



Marketing, Management, and Innovation

# Convincing Stakeholders/ Foundations of Value Management

Winter Semester

Institute:	Institute for Market-based Management Institute for Marketing Institute of Strategic Management Institut for Innovation Management (jointly)
Lecturer:	Prof. Dr. Manfred Schwaiger Email: <a href="mailto:schwaiger@lmu.de">schwaiger@lmu.de</a> Prof. Dr. Dr. h.c. Marko Sarstedt Email: <a href="mailto:sarstedt@lmu.de">sarstedt@lmu.de</a> Prof. Dr. Anja Tuschke Email: <a href="mailto:tuschke@lmu.de">tuschke@lmu.de</a> Prof. Dr. Jelena Spanjol Email: <a href="mailto:spanjol@lmu.de">spanjol@lmu.de</a>
Assistant:	Juliane Gabel (main organization) Email: <a href="mailto:ju.gabel@lmu.de">ju.gabel@lmu.de</a>
Weekly Hours:	6 (2 Lecture & 4 Tutorial)
Credits:	9 ECTS (Master)
Examination:	Written exam (120 minutes) (closed book)
Prerequisites:	The course is designed as a basic course for master students. No written application is required, but students have to register for the course in the first course week.
Course Material:	Course materials can be found on LSF and Moodle



# Course Description & Main Objectives

---

This course deals with current issues and developments in managing value in business. Offering four different perspectives on this topic, the course is held jointly by the Institute for Market-based Management (Prof. Schwaiger), the Institute for Marketing (Prof. Sarstedt), the Institute of Strategic Management (Prof. Tuschke), and the Institute for Innovation Management (Prof. Spanjol). A complementary 4-hour tutorial aims to deepen the subjects outlined in the lecture.

**Teaching contents:** A changing global landscape in which businesses operate necessitates a focus on effective and efficient value management, encompassing value creation, transfer, and capture as well as addressing a variety of stakeholders.

In this course, we see value management as a process. First, we discuss the foundation of value management through communication from various perspectives. On the company level, the course deals with central company values and describes how to leverage corporate communications in order to achieve competitive advantages. On an individual level, the course describes the fundamentals of business negotiations with a specific focus on negotiation techniques. Second, building on this foundation, we dive deeper into types of value management namely for customers (other-oriented) and for managers (self-oriented). Value management for customers discusses the principles of consumer decision-making as a basis for improved customer value management. Value management for managers on the other hand also dives into how to bring together organizational goals and values. Finally, we discuss value management decisions are enacted through innovation, exploring both value creation and value capture dynamics. The lectures and tutorials comprise exercises and a broad range of case studies.

**Teaching aims:** Students gain a broad understanding of how to effectively manage value within firms. They further understand how companies achieve competitive advantages with the help of the central value drivers and communication methods.

## Lectures Overview

---

1. Value management through communication
  - 1.1 Introduction and overview of corporate communications
  - 1.2 Corporate reputation management
  - 1.3 Corporate social responsibility
  - 1.4 Crisis communication
  - 1.5 Introduction and overview of negotiation analysis
  - 1.6 Negotiation workshop (tutorial)
2. Value management for customers
  - 2.1 Consumers as stakeholders and the consumer-brand relationship



- 2.2 Preferences and preference construction
- 2.3 Context factors on consumer decision making
  - 2.3.1 Choice set composition
  - 2.3.2 Choice framing
  - 2.3.3 Decision environment
  
- 3. Value management for managers
  - 3.1 Organizational goal setting
  - 3.2 Governing the manager-stakeholder relationship
    - 3.2.1 Introduction to governance
    - 3.2.2 Incentives for the TMT and its consequences for stakeholders
    - 3.2.3 New approach to governance: TMTs as stewards of the corporation
  - 3.3 Public perception and firm reaction
  
- 4. Value management through innovation
  - 4.1 Innovation as a value creation process
  - 4.2 Value creation for internal and external customers
  - 4.3 Value transfer models
  - 4.4 Value capture dynamics
    - 4.4.1 Extracting value within a closed innovation system
    - 4.4.2 Extracting value within an open innovation system



# Literature

---

## Part 1 – Value management through communication

Argenti, Paul A. and Janis Forman (2002): *The Power of Corporate Communication*, McGraw-Hill, Irwin, 2002. Argenti, P. A., & Forman, J. (2002). *The power of corporate communication*. McGraw-Hill.

Argenti, P. A. (2023). *Corporate communication* (8th ed.). McGraw-Hill/Irwin.

Fisher, R., Ury, W., & Patton, B. (2011). *Getting to yes: Negotiating agreement without giving in* (3rd ed.). Random House Ltd.

Johnson, B. S., and M. L. Bayless. (2005). *Business Communication*. (4th ed.). Thomson Custom Publishing.

Lewicki, R. J., Saunders, D. M., & Barry, B. (2024). *Negotiation*. (9th ed.). McGraw-Hill.

Raiffa, H. (2003): *The Art and Science of Negotiation*. (Reprint ed.). McGraw Hill.

Raiffa, H., Richardson, J., & Metcalfe, D. (2007). *Negotiation analysis: The science and art of collaborative decision making*. The Belknap Press of Harvard University Press.

## Part 2 – Value management for customers

Argo, J. J. (2020). A contemporary review of three types of social influence in consumer psychology. *Consumer Psychology Review*, 3(1), 126–140. <https://doi.org/10.1002/arcp.1059>

Bettman, J. R., Luce, M. F., & Payne, J. W. (1998). Constructive consumer choice processes. *Journal of Consumer Research*, 25(3), 187–217. <https://doi.org/10.1086/209535>

Krishna, A. (2012). An integrative review of sensory marketing: Engaging the senses to affect perception, judgment and behavior. *Journal of Consumer Psychology*, 22(3), 332–351. <https://doi.org/10.1016/j.jcps.2011.08.003>

Simonson, I. (1989). Choice based on reasons: The case of attraction and compromise effects. *Journal of Consumer Research*, 16(2), 158. <https://doi.org/10.1086/209205>

Solomon, M. R. (2018). *Consumer behavior: Buying, having, and being*. Pearson. Chapter 1

## Part 3 – Value management for managers

Bebchuk, L. A., & Fried, J. M. (2005). Pay Without Performance: Overview of the Issues. *Journal of Applied Corporate Finance*, 17(4), 8–23. <https://doi.org/10.1111/j.1745-6622.2005.00056.x>



Hambrick, D. C., & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *The Academy of Management Review*, 9(2), 193. <https://doi.org/10.2307/258434>

Sanders, W. G., & Hambrick, D. C. (2007). Swinging for the Fences: The Effects of CEO Stock Options on Company Risk Taking and Performance. *Academy of Management Journal*, 50(5), 1055–1078. <https://doi.org/10.5465/amj.2007.27156438>

Wiesenfeld, B. M., Wurthmann, K. A., & Hambrick, D. C. (2008). The Stigmatization and Devaluation of Elites Associated with Corporate Failures: A Process Model. *Academy of Management Review*, 33(1), 231–251. <https://doi.org/10.5465/amr.2008.27752771>

#### Part 4 – Value management through innovation

Chandrasekaran, D., Tellis, G. J., & James, G. M. (2022). Leapfrogging, Cannibalization, and Survival During Disruptive Technological Change: The Critical Role of Rate of Disengagement. *Journal of Marketing*, 86(1), 149-166. <https://doi.org/10.1177/0022242920967912>

Garud, R., Tuertscher, P., & Van de Ven, A. H. (2013). Perspectives on innovation processes. *Academy of Management Annals*, 7(1), 775-819. <https://doi.org/10.5465/19416520.2013.791066>

Holbrook, M. B. (1999). Introduction to Consumer Value. In: *Consumer value. A framework for analysis and research* (edited by M. B. Holbrook). Routledge, London, UK, 1-28.

James, S. D., Leiblein, M. J., & Lu, S. (2013). How firms capture value from their innovations. *Journal of Management*, 39(5), 1123-1155. <https://doi.org/10.1177/0149206313488211>

Sjödin, D., Parida, V., Jovanovic, M., & Visnjic, I. (2020). Value creation and value capture alignment in business model innovation: A process view on outcome-based business models. *Journal of Product Innovation Management*, 37(2), 158-183. <https://doi.org/10.1111/jpim.12516>

Zobel, A. K., & Hagedoorn, J. (2020). Implications of open innovation for organizational boundaries and the governance of contractual relations. *Academy of Management Perspectives*, 34(3), 400-423. <https://doi.org/10.5465/amp.2016.0175>