account the realities of the world and reflecting the individual's personality (Wilkie 1990). For example, the cultural value of "self-fulfillment" might be manifested quite differently in the minds of two individuals with different familial and personal backgrounds.

According to Rokeach (1973), human values have two main types: terminal and instrumental. Terminal (or end-state) values are beliefs people have about the goals for which they strive (e.g., self-fulfillment, or enjoyment in life). Instrumental (or means) values are beliefs about desirable ways to attain these terminal values (e.g., owning an elegant house, or taking a vacation). Therefore, personal values generally correspond to terminal values, while values of desirable activities (to be discussed next) are comparable to instrumental values. Personal values are enduring beliefs which guide various actions and judgments across specific situations. Hence, personal values are more abstract and may be generalizable easier than values of actions. In other words, the concept of personal values is similar to the idea of "global values" (in the realm of a

person's perception) proposed by Vinson et al. (1977); these are small in number (dozens) and considered to be at high levels of conceptualization.

### Consumption Values

Consumption values refer to subjective beliefs about desirable ways to attain personal values. People achieve personal values (or goals) through actions or activities, such as social interaction, economic exchange, possession, and consumption (Sheth et al. 1991). According to means-end chain models of consumer product knowledge (Peter and Olson 1990), people may have ideas and preferences about various actions that can help them achieve personal values. Therefore, relative to personal values, consumption values are instrumental in nature. For example, owning an elegant house and acquiring a prestigious car are for some people desirable ways of achieving self-fulfillment. Attending football games (especially those of favorite teams) and taking a vacation trip are favorable activities which lead to personal fun and enjoyment. Furthermore, individuals may hold several personal values by which they direct or evaluate consumption activities. Therefore, the consumption values of these types of activities (or possessions) are sophisticated and do not simply satisfy one single personal value (Sheth et al. 1991).

As we can observe in ourselves or others, consumption activities usually include an assortment of goods and services (Boyd and Levy 1963). For example, "owning an elegant house" requires house owners to acquire many goods and services in addition to the house itself, just as "taking a vacation trip" involves many other related acquisitions. Moreover, in a product constellation for a consumption activity, there may be some properties in common. McCracken (1988) observes that "the consumer goods in any complement are linked by some commonality or unity" (p. 119). From a social interaction perspective, Solomon (1983) maintains that consumers employ product constellations in "setting the stage" for the social roles they play. Product constellations occur, because individuals use entire complements of products to achieve personal values. The products unified in a constellation all carry the same information about individual values. Furthermore, Lai (1994) maintained that consumers may obtain satisfaction holistically from the related consumption activities and the constellation of products in use.

### Consumption Schemata

Cognitive psychologists maintain that people may acquire knowledge structures to represent various consumption activities and product constellations (Abelson 1976; Crocker 1984). Lai (1994) uses the term consumption schema to refer to the cognitive structure which organizes and represents personal ideas and beliefs about the substance of a consumption activity, such as interrelationships among complementary products, the cultural value and social meanings of the commodities, and personal preferences and affective associations. Hence, a consumption schema represents a consumer's basic thoughts about a consumption activity, though peripheral adjustments may be needed to accommodate the specific situation in which the consumption takes place. In short, in consumption, or possession of products, people may acquire personal consumption schemata (or a particular planned pattern), including their anticipation of and requirements for a product (or a complement of products), reflecting their consumption values of that consumption or possession.

## Typology of Product Benefits

From the customers' perspective, products are viewed as a bundle of benefits, not attributes (Day 1990; Peter and Olson 1990). In other words, "customers are less interested in the technical features of a product or service than in what benefits they get from buying, using or consuming the product." (Hooley and Saunders 1993, p. 17) In a competitive market, in addition to their basic benefits, products usually have many other attributes, such as features, styles, symbolism, durability, quality, and related services. By designing products with combinations of these attributes, marketers try to attract consumers with particular consumption values.

A comprehensive understanding of possible benefits that customers may seek in products is a fundamental basis for marketers to formulate sound marketing strategies, especially product differentiation or positioning (Peter 1990; Boyd and Levy 1968). Sheth et al. (1991) categorize five product benefits which influence the consumer's choice behavior: functional, social, emotional, epistemic and conditional. However, these benefits are only generic; that is, they are general, potential, and not yet applied to a specific consumption activity. Moreover, because Sheth et al.'s analysis is not grounded in a holistic approach to consumption behavior analysis, Sheth and his colleagues conflate product benefits with consumption values; that is, they do not distinguish "generic product benefits" from "consumption values," as the current paper does. Furthermore, their categorization ignores other important generic product benefits: e.g., hedonic benefits, aesthetic benefits, and holistic benefits.

Going beyond Sheth et al.'s original categorization of product benefits (Sheth et al. dubbed them as "consumption values"), the current paper proposes a typology of product benefits that a consumer may derive from possession or consumption. The typology includes eight generic product benefits: functional, social, affective, epistemic, aesthetic, hedonic, situational, and holistic. The definitions of these terms are discussed briefly in what follows:

- (1) Functional benefit refers to a product's capacity for functional, utilitarian, or physical performance. Functional benefits are derived from the tangible and concrete attributes that a consumer may directly experience when using or consuming the product.
- (2) Social benefits are the perceptual benefits acquired from a product's association with social class, social status, or a specific social group. Highly visible products (e.g., clothing, jewelry, and automobiles) often carry social benefits.
- (3) Affective benefit refers to the perceptual benefit acquired from a product's capacity to arouse feelings or affective states. Affective benefits are often associated with cultural-ethnic meanings (e.g., Christmas trees, Thanksgiving turkeys) or personal, idiosyncratic meanings, tastes and memories (e.g., foods that arouse feelings of comfort through their association with childhood experiences, or cars with which consumers are said to have "love affairs").
- (4) Epistemic benefit refers to the benefit acquired from a product's capacity to satisfy curiosity, provide novelty, and/or meet a desire for knowledge. Exploratory, novelty-seeking, and variety-seeking consumption behaviors are examples of epistemic value pursuit. Also, a consumer's propensity to adopt new products is consistent with epistemic benefit (Sheth et al. 1991).

(5) Aesthetic benefit refers to the benefit acquired from a product's capacity to present a sense of beauty or to enhance personal expression. Aesthetic benefit usually is subjective and idiosyncratic. Style demands, product-appearance demands, art purchases, and fashion-following are examples of consumers' pursuing aesthetic benefits.

(6) Hedonic benefit refers to the benefit acquired from a product's capacity to meet a need of enjoyment, fun, pleasure, or distraction from work or anxiety. Olshavsky and Granbois (1979) claim that hedonic benefit is an important dimension of many products. People are not always looking for rational or "serious" benefits; they may want to relax or be distracted. Taking a vacation trip, going to bars, watching sports, comic movies or TV programs, or even buying funny trinkets to make fun of friends are examples of hedonic benefit pursuit.

(7) Situational benefit refers to the benefit acquired from a product's capacity to meet situational needs in specific circumstances. A product acquires situational value in the presence of antecedent physical or social contingencies that enhance its functional, social, or other benefits. Situational benefit is measured on the profile of a particular consumption situation.

(8) Holistic benefit refers to the perceptual benefit acquired from the complementarity, coherence, compatibility, and consistency in a product constellation as a whole. Holistic benefits are frequently required and perceived in clothes, furniture, and food consumption. Holistic product benefit is a result of "synergy" derived from a product combination. Its implications for marketing strategy will be discussed later in detail.

Different types of product benefits may be correlated and combined in particular consumption activities, or there may be trading off between them. In addition, a product may offer multiple generic benefits. For example,

"to a first-time home buyer, the purchase of a home might provide functional [benefit] (the home contains more space than the present apartment), social [benefit] (friends are also buying homes), emotional [benefit] (the consumer feels secure in owning a home), epistemic [benefit] (the novelty of purchasing a home is enjoyable), and situational [benefit] (starting a family)" [The braces are the author's, to substitute the word "benefit" for the original word "value" and avoid confusion. The parentheses, however, are in the original passage.] (Sheth et al. 1991; p. 163).

### Perceived Product Benefits

Generic product benefits are intended benefits that manufacturers design into a product. However, these intended benefits may or may not be perceived or appreciated by particular consumers. A product has benefit to customers to the degree that they can perceive, appreciate and then use that product as anticipated consumption activities to achieve personal values. Normann and Ramirez (1993) recapitulate this concept well; "A company's offerings have values to the degree that customers can use them as inputs to leverage their own value creation. In this respect, then, companies don't profit from customers. They profit from customers' value-creating activities" (p. 74). In sum, consumers perceive and appreciate product benefits via their personal consumption values and consumption schemata; these product benefits are termed "Perceived Product Benefits" (Day 1990).

In summary, the framework of consumers' product valuation delineates the relationship between "personal values", "generic product benefits", and "perceived product benefits" via "consumption values" and "consumption schemata" (see Figure 1). That is, it illuminates the structure of consumers' product valuation and how and what benefits consumers may perceive from products. With this framework of product valuation for consumers and its typology of product benefits in place, the current paper proceeds to investigate the concept of customer value.

## A MODEL OF CUSTOMER VALUE FOR CONSUMER MARKETS

### Customer Value and Consumer Values

Many marketing strategists and industrial-organization (I.O.) economists emphasize that creating superior "customer value" is a key element for companies' success (Day 1990, Porter 1980). However, what they mean by "customer value" is quite different from the meanings of the "consumer values" we have discussed above. "Value" to marketing strategists means a return for something in an exchange (e.g., the value of the dollar is variable). Therefore, the meaning of "customer value" is a level of return in the product benefits for certain amount of customer's money (i.e., the price) in a purchase exchange (e.g., to give the buyer good value at the right price). In addition, the concept of customer value has by nature a normative perspective, since it is a fundamental concept underlying the competitive analysis in the field of I.O., based on economic principles and the customer's choice in the market.

Consumer behavior researchers, on the other hand, generally use the word "values" to mean something desirable, useful, or important (Peter and Olson 1990). Our previous discussion also adopted this meaning. Consumer research usually is based on a descriptive-study perspective, such as in the fields of anthropology, sociology, and psychology. Therefore, "consumer values" refers to the important personal goals that consumers are seeking (Wilkie 1990). Furthermore, consumer behavior researchers emphasize that people can achieve some of their personal values through possession or consumption of products (Peter and Olson 1990; Sheth, et al. 1991).

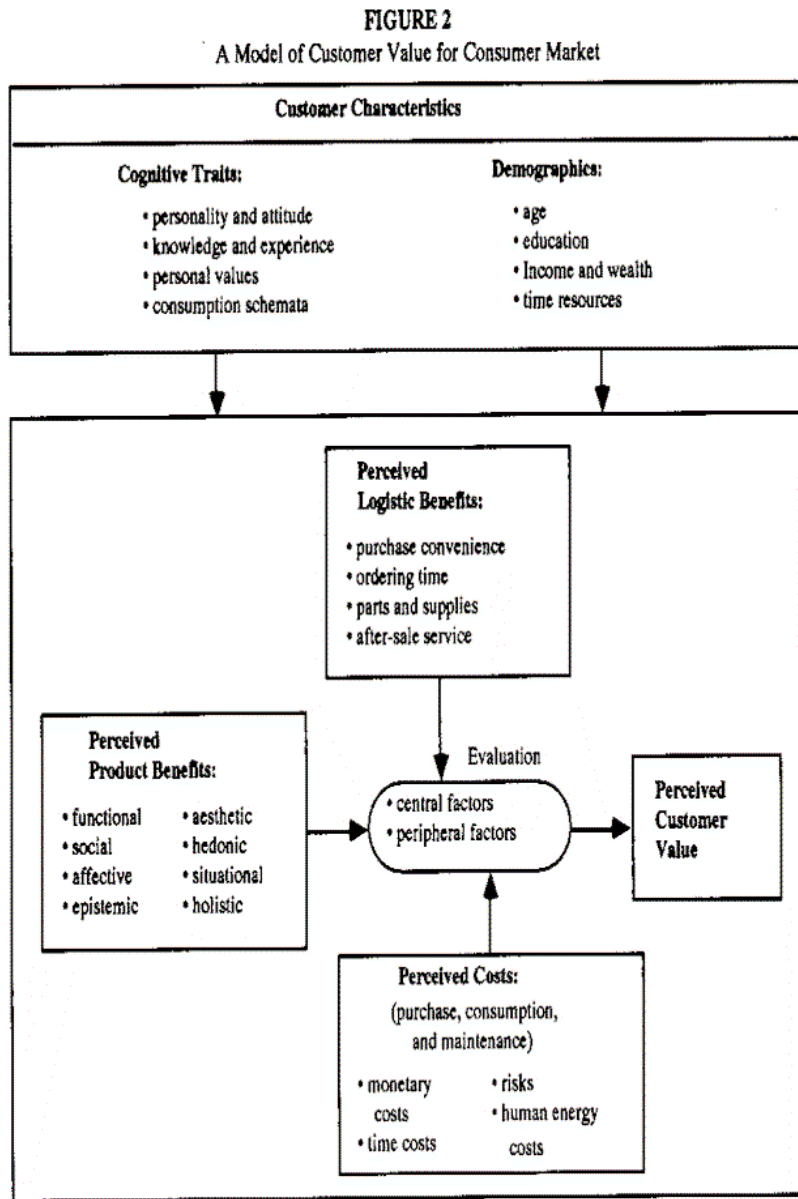
In summary, "customer value" normatively focuses on a buyer's evaluation at the time of a product purchase, while "consumer values" descriptively stresses people's valuation of product consumption or possession. Consumer researchers will argue that consumers buy products not for the sake of its "transactional value" (a simple term for customer value) but for the product's benefits that will satisfy their needs or personal values. Our earlier discussions of the process of consumer valuation explored the domain of consumer benefits in product consumption or possession. However, in an exchange environment, product benefits alone do not completely explain consumers' product choice. Often, consumers may find products very desirable. Yet, in assuming that the consumer has adequate financial capacity, one must not equally assume that a purchase must follow. These cases imply that normative points of view are also necessary in consumer choice research. From an economics perspective, consumers may apply cost-and-benefit evaluation to a purchase decision, at least when the costs are "significant" to them (Olshavsky and Granbois 1979). Therefore, with respect to a sound customer value analysis for a consumer market, both the descriptive and normative aspects are essential (Boyd and Levy 1963; Day 1990).



The current paper proposes a comprehensive model of customer value for consumer markets (see Figure 2), based on Day's original idea of "value equation" and emphasizing customers' perception (Day 1990). This model integrates descriptive and normative points of view about consumer behavior, including the consumer values expectation before purchase, customer value evaluation at the time of buying, and value actualization in consumption or possession.

**FIGURE 2**

**A MODEL OF CUSTOMER VALUE FOR CONSUMER MARKET**



According to social psychologists, people's perception of objects and events is influenced by their cognitive traits (e.g., personality and attitude, personal values, and consumption schemata) and demographics (e.g., age, education, income and wealth, and time resources). As indicated in Figure 2, these factors of "Customer Characteristics" are the background of the customers' perception.

The buyers' evaluation of a product purchase begins from their perceived product benefits. The earlier discussions of consumers' product valuation have proposed a framework about how the customers perceive product benefits based on their terminal personal values and instrumental consumption values (or consumption schemata). In addition, the discussion has suggested and illustrated a typology of generic product benefits with eight categories. As indicated in Figure 2, the model suggests that "Perceived Product Benefits" could be a single type or a combination of the eight categories of product benefits.

Nowadays, product benefits based on consumption or use of the product are not the sole benefits consumers can perceive (Day 1990). They may also derive benefits of a purchase from the buying activities per se and other consumption supporting features. Treacy and Wiersema (1993) claim that today's customers have "an expanded concept of value [purchase benefits] that includes convenience of purchase, [and] after-sale service" (p. 84), in addition to the traditional product benefits, such as quality and price. We conceptualize these new dimensions of purchase benefit and denote them as "logistic benefits." Logistic benefits of a product purchase are those benefits consumers can derive from the buying per se and other (after-purchase) consumption supporting features about the product. These include the purchase convenience, buying pleasure, variety of choice, short ordering time, availability of parts and supplies, warranty, and after-sale service. For the purpose of this discussion, the current paper does not probe the typology of logistic benefits. These logistic features, if designed by marketers in the product deal, are also subject to subjective consumers' perceptions to become desirable benefits for customers. Moreover, the perceptions of the customers are moderated by their personal values, consumption values, and other individual characteristics (see Figure 2).

As mentioned above, the costs of obtaining the perceived product and logistic benefits are usually the major concerns of buyers, since consumers may apply principles of costs-and-benefits to evaluate a purchase. The model proposes that the relevant costs of a purchase considered by consumer include monetary cost, time cost, risks, and human energy cost. Furthermore, every category of the costs may play a part in purchase, possession, consumption, and maintenance. The monetary cost refers simply to monetary payment. The time cost refers to the amount of time required for the relevant activities of acquisition or consumption. Consumers encounter risks when they face the uncertainty or potential negative consequences of consumer activities: being cheated, overcharged, or misled into buying an unnecessary product; while possessing or using certain products, such as unconventional clothes, may incur social costs which include being teased by colleagues. Maintenance risks include being overcharged for supplies and or suffering the possibility that they will be discontinued. Finally, the human energy cost refers to physical effort, difficulty of operation, and cognitive energy; these might be of great concern to elderly customers. Nevertheless, all of these costs, like the benefits, are also subject to consumers' perception. Since perceptions of time, money, risk, and human energy vary among people, these costs may be evaluated differently among customers.

According to the cost-and-benefit principle, customers evaluate the benefits against the costs and perceive the buying value of products. As indicated in Figure 2, the inputs of evaluation are the "perceived product benefits", "perceived logistic benefits", and "perceived costs". However, as suggested by many paradigms in consumer research, such as expectancy-value research (Fishbein and Ajzen 1975) and elimination-by-aspects analysis (Tversky, 1972), not all benefits and costs are equally evaluated. Some benefits and costs are considered central factors and are therefore weighted heavily, while others are perceived as peripheral factors and weighted less. This phenomenon concerning consumers' idiosyncratic patterns of weighting for the evaluating factors is also reflected in the model.

Finally, the model suggests that customer value is a consequence of subjective evaluation which in turn results from the summing up of the various perceived benefits and perceived costs, taking into account the differently weighted factors. In other words, the "perceived customer value" in the model is defined as the surplus (or the difference) between perceived benefits and perceived costs (Day 1990); that is, it refers to a level of subjective return for the customer perceived costs.

#### DISCUSSION: IMPLICATIONS FOR MARKETING STRATEGY

In the current model of consumer customer value, product benefits, logistic benefits, and costs are defined in terms of consumers' perception in the activities of acquisition, consumption (or using) and maintenance, as well as consumers' expectation of personal values satisfaction before buying. In other words, our consumption behavior approach is holistic analysis-oriented, going beyond traditional "customer-oriented" methods which usually focus on the buyers' economic evaluation at purchase.

As emphasized in the model, the importance of product benefits, logistic benefits, and costs vary among people due to their individual characteristics. These phenomena have led in marketing practice to benefit or cost segmentationC the process of dividing consumers into homogenous subgroups or segments based on their interest in particular product benefits. The benefits most important (central) to target customers is a fundamental issue in marketing strategies, such as product differentiation and positioning. For example, to succeed with a "value strategy" (also a high price strategy) a company needs to offer products with premium quality in the central benefits, such that their customers "correctly" perceive those benefits and are willing to pay the price premium (Treacy and Wiersema 1993). On the other hand, to make a "cost strategy" (or a low price strategy) profitable, a company must offer products with an acceptable level of quality in the central benefits and minimal quality in the peripheral factors, such that their customers will enjoy the product and perceive the purchase as a value (Normann and Ramfrez 1993).

The current paper's implications for market positioning are clear: its categorization of generic product and logistic benefits may help marketers identify their target consumers' central and peripheral benefits. Then, the typology could help companies design their products and related marketing programs, such as advertising and distribution.

## Holistic Product Benefits and Marketing Strategy

One new category of product benefit introduced in the current paper is the "holistic product benefits" customers may perceive and appreciate in a product constellation. This type of product benefit has been largely ignored in the literature. Their implications for marketing practice will be discussed next.

In consumption settings where multiple products are needed, the product constellation forms a "consumption system" (Boyd and Levy 1963). A consumer may obtain utility holistically from the product constellation based on a personal consumption schema. When a consumer tries to combine a product constellation and to construct from it a meaningful combination, certain dimensions of compatibility and complementarity between products may be critical to perception of the products' benefits. These dimensions briefly described here (for a detail discussion and examples, please see Lai [1994]): (1) "functional exhaustivity" suggests that products are combined in a way that the required functions are completely fulfilled; (2) "operational connectivity" suggests that the operations (or the physical shapes and positions) of the products are smoothly connected. (3) "aesthetic coherence" relates to the sense of beauty or to personal expression in the product constellation; and, (4) "meaning-role consistency" refers to the perceived coherence between the cultural meanings of products and the social roles which the consumers assume (Solomon 1983).

The holistic product benefits may be a good basis for product positioning. As defined previously in the current paper, holistic product benefit refers to the perceptual benefits acquired from the complementarity, coherence, compatibility, and consistency in a product constellation as a whole. A company could set itself apart from the competition by identifying and promoting itself as the best provider of certain holistic benefits of a product constellation to satisfy consumer's needs. In pursuing a competitive positioning through holistic product benefits, the company may need to reshape its business scope or redefine its product lines, and consequently obtain its sustainable competitive advantage.

Organizations can design competitive marketing strategies based on meaningful and desirable combinations of product benefits for their customers. How to select a competitive strategy and the desirable benefits of the product will largely depend on the company's knowledge about the customers' consumption behavior. In addition, the relative defensibility of the strategy in the market is another problem in selecting a competitive strategy. The consumption behavior approach to the customer value would provide more strengths in strategy defensibility. For example, the positioning through holistic product benefits can enjoy the synergetic effects derived from a meaningful product combination that is developed from a comprehensive knowledge of customer consumption behavior. Furthermore, sometimes a company has to coordinate a complementary business group (also a synergy generating activity) to provide meaningful product combinations to customers (Normann and Ramirez 1993). In these situations, the defensibility of the competitive strategy would be even stronger because of the synergetic effects. Normann and Ramirez (1993) recapitulate this implication for marketing strategy well: "One of the chief strategic challenges of the new economy is to integrate [the consumption behavior] knowledge and [the interfirm] relationshipsC devise a good fit between [companies'] competencies and customers [(customers' needs or individual values)]..." (p. 74).

## CONCLUSION

The consumption behavior approach to customer value can be an effective way of achieving more innovation, enhancing customer value, and obtaining greater marketing penetration and strategy sustainability. Consumption, like production, involves a constellation of goods and consumption values or desirable benefits. If marketers think of consumers as engaged in a constructive process by which they achieve their consumption values, it may be easy to see that a variety of holistic benefits are involved as customers use the products (Boyd and Levy 1963). Although the marketers may already plan and act in terms of consumer needs and behavior patterns, they can gain even more insight if they study consumer's consumption behaviors in which their products play a part. For knowledge of the customers' consumption behavior to be truly meaningful, much more would have to be known about the customers' personal values, feelings and thoughts, and consumption values. In other words, understanding the consumers' consumption behavior means that their activities should be analyzed thoroughly and holistically, from the expectation about consumption values at the prepurchase stage, to the purchase evaluation at the stage of selection and acquisition, to consumption values actualization in the stage of use, possession, and maintenance.

One caveat about customer value: greater customer value does not necessarily equal greater customer satisfaction. Customer value is defined as the difference (or surplus) between benefits and costs; it is a level of return for customer costs. From a cognitive perspective, according to expectation theory, satisfaction is the result of a comparison between what actually occurs and what is expected. Hence the customers' buying satisfaction depends on both their perceived value of the purchase and their knowledge of what a fair level of buying value should be. In short, customers will feel satisfied to the extent that the perceived value of their buying exceeds the standard they hold. From this point of view, exceeding value is the key for customer satisfaction, not customer value per se (a surplus value). This issue can be viewed as an avenue for further study.

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