

1-1-2011

## **Value creation in social marketing for the continued use of wellness services**

Nadia Zainuddin  
*University of Wollongong, [nadiaz@uow.edu.au](mailto:nadiaz@uow.edu.au)*

Follow this and additional works at: <https://ro.uow.edu.au/commpapers>



Part of the [Business Commons](#), and the [Social and Behavioral Sciences Commons](#)

---

### **Recommended Citation**

Zainuddin, Nadia: Value creation in social marketing for the continued use of wellness services 2011, 1-8.  
<https://ro.uow.edu.au/commpapers/1378>

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library: [research-pubs@uow.edu.au](mailto:research-pubs@uow.edu.au)

---

## Value creation in social marketing for the continued use of wellness services

### Abstract

In social marketing, in order to incentivise individuals into performing desired social behaviours, a value proposition is required (Dann, 2008; Kotler and Lee, 2008) as consumers often act out of self-interest (Rothschild, 1999). Value propositions offer relevant and timely incentives to encourage individuals to not only voluntarily perform these behaviours, but maintain these behaviours long-term. Much of the current research in value is focussed on a goods-oriented commercial marketing context, using an economic approach, which has resulted in a lack of investigation of value in a social marketing context from an experiential perspective (Holbrook, 1994), which this paper seeks to address. An online, Australia-wide survey was conducted on users of a "wellness service" (Zainuddin, Previte and Russell-Bennett, 2011, p.377) and the data was analysed using structural equation modelling (SEM). The results indicate that value created in this wellness service leads to satisfaction with the service and subsequently behavioural intentions to use the service again in the future.

### Keywords

Value, creation, social, marketing, for, continued, use, wellness, services

### Disciplines

Business | Social and Behavioral Sciences

### Publication Details

Zainuddin, N. (2011). Value creation in social marketing for the continued use of wellness services. Australian and New Zealand Marketing Academy Conference 2011: Proceedings (pp. 1-8). Perth, Australia: Australian and New Zealand Marketing Academy.

# Value Creation in Social Marketing for the Continued Use of Wellness Services

Nadia Zainuddin. *University of Wollongong*. [nadiaz@uow.edu.au](mailto:nadiaz@uow.edu.au)

## Abstract

In social marketing, in order to incentivise individuals into performing desired social behaviours, a value proposition is required (Dann, 2008; Kotler and Lee, 2008) as consumers often act out of self-interest (Rothschild, 1999). Value propositions offer relevant and timely incentives to encourage individuals to not only voluntarily perform these behaviours, but maintain these behaviours long-term. Much of the current research in value is focussed on a goods-oriented commercial marketing context, using an economic approach, which has resulted in a lack of investigation of value in a social marketing context from an experiential perspective (Holbrook, 1994), which this paper seeks to address. An online, Australia-wide survey was conducted on users of a “wellness service” (Zainuddin, Previte and Russell-Bennett, 2011, p.377) and the data was analysed using structural equation modelling (SEM). The results indicate that value created in this wellness service leads to satisfaction with the service and subsequently behavioural intentions to use the service again in the future.

## Introduction

Wellness services are health services that are preventative and are used voluntarily and are non-urgent. These services are typically used for the *maintenance* of good health, as opposed to treatment services which are used for the *treatment* of poor health. In social marketing, the use of wellness services for the maintenance of good health is one example of a desired social behaviour within the personal health category of social marketing causes (Kotler and Zaltman, 1971) and the use of these services results in benefits to the individuals using them, to others, as well as to society, thus fulfilling the goals of social marketing (Andreasen, 1995). Despite these benefits, negative situations and experiences (e.g. ill health) may be perceived to be more urgent and override positive situations and experiences (e.g. good health) (Seligman, 2002). As such, the provision of value propositions would be useful in incentivising individuals into voluntarily using these services, demonstrating the relevance of understanding value in social marketing. Subsequently, this paper seeks to understand value creation in order to provide value to individuals to incentivise them into voluntary action.

## Value creation to incentivise action in social marketing

Value creation is a paradigm (Sheth and Uslay, 2007) that involves multiple stakeholders in the marketing process, working together at various points of the consumption process to create value. Value creation is important in social marketing as Kotler, Lee and Rothschild (2006, cited in Kotler and Lee, 2008) describe it as “*a process that applies marketing principles and techniques to create, communicate and deliver value to influence target audience behaviours that benefit society as well as the target audience.*” Consumer participation is important for value creation in social marketing as consumers not only jointly create value with an organisation, but co-construct the experience to suit their contexts (Prahalad and Ramaswamy, 2004). This is consistent with the notion that consumers are now creating value *with* the organisation, as opposed to the organisation creating value *for* the consumer (Lengnick-Hall, 1996; Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004).

Given the role of consumers as co-creators of value, consumers are in a position to determine the type of value that they seek to suit their individual contexts.

### **Functional and emotional value in social marketing**

Value is a subjective construct comprised of multiple value components (Huber, Herrmann and Morgan, 2001; Ulaga, 2003). These are known as dimensions of value and include functional, emotional, social and altruistic value (Holbrook, 1994; Sheth, Newman and Gross, 1991; Sweeney and Soutar, 2001). Despite the origins of these dimensions of value in commercial marketing, evidence exists to suggest that they also exist in social marketing (Zainuddin, Previte and Russell-Bennett, 2011). For many, it is likely that functional and emotional value are the dominant value dimensions that consumers seek in personal health causes in social marketing. Functional value is focussed on the value that is derived from performance and functionality (Russell-Bennett, Previte and Zainuddin, 2009), which can refer to the utility derived from using wellness services, representing a key outcome likely to be desired by many users of such services. Alternatively, emotional value is related to various affective states which can be positive or negative (Sánchez-Fernández and Iniesta-Bonillo, 2006). In the context of personal health causes, this can refer to the promotion of positive affective states, or the suppression of negative affective states.

### **Value sources in social marketing**

In seeking to understand where value in social marketing comes from and how it is created, there is a need to identify and understand the sources of value. Sources of value have been conceptualised in both commercial marketing (e.g. Smith and Colgate, 2007) as well as social marketing (e.g. Russell-Bennett, Previte and Zainuddin, 2009). In the context of social marketing, they can include interaction and customer co-creation (Russell-Bennett, Previte and Zainuddin, 2009). Interaction encompasses consumers' interactions with an organisation's staff as well as systems and processes (Smith and Colgate, 2007). In a wellness service, service quality (SQ) dimensions of administrative quality (McDougall and Levesque, 1994), technical quality, and interpersonal quality (Brady and Cronin, 2001; Rust and Oliver, 1994) represent the SQ dimensions that arise from the interpersonal interactions between the staff and consumers, or the employee-customer interface (Hartline and Ferrell, 1996).

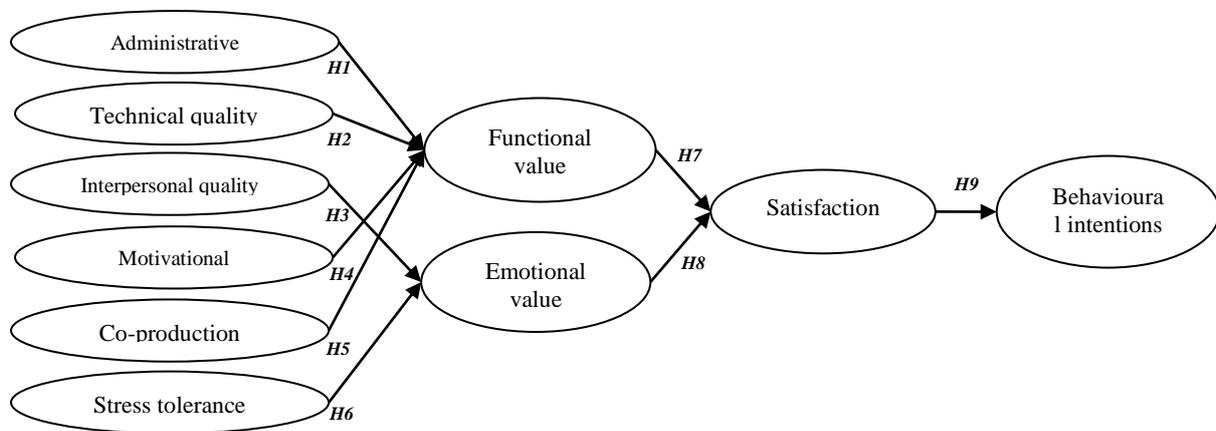
Administrative quality refers to aspects of the service which facilitate the production of a core service, adding value to a consumer's service experience (Grönroos, 1990; McDougall and Levesque, 1994). As these aspects facilitate the creation of utility for consumers, it is hypothesised that administrative quality will have a positive and significant relationship with functional value. Similarly, aspects such as expertise (Dagger, Sweeney and Johnson, 2007) represent sub-dimensions of technical quality, thus also creating utility for consumers of the service. As such, it is hypothesised that technical quality will have a significant and positive relationship with functional value. Finally, aspects such as the nature of the interaction (Dagger, Sweeney and Johnson, 2007) contribute towards interpersonal quality. As such, it is hypothesised that interpersonal quality will have a significant and positive relationship with emotional value.

Consumer participation is described as the degree to which the consumer is involved in producing and delivering the service (Dabholkar, 1990), however in social marketing, the participation of a consumer extends outside of the service exchange. Consumer participation includes cognitive, behavioural, and emotional inputs (Hochschild, 1983; Larsson and Bowen,

1989; Silpakit and Fisk, 1985) which are contributed at various stages of the consumption process. Cognitive inputs are reflected by the motivational direction variable, which considers the appropriateness of the activities to which an individual directs and maintains effort (Katerberg and Blau, 1983). It has been suggested that the motivation of the consumer improves the productivity of the service organisation and the quality of the service provided (Mills *et al.*, 1983). As such, it is hypothesised that motivational direction will have a positive and significant relationship with functional value. Behavioural inputs are reflected by the co-production variable, which is constructive customer participation in the service creation and delivery (Auh *et al.*, 2007). This occurs when consumers are engaged as “active participants in the organisation’s work” (Lengnick-Hall, Claycomb and Inks, 2000, p. 359), thus producing utilitarian outputs from the service with the organisation. As such, it is hypothesised that co-production will have a positive and significant relationship with functional value. Affective inputs are reflected by the stress tolerance variable, which refers to an individual’s ability to manage stress and is a sub-dimension of stress management (Bar-On, 1997). The management of one’s emotions to achieve a specific goal represents an emotional intelligence skill and ability to process emotions and emotion-relevant stimuli in order to guide thinking and behaviour (Mayer, Salovey and Caruso, 2008). This is relevant to wellness services as the personal nature of personal health causes requires that individuals are able to manage their emotions in order to achieve specific goals. As such, stress tolerance is hypothesised to have a significant and positive relationship with emotional value.

These hypothesised relationships are summarised in Figure 1, which is a proposed model of consumer value co-creation in social marketing. The model also identifies satisfaction as an outcome of value creation, which subsequently leads to behavioural intentions to perform the behaviour again in the future (via future use of the wellness service).

**Figure 1: Proposed model of consumer value co-creation in social marketing**



### Methodology

An Australia-wide online survey was conducted, generating a response rate of 20.2% based on the total number of email invitations of participation sent to a consumer panel. After the respondents were screened to meet the eligibility criteria, a final sample size of n=797 was produced. Tests for non-response bias and common-method bias were conducted and no bias was found. In the treatment of missing data, the all-available approach (i.e. pairwise deletion) was used as this provides fewer problems with convergence and factor loading estimates are relatively free of bias (Hair Jr. *et al.*, 2006). As the scales used were adapted from the literature to reflect the specific context of this research, reliability tests were performed on all

the items of the latent constructs as it is necessary to test for the appropriateness of using these scales in a different context (Nunnally and Bernstein, 1994).

Construct validity was then conducted on the indicators of the latent constructs using Exploratory Factor Analysis (EFA) in PASW 18. Principal axis factoring using direct oblimin rotation was conducted on the items after reliability analysis (Tabachnick and Fidell, 1996). Items with low loadings below .60 as recommended by Nunnally and Bernstein (1994) and items with cross-loadings on multiple dimensions were removed. Confirmatory Factor Analysis (CFA) was then conducted on all construct indicators using AMOS 18. None of the indicators were removed as the factor loadings met the minimum threshold of .60 with the exception of one Motivational Direction indicator, which had a factor loading of .56. Despite this, the indicator was not removed as the factor loading was deemed close to the minimum factor loading and a minimum of three indicators were required for the latent construct for analysis using Structural Equation Modelling (SEM). All the theoretical assumptions of SEM were met before the model was subject to hypothesis testing.

## Results

The findings of the SEM output in Table 1 are assessed based on the estimated path coefficient  $\beta$  value with critical ratio (C.R. equivalent to  $t$ -value) and  $p$ -value. The standard decision rules ( $t$ -value  $\geq 1.96$ , and  $p$ -value is  $\leq .05$ ) apply here to decide the significance of the path coefficient between DV and IV (Byrne, 2001). When the Critical Ratio (CR) is  $>1.96$  for a regression weight, that path is significant at the .05 level, indicating that its estimated path parameter is significant (Blunch, 2008). All hypothesised relationships in the model were supported with the exception of one; co-production was found to have a non-significant relationship with functional value ( $p=.365$ ).

**Table 1: SEM output for hypothesised path relationships in proposed model**

Relationships	Paths	SEM Output				Results*
		$\beta$	S.E	C.R (t)	P	
<i>Hypothesised</i>	AQ→FV	.21	.10	2.19	.029	Supported
	TQ→FV	.29	.09	3.12	.002	Supported
	PQ→EV	.45	.06	8.24	$p \leq .001$	Supported
	MD→FV	.21	.07	2.91	.004	Supported
	CP→FV	.06	.07	0.91	.365	Not supported
	ST→EV	.25	.07	3.54	$p \leq .001$	Supported
	FV→SAT	.45	.05	10.13	$p \leq .001$	Supported
	EV→SAT	.43	.05	9.68	$p \leq .001$	Supported
	SAT→BI	.73	.05	13.38	$p \leq .001$	Supported
<i>Non-hypothesised</i>	ST→FV	.19	.07	2.92	.003	Significant
	CP→EV	.10	.07	1.43	.152	Non-significant
	MD→EV	.16	.08	2.12	.034	Significant

\*Results supported at Significance Level:  $p \leq .001$ ,  $p \leq .01$ , and  $p \leq .05$

Post hoc tests were also conducted as the modification indices suggested additional paths in the model. The additional paths were added to the model and the model was tested again. It was found that the consumer participation of stress tolerance was found to have a significant and positive relationship with functional value, while the consumer participation dimension of motivational direction was found to have a significant and positive relationship with emotional value.

The model was found to be a good fit to the data as indicated by its  $\chi^2$  to degrees of freedom ratio (CMIN/DF = 2.781). Although this value does not strictly meet the threshold  $\leq 2$  it was deemed to be of moderate fit. Similarly, its root mean square error of approximation (RMSEA = .068) value did not strictly meet the threshold of  $\leq .06$  but it was also deemed to be of moderate fit as RMSEA values of  $\leq .05$  indicate models with good fit, while RMSEA values of  $\geq .10$  suggest poor fit (Bollen and Long, 1993). Finally, its comparative fit index (CFI = .914), which met the threshold of  $\geq .9$  suggested good model fit to the data.

## Discussion

The results of the SEM analysis indicate that the role of the consumer in value co-creation is complex. It was found that co-production had a non-significant relationship with functional and emotional value. As co-production refers to the inputs provided by the consumer during the service exchange that are necessary for the production of the desired utilitarian outcomes, there may be the perception among consumers that greater inputs on the consumer's part, the more diminished the inputs on the part of the organisation. Hence, this may explain the lack of relationship between co-production and value.

On the other hand, the remaining consumer participation dimensions of stress tolerance and motivational direction were found to have significant and positive relationships with both functional and emotional value. The significant and positive non-hypothesised relationship between stress tolerance and functional value could be attributed to the fact that some degree of stress tolerance is necessary for consumers to be able to effectively co-produce the service with the service provider. If a consumer is unduly stressed or distressed during the service encounter, they may not be able to effectively co-produce the service.

In addition, the significant and positive non-hypothesised relationship between motivational direction and emotional value could be attributed to the fact that by understanding their role associated with the service exchange and by acknowledging the importance of the role that they play, this creates a sense of control for the consumer. This sense of control may be influential in allowing consumers to feel that they have played an active part in creating a meaningful consumption experience for themselves, rather than being passive participants that are powerless. This can create emotional value for the consumers because it is likely to provide them with a sense of relief or achievement.

These results indicate to social marketers and wellness service providers that the role of the consumer in the value creation process should not be overlooked. Consumers are instrumental to the creation of value in social marketing, which influences their satisfaction with the experience and subsequent likelihood of sustaining their behaviour in the long-term. As such, attention is required in creating a better understanding for consumers of the importance of their role in a wellness service experience and that as individuals, consumers are empowered to determine and co-create the value that they seek from their experiences. Social marketers and wellness service providers should also note that service quality dimensions still remain important in the creation of value for consumers and should not be neglected. As such, aspects such as technical capabilities as well as interpersonal capabilities of staff must be maintained at a high standard. In addition, while administrative services do not form part of the core service provided, they remain an important source of value in the value creation process and should not be neglected.

## References

- Andreasen, A.R., 1995. Marketing social change: A social marketing research agenda for consumer behaviour in researchers. In: Rothschild, M., McAlister, L. (Eds.), *Advances in consumer research* (Vol.20). Association for Consumer Research, Provo, UT.
- Auh, S., Bell, S.J., McLeod, C.S., Shih, E., 2007. Co-production and customer loyalty in financial services. *Journal of Retailing*, 83(3), pp. 359-370.
- Bar-On, R., 1997. *Emotional Quotient Inventory: technical manual*. Multi-Health Systems, Toronto.
- Blunch, N.J., 2008. *Introduction to structural equation modelling using SPSS and AMOS*. Sage Publications Ltd., Thousand Oaks, CA.
- Bollen, K.A., Long, J.S., 1993. *Testing structural equation models*. Sage Publications Ltd., Beverly Hills, CA.
- Brady, M.K., Cronin, J.J., 2001. Some new thoughts on conceptualising perceived service quality: A hierarchical approach. *Journal of Marketing* 65 (July), 34-49.
- Dabholkar, P., 1990. How to improve perceived service quality by improving customer participation. In: Dunlap, B.J. (Ed.), *Developments in Marketing Science*. Academy of Marketing Science, Cullowhee, NC, pp. 483-87.
- Dagger, T.S., Sweeney, J.C., Johnson, L.W., 2007. A hierarchical model of health service quality: Scale development and investigation of an integrated model. *Journal of Service Research* 10 (2), 123-142.
- Dann, S., 2008. Adaption and adoption of the American Marketing Association (2007) definition for social marketing. *Social Marketing Quarterly* XIV (2), 92-100.
- Grönroos, C., 1990. *Service Management and Marketing: Managing the Moments of Truth in Service Competition*. Lexington Books, Lexington, MA.
- Hair Jr., J. F., Black, W. C., Babin, B. J., Anderson, R. E., Tatham, R. L., 2006. *Multivariate Data Analysis* (6th ed.). Pearson Prentice Hall, Upper Saddle River, NJ.
- Hartline, M.D., Ferrell, O.C., 1996. The management of customer-contact service employees: An empirical investigation. *Journal of Marketing* 60 (October), 52–70.
- Hochschild, A.R., 1983. *The managed heart: Commercialization of human feeling*. University of California Press, Berkeley.
- Holbrook, M.B., 1994. The Nature of Customer Value: An Axiology of Services in the Consumption Experience. In: Rust, R.T., Oliver, R.L. (Eds.), *Service Quality: New Directions and Theory and Practice*. Sage Publications Ltd., London.
- Huber, F., Herrmann, A., Morgan, R. E. (2001). Gaining competitive advantage through customer value oriented management. *Journal of Consumer Marketing* 18(1), 41-53.

- Katerberg, R., Blau, G., 1983. An examination of level and direction of effort and job performance. *Academy of Management Journal*, 26, 249-257.
- Kotler, P., Lee, N. (2008). *Social Marketing: Influencing Behaviors for Good* (2nd ed.). Sage Publications Ltd., Thousand Oaks, CA.
- Kotler, P., Zaltman, G., 1971. Social marketing: An approach to planned social change. *Journal of Marketing* 35(July), 3-12.
- Larsson, R., Bowen, D.E., 1989. Organisation and customer: Managing design and coordination of services. *Academy of Management Review*, 14 (2), 213-33.
- Lengnick-Hall, C. A., 1996. Customer contributions to quality: A different view of the customer-oriented term. *The Academy of Management Review* 21(3), 791-824.
- Lengnick-Hall, C. A., Claycomb, V., Inks, L., 2000. From recipient to contributor: Examining customer roles and experienced outcomes. *European Journal of Marketing* 34(3/4), 359-383.
- Mayer, J. D., Salovey, P., Caruso, D. R., 2008. Emotional intelligence: New ability or eclectic traits? *American Psychologist* 63(6), 503-517.
- McDougall, G. H., Levesque, T. J., 1994. A revised view of service quality dimensions: An empirical investigation. *Journal of Professional Service Marketing* 11(1), 189-209.
- Mills, P. K., Hall, J. L., Leidecker, J. K., Margulies, N., 1983. Flexiform: A model for professional service organisation. *Academy of Management Review* 8(1), 108-117.
- Nunnally, J. C., Bernstein, I. H., 1994. *Psychometric theory*. McGraw-Hill, Sydney.
- Prahalad, C. K., Ramaswamy, V., 2004. Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing* 18(3), 5-14.
- Rothschild, M. L., 1999. Carrots, sticks, and promises: A conceptual framework for the management of public health and social issue behaviours. *Journal of Marketing* 63(4), 24-37.
- Russell-Bennett, R., Previte, J., Zainuddin, N., 2009. Conceptualising value creation for social change management. *Australasian Marketing Journal* 17(4), 211-218.
- Rust, R. T., Oliver, R. L., 1994. Service Quality: Insights and Managerial Implications from the Frontier. In Rust, R. T., Oliver, R. L. (Eds.), *Service Quality: New Directions in Theory and Practice*. Sage Publications Ltd., Thousand Oaks, CA, pp. 1-19.
- Sánchez-Fernández, R., Iniesta-Bonillo, M. Á., 2006. Consumer perception of value: Literature review and a new conceptual framework. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 19, 40.
- Seligman, M. E. P., 2002. Positive Psychology, Positive Prevention, and Positive Therapy. In: Snyder, C. R., Lopez, S. J. (Eds.), *Handbook of Positive Psychology*. Oxford University Press, New York, pp. 3-9.

Silpakit, P., Fisk, R. P., 1985. "Participatizing" the service encounter. In: Bloch, T.M., Upah, G.D., Zeithaml, V.A. (Eds.), *Services Marketing in a Changing Environment*. American Marketing Association, pp 117-21.

Smith, J.B., Colgate, M., 2007. Customer value creation: A practical framework. *Journal of Marketing Theory and Practice* 15 (1), 7-23.

Sheth, J.N., Newman, B.I., Gross, B.L., 1991. Why we buy what we buy: A theory of consumption values. *Journal of Business Research* 22 (2), 159-170.

Sheth, J. N., Uslay, C., 2007. Implications of the revised definition of marketing: From exchange to value creation. *Journal of Public Policy & Marketing* 26(2), 302-307.

Sweeney, J.C., Soutar, G.N., 2001. Consumer perceived value: The development of a multiple item scale. *Journal of Retailing* 77, 203-220.

Tabachnick, B. G., Fidell, L. S., 1996. *Using multi-variate statistics* (3rd ed.). Harper Collins College Publishers, New York.

Ulaga, W., 2003. Capturing value creation in business relationships: A customer perspective. *Industrial Marketing Management* 32(8), 677-693.

Vargo, S. L., Lusch, R. F., 2004. Evolving to a new dominant logic for marketing. *Journal of Marketing* 68(1), 1-17.

Zainuddin, N., Previte, J., Russell-Bennett, R., 2011. A social marketing approach to value creation in a well-women's health service. *Journal of Marketing Management* 27(3-4).