



## The Theory of Marketing's Value Concept

Marisa Yunita Br Depari  
Universitas HKBP Nommensen

**Corresponding Author:** Marisa Yunita Br Depari [marisayunita556@gmail.com](mailto:marisayunita556@gmail.com)

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### ABSTRACT

In the context of marketing, the concept "value" is discussed in this essay. We came to the conclusion after doing a literature review that the concept of "value" needs to be treated separately within the context of marketing theory and encompasses a wide range of ideas. The analysis of how "value" is defined across the disciplines represented in the multidisciplinary marketing database provided the foundation for our conclusions. According to the report, the price is not a marketing metric for "value". The report also discusses future research aimed at the advancement and systematization of the ideas classified as "value" in marketing

## **INTRODUCTION**

There has long been debate on whether marketing should be treated as a separate science. When marketing is viewed as a separate discipline, certain characteristics, such as its applied nature, dualism, and major methodological equipment acquired from other disciplines, act as a barrier. The relationship between art and science in marketing needs to be further discussed in order for marketing to advance, including in terms of its significance as a field of study.

Despite the fact that the first significant publications on marketing as a science were not released until the 1960s or 1970s, there have been ongoing conversations about it ever since the 1940s of the 20th century. Converse (1945), Alderson & Cox (1948), Bartels (1951), Buzzell (1964), Taylor (1965), Hunt (1976, 1983), O'Shaughnessy & Ryan (1979), Kotler (1972), Gummesson (2002), and Golubkov (2003) are a few examples of early twentieth-century authors. The topics associated to marketing science or art continue to preoccupy scholars' attention despite a minor decline in the intensity of the conversation. We view marketing as a science and a crucial component; the topic of this debate will be how the term "value" is used in marketing.

## **LITERATURE REVIEW**

According to certain studies, a terminological study of the idea of "value" indicates complexity (Repev, 2010). In particular, we will show how the terms "value" and "customer value" are used synonymously in Russian marketing.

The definition of "value" is ignored, for instance, in the glossary provided by the American Marketing Association ([www.commonlanguage.wikispaces.net](http://www.commonlanguage.wikispaces.net)), according to a review of the definitions of the terms in the marketing dictionaries. The terms "Customer Lifetime Value" and "Economic Profit" are used throughout the description. Economic Profit can be thought of as one of the names for net operating profit after taxes. The term "value" is associated with the utility and advantages to consumers in the Russian lexicon of terms for "Marketing" (Golubkov, 2003).

According to Porter's paper "Competitive Advantage," "In order to analyze expenses and current and potential differentiators, the company's operations are divided into the strategically significant activities." Porter's methodology for the analysis of potential competitive advantages through a chain of benefits. The price serves as the value's primary criterion in this essay, where it also assumes the identity of utility (Porter, 1985). Numerous recent articles (Feller, Shunk, & Callarman, 2006; Nikolaev, 2009; Mesh-cheriakova, 2010) use this methodology.

This identification, in turn, is not particular to the definition of "Marketing 3.0." The term "value" is highlighted as the essential concept by (Kotler, Kartavadzhayya, & Setiawan, 2012); they define the condition of information technology at the moment and how social, cultural, and personal space are tied to it. On the other hand, this phrase is not given a precise definition. In actuality, the authors limit their discussion of the notion to a certain area of the senses.

Prahlad and Ramaswamy in their paper (2006) also describe the space for creating "value" for the consumer, but avoid its clear definition.

The study by Throsby (2013) illustrates a comparable circumstance. He dedicates an entire chapter to the concept of "value" because he recognizes its evident significance. Despite the author's insightful analysis and recommendations, he ultimately failed to define the term "value" himself and instead chose to discuss its characteristics in the cultural context.

The study by Neganova (2012) offers many methods for defining "value" in turn. In this instance, in addition to the phrases "value" and "customer value," the author also uses terms like "value of buyers" and "customer value" in this context. However, while comparing and contrasting several definitions, the author fails to reveal the concepts' relationships and logical structure.

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## **METHODOLOGY**

In our study, we used the content analysis method in conjunction with a desk research methodology. The idea of marketing as an integrated, multidisciplinary theory lies at the core of our discussion. The cornerstone of this theory (marketing), in accordance with Bartels (1976), is comprised of the economic, psychological, and sociological theories in all of their interactions. We believe that as marketing is a separate field of knowledge, the application of practical methods and conceptual frameworks from other disciplines should not be confused with the realm of disciplinary conceptual marketing. Additionally, we do not intend for our study to dig into the analysis of value approaches to these topics, but we do believe that applying the examination of the axiological philosophical theory's provisions is crucial.

## RESULT

The phrases "value," "customer value," and other terms must first be structurally defined. The concepts "concept" and "category" serve as the foundation for the logic underlying their relationship. We base our arguments on the definition of the word "category" as the most fundamental and general concept that serves as the structure and stable organizing principle for thought, i.e., a basic scientific idea that depicts the connections and characteristics between reality and cognition that are most fundamental (Philosophy: Encyclopedic Dictionary, ed. Ivina, 2004). The word "concept" is a common noun with a typically defined volume and typically obvious content.

Values refer to a broad category in which, as multiple studies have correctly noted, different approaches are feasible (Neganova, 2012). The value is reduced to norms, principles, and utility in several papers (Dokuchaev, 2006). As a result, we anticipate making the following distinctions between the categories of "values" and "values in various disciplines," including marketing (Figure 1).

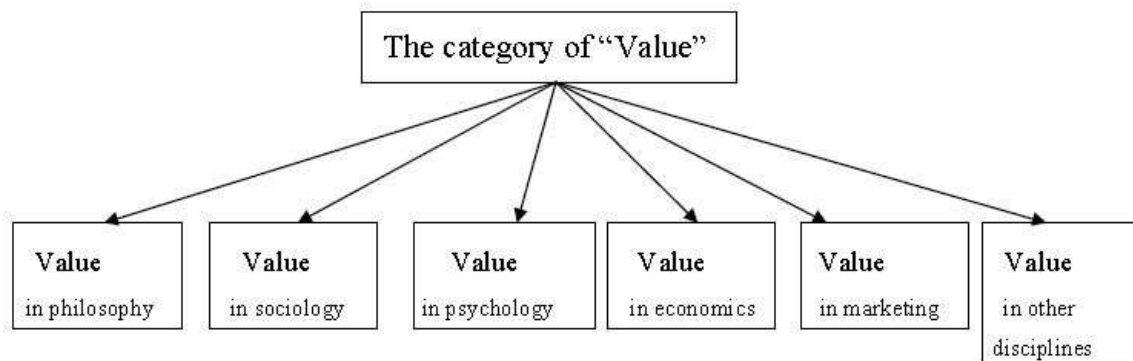


Figure 1. Shows the "Values" Category Tree

Below, we take a quick look at the "value" category for the marketing-related interdisciplinary database of disciplines. The "interaction between the subject depicted on the valued object and the object itself" is a common definition of value in philosophy (Philosophy: Encyclopedic Dictionary, ed. Ivina, 2004). There are numerous ways to interpret the statement, making it feasible to categorize various things under it.

According to psychology, the concept of "value" is based on a person's psychological make-up and can be viewed from the point of view of defining the concepts of "understood value" associating these positions with the motive and "value, as a form of social relations" (Leontiev, 2003). The concept of "understood value," which somewhat resembles The ideas of "opinion" and "belief" lack the ability to inspire themselves. The idea of "value" as a social construct, which serves to structure how people interact with one another, lacks the same driving power. In our perspective, marketing is interested in integrating these two strategies to have a better understanding of the driving factor. In general, the wide range of definitions of "value" makes it possible to classify it as a distinct concept in psychology.

Conversely, in sociology, the concept of "value" is typically taken into account within the atmosphere within a social group. "Anything that is valuable enough to warrant action and contains empirical content that is both accessible to members of the social group (Thomas & Znaniecki, 1976) is one definition of "value" that has been given. Sociology defines value as if it were "taken out" of the context of the individual, in contrast to the definitions of philosophy and psychology given above.

The concept of "value" in economics is synonymous with utility. People choose the items and services that have received the greatest ratings, which forms the foundation of the theory. The idea of marginal utility is the underlying scientific theory here. Samuelson (1997) adds that the utility "is not feelings, available for measurement, but a scientific concept" at this point. The utility of goods or services is seen to decline when a subject's requirements gradually saturate. Additionally, it is believed that as commodities consumption rises (while remaining constant for all other consumption types), the overall value gained by consumers grows even more slowly. The price is another key indicator of utility. Even though, Because we believe that economic theory serves as the basis for marketing, we skip over the definitions of "value" and "customer value" in favor of a more thorough examination of the theory of marginal utility and its ordinal and cardinal (quantitative) directions. Instead, we jump right to the section on "value in marketing."

It should be highlighted right away that applying the language concept of "value" in marketing might be challenging. The term "value" is frequently used synonymously with "cost" or "value-added cost" in English literature, which causes some terminological ambiguity. To utilize the phrase "added value agent" in marketing, "Many English-speaking authors have made this suggestion, concentrating on the subjective factor's values (Golubkov, 2012).

The term "value" in the sense that separates it from "price" is essentially nonexistent in early marketing papers. This is evident, for instance, from Bartels' (1976) examination of the paper.

The value chain model by Porter (1985) marked the beginning of the term "value" in the sense of "customer value," which began to avalanche throughout the literature. The use of the phrase received considerable criticism at the same time. Ramsay thus asks: "What sort of chain did Porter mean? Personally, I'm clueless. All of these discussions of the value chain are deceptive. The value then appears to be rather an abstract phenomena, making it impossible to provide, offer, receive, or explain using verbs that deal with actual objects. As a result, the value cannot be transferred from one department to another. Consider a business that sells the product, however there is a rival offering the best deal. Our sales are rapidly declining. It transpires that their items once had "value" but have

since lost it. (1905 Ramsay). It is uncommon for a practical marketer to use concepts like "deliver value," "customer's value," "value proposition," or "value design," according to Repev (2010). It is true that the term "value" has drawn criticism. The term "value" has a difficulty that is readily apparent, for instance, in the area of culture and culturally oriented products. 2014's Sidorchuk & Grineva

## **CONCLUSION AND RECOMMENDATION**

We can get the following conclusions thanks to the aforementioned considerations: The term "value" is currently used with some doubt because polysemy of "category" has superseded the strict definition of "concept" in this context. Regardless of the the transdisciplinary nature of the marketing theory's substance foundation, this creates uncertainties in the usage of the term "value" as acceptable or personal interpretation. Additionally, there is a propensity for researchers to merely rely on one or another definition of the term "value" while employing it as an operational definition and analyzing its conceptual significance in the marketing theory. However, if the economic theory of the "value" category identification with effectiveness is supported, and the price may be a measure of this effectiveness, this issue is very different from the perspective of marketing, as evidenced by the study of the studies mentioned above. A firm "can no longer remain insensitive to the demands of social responsibility," according to Lamben. Langen (1996) In contrast, the study by Nikishkin (2012) found that a long-term investigation of entrepreneurial activity revealed that, with an average life cycle of 10–20 years, longer life cycles are distinctive to businesses focused on humanistic ideals. Additional justifications ask how one can judge the value of alcohol and smoke from a social responsibility standpoint. In addition, certain commodities and services have a fixed price but an indefinitely high value for people, social groupings, or society. For instance, many insurance policies specify the price (cost) of paintings, whereas the value of those paintings to society is proportional to the amount submitted. We return to the study by Throsby (2013) that was referenced before in this section. " Market prices are, at best, a poor representation of the values hidden underneath them, according to the author. Prices "do not reflect the increased consumer pleasure experienced when purchasing a product," as well," says the statement. In this sense, we can see that the term of "value" in marketing theory should be viewed as a category that encompasses a wide variety of ideas (such as "consumer value," "customer's value," etc.).

Therefore, it can be determined as follows using the concept of "value" as a marketing category: The value (in marketing) is the ideal example of gaining fulfillment from the outcome (the process) of the exchange of goods and services to specific consumers, social groups, businesses, or associations, which establishes their stable fundamental life orientation and motivational setting. It should be

highlighted that we make a distinction between the phrases "marketing value" and "value in marketing."

The systematization of the conceptual framework of terms associated with the category of "value" in marketing will be made possible by our newly developed definition of this concept. We anticipate more work in the areas of theoretical definition development, field research, desk research, understanding patterns in obtaining satisfaction indicators, assessing the stability of fundamental life principles, and motivating different consumer groups, businesses, and society at large.

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