ANU NORRGRANN

Symbolicially embedded

Essays on the creation and use of
symbolic resources in
furniture networks

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Julkaisun nimike

Symbolisesti sidoksellinen – esseitä symbolisten resurssien muodostumisesta ja hyödyntämisestä huonekalualan liikesuhdeverkostoissa

Tiivistelmä

Tämä tutkimus pyrkii rakentamaan ymmärrystä tuotteen kyvystä ja tavoista toimia symbolisena resurssina liiketoimintaverkostossa. Tutkimus rakentuu verkostoteorian (IMP) resurssilähestymistavan varaan ja pureutuu erityisesti resurssien symboliseen ulottuvuuteen ja tuotteiden kykyyn toimia toimitusverkoston jäsenille ja kuluttajille arvoa tuottavina resursseina. Teoreettisesti tutkimus rikastuttaa ns. 4Rs resurssivuorovaikutusmallia yhdistämällä siihen kulutuskulttuurin sekä palvelukeskeisen logiikan tutkimuksen näkökulmia, ja laajentamalla analyyttistä katsantokantaa liikesuhteiden piiristä kohti käyttäjä- ja kuluttajakonteksteja.

Tutkimus koostuu neljästä esseestä, joiden empiirisenä perustana on kolme toisiaan täydentävää tapaustutkimusta huonekaluvalmistuksen ja –kaupan alalta. Esseiden kautta nousee esiin erityisesti kolme teemaa: jakeluverkoston välikäsien rooli symbolisten resurssien välittäjinä ja muovaajina, ja resurssien välillisinä käyttäjinä; symbolisten resurssien inertia ja polkuriippuvuus ja näistä johtuva, tietyssä liikesuhteessa kehittyneiden symbolisten resurssien hyödyntäminen uusissa liiketoiminnoissa, sekä brändien ja muiden symbolisten merkitysten rooli liikesuhteiden dynamiikan hallinnassa ja arvoehdotusten vuorovaikutteisessa rakentamisessa.

Tutkimuksen löydöksissä korostuu tuotteen brändin, muotoilun ja arvoehdotuksen kautta ilmenevien symbolisten resurssien yhtymäkohdat yrityksen liikesuhteiden hallinnan haasteisiin. Suhteiden tyyppi ja luonne vaikuttaa resurssien syntymiseen ja muovautumiseen, sekä niiden kykyyn olla hyödyllisiä ja arvoatuottavia niin tuotteiden välillisille käyttäjille toimitusverokostossa, kuin kuluttajille heidän tavoitteisaan ja arjessaan.

Title of publication
Symbolically embedded – Essays on the creation and use of symbolic resources in furniture networks

Abstract
The thesis aims at providing an understanding of how products function as symbolic resources in business networks. It builds on the resource interaction discussion within the network research tradition (IMP) and addresses the symbolic dimension of embeddedness and its importance for the ability of products to function as value-providing resources for intermediate and final customers. Conceptually, the four resource entities (4Rs) framework is enriched with elements from consumer culture theory and the service-dominant logic of marketing and the analytical boundary is stretched towards the user and consumer spheres.

The thesis comprises four essays, based on three, complementary case studies from the field of furniture production and retailing. The essays highlight the role of retailers as resource intermediaries in purveying, shaping and acting as intermediate users of symbolic resources; the path-dependence and inertia related to symbolic resources, and the way such resources that are developed in one relationship, can be symbolically utilized in new ventures; and the role of brands and other communicative signs in handling customer relationship dynamics and building value propositions through interaction.

The findings highlight the connection between symbolic resources manifested in a product's design, brand and value proposition, and the relationship mechanisms and characteristic affecting the way such resources emerge and become useful and valuable for both intermediate network actors and consumers.

Keywords
Symbolic embeddeness, resources, furniture, retail, distribution relationships

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Vaasa, May 2015

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ESSAYS

[1] Norrgrann, Anu (2014). *The symbolic side of resource interaction - exploring product embeddedness in the retail context* Non-published essay based on two earlier conference papers[1].

[2] Norrgrann, Anu & Halkoaho, Jenniina (2009). Retailers and Media as Resource Intermediaries[2]. *Proceedings of the 2009 Naples Forum on Service: Service –dominant logic, service science and network theory*.

[3] Norrgrann, Anu & Luokkanen-Rabetino, Karita (2011). Inertia in business relationships: the case of a designer furniture manufacturer. *International Journal of Entrepreneurial Venturing*, 3: 1, 44-62.

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[4] Norrgrann, Anu (2014). Symbolically valuable for the customer? A longitudinal analysis of the interlinkages between the brand and relationship development activities of a furniture manufacturer[3].

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[1] The essay combines the paper *The product as a resource for the retailer*, Published in the proceedings of 21st IMP-conference in Rotterdam, Netherlands 2005, and the paper *The symbolic side of resource interfaces in the retail contex*t, presented at the 18th Nordic workshop on Interorganizational Research 2008, Bergen, Norway.

[2] An earlier, extended abstract version of the essay has been published in Revista Româna de Marketing/Romanian Journal of Marketing, Nr 1-2010 (January-March) and in the Proceedings of the 38th EMAC conference, 2009, Audencia, Nantes, France.

[3] An earlier version of the paper was published in the proceedings of the 13th International Conference of the Society for Global Business & Economic Development (SGBED) "Managing the "Intangibles": Business and Entrepreneurship Perspectives in a Global Context, Università Politechnica delle Marche, Ancona, Italy.

1 INTRODUCTION

The product can be seen as the tool with which a firm connects its resources with the needs of users. The managerial challenge underlying this research deals with the question of how to develop and manage products successfully so that a 'fit' between these interests can be achieved and the product may function as a resource that provides value.

According to different estimates, the failure rates for new products range between 40-90% (for a review, see Castellion & Markham 2013); in the business press, it has been quite common to refer to the higher end of this spectrum (Trott 2012: 579). Considering the costs of product development, it would be quite central that firms focus on how products interact with their context; if and how they are useful resources for customers.

On its way downstream from the development phases towards use, a product becomes embedded into different contexts and is assessed and handled by a variety of actors. Its physical features as well as its intangible properties are affected by many factors; for instance, the designer's ideas, component features, technical and logistical considerations, marketing activities, and characteristics of the distribution environments. Different perceptions, motivations and strategies of such different actors are directed at the product. In order to develop successful, value-providing products, an understanding is required about how the product adapts into the different structures or contexts, which stretch outside the boundaries of the single firm. This suggests that it would be useful to examine products from a network point of view, as resources, whose value is dependent on the ties to other resources, actors and activities in the network. The managerial challenge thus also extends to making products function as value-providing resources for the different firms and individual actors that are involved with it.

This study focuses particularly on the product's path from the manufacturer towards the consumer; the ways in which products and the distribution contexts interact. This setting also offers a managerially challenging field. As we speak, the retail sector in Finland is going through difficult times. Headlines in the Finnish press, such as *'The retail sector's crisis deepens'* (Numminen 2014) reflect the difficulty of many retail actors to adapt to the major structural change at hand, which has been brought about by the economic recession and declining consumer demand, as well as changes in consumer behaviour when purchases are increasingly being made online instead of through traditional channels (Boxberg 2013; Kervinen & Junkkari 2013).

The empirical field of this research, furniture retailing, is a branch in which these challenges are also highly visible. According to the Finnish Ministry of Employment and the Economy's Industry report on the furniture sector (Loukasmäki 2013: 26), the changes in consumer demand for furniture are most likely to be linked to developments of the gross domestic product and the economic outlook, rather than correlating with the output of the construction industry, as has been previously assumed. The report also claims that nowadays, furniture purchases largely result from changed fashions; the old pieces of furniture are replaced by new ones when consumers have the economic possibility to do so, not when old items are worn out. In other words, this sector is particularly sensitive to general economic fluctuations. During the severe recession years between 1990 and 1995, consumption of the product groups of interior products and home electronics dropped by 21%, and then increased again in the period from 1995 to 2001 by 41%. (Loukasmäki 2013: 26). The economic downturn that is currently at hand has again prompted furniture retail turnover into decline (Tilastokeskus 2013), forcing furniture manufacturers to reconsider their distribution strategies in order to survive.

Moreover, the furniture retail sector has become increasingly concentrated and dominated by chains such as Ikea, Indoor Group (including Asko and Sotka), Masku, Isku, Vepsäläinen, Jysk, Stemma and Kodin Ykkönen (Loukasmäki 2013; Association of Finnish Furniture Retailers 2006). Concentration also characterises the purchasing side; there has been a tendency among retailers to decrease the number of suppliers (Loukasmäki 2013). Other challenges include increased competition from abroad, even in the form of new international retailers such as Habitat, who opened its first store in Finland in late 2014, at a time when existing retailers are struggling and being forced to close down their stores (Kinnunen 2014).

In such a context, it appears that it is more crucial than ever to make careful choices regarding distribution, to manage these relationships efficiently, and to have an understanding of how the product that a manufacturer sells will align with the retail context in order to provide value for the actors involved.

The chairman of the Association of Finnish Furniture Retailers (Sisusta Kotia r.y.), Arto Melanko (2014), also acknowledges the effects of the recession but sees opportunities in the belief that consumers have become increasingly trend and quality conscious. He highlights the observation that even though the amount of store visitors has decreased, a partial explanation is that the consumer activity of browsing has moved from physical stores to the web. This presumption that *'Those who just kick tyres are nowadays on the Internet'* would imply on the one

hand that firms need to master multichannel marketing strategies, and on the other hand, that the role of the physical encounters has become increasingly critical to handle, if the customers in the stores are not 'just looking', but seriously intending to buy. This trend highlights the importance of understanding the resources that the retail context can provide for consumers, and implicitly, also the role of the manufacturer in assisting in this process. Making the most out of the product – the common interest of the manufacturer and the retail actors–is in such a setting more crucial than ever.

1.1   The research setting

1.1.1   Setting the conceptual scene

This research process began from two more or less fixed points of departure, which came to have a strong influence on the choices made in the study. One was an interest in the furniture sector as an empirical field; the other, a theoretical starting point in the business network research tradition, sometimes labelled industrial marketing and purchasing (IMP) and on-going conceptual development work specifically related to resource interaction, a process in which the researcher has an opportunity to participate in within the framework of an international research project[4]. The research process related to this thesis involved finding a focus and an individual research contribution in the combination of these two points of departure. In the spirit of abduction, and systematic combining of theoretical and empirical insights (see Dubois & Gadde 2002), the research framework gradually evolved; subsequently, new theoretical concepts were added.

From the standpoint of theory, the main focus has throughout the process been on one of the elements in the network model presented in Håkansson (1987) and elaborated in Håkansson & Snehota (1995), namely resources. A framework for studying particularly the resource dimension in networks, "the 4Rs model," was developed by Håkansson & Waluszewski (2002) and used in subsequent work by Forbord (2003), Baraldi (2003), and Gressetvold (2004), among others. This resource interaction model is also a cornerstone in this research, although due to the more specific choices in subject delimitation, elements from other conceptual

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[4]   The furniture project was a research collaboration undertaken around 1999–2001 on the topic of resource interaction in industrial networks in the European furniture industry, with researchers from Uppsala University, the University of Urbino, the University of Twente, the University of Vaasa, and Aarhus University participating.

discussions have been included, such as the value discussions from the service dominant logic of marketing (see Vargo & Lusch 2004) and the notions of symbolic and cultural resources from consumer culture theory (See Arnould & Thompson 2005), as well as insights related to branding and communication.

Both service scientists and consumer culture theorists approach the notion of resources in a similar manner to network researchers, emphasizing the role of resource combining and integration, rather than seeing resources as given to their value and considering them interesting mostly from a possession and control point of view, as in earlier academic discussions on resources, such as the resource-based view of the firm (RBV). Service theorists also share the idea that resources are co-created between providers and users. The difference between this approach and the IMP perspective adopted in this thesis lies mostly in their different units and levels of analysis, with service research being more focused on the marketing to final customers and IMP concentrating on processes and effects at the broader network level.

Even if these other theoretical angles were useful in understanding the concept of resources, the network approach was chosen as the main theoretical perspective steering the thesis, as it provides useful analytical tools for the examination of resources on an interorganisational level regarding how the resource interacts with its context.

The additional conceptual approaches serve the purpose of illuminating resources, particularly from the point of view of value for users, and consumers in particular. The relevance of this level is connected to the choice of the empirical field (furniture) and its nature as a consumer good. Thus, in order to understand how furniture works as a resource, this research stretches the analytical horizon beyond the usual scope of network studies to also consider the consumer as one of the resource evaluators and users within the broader network.

In the process of narrowing in on a more focused phenomenon to be investigated in relation to resources in the furniture industry, prior and on-going resource interaction research was examined in the attempt to identify a research gap to contribute to. The majority of resource studies in the network field appeared to deal with investigations of technological systems and processes as contexts for resources. The interest in this thesis, however, began to direct itself more towards understanding the focal product type itself. The character of furniture as a consumer product, and products for which issues such as design, style, and aesthetics come into play, steered the research interest towards the question of resource embeddedness of a less technical nature. Could the tools developed for understanding resource interaction and embeddedness also be used for examining the inter-

play between a product and the more immaterial and symbolic resources in its context? How does the "selling system" affect the product and its ability to function as a value-providing resource? And vice versa, how does the product affect the network in which it is embedded; does it work as a resource for the actors in the selling context? Can an understanding of the symbolic dimension of embeddedness help address the challenges raised in the introduction? How can we achieve successful products that fit well for customers and help them create value?

1.1.2 *Positioning of the study*

During the research process, there have been many possibilities to make choices about which concepts and approaches to use in order to best grasp the phenomena that we were attempting to understand. From quite early on, we opted for a network view on distribution instead of a channel perspective (see Gadde 2004 for a closer comparison). A network perspective enabled us to better examine and understand the interaction and co-operation aspects involved in distribution relationships (Gadde & Ford 2008; Gadde 2010). As Gadde & Ford (2008: 49) point out:

> "Business isn't something that a company does. It is a process between many different, but interdependent actors and which is completely controlled by none of them."

Against such a view, accessing resources of others and combining various resources of different actors stand out as central phenomena, making the network approach and the resource aspects of it suitable conceptual tools for understanding business realities also regarding distribution.

As stated earlier, the more detailed area of interest in this study concerns particularly the resources of different actors interacting in the retail context. This concerns resources provided by manufacturers, retail actors, and also *consumers*. The setting where resources of business actors meet the final consumer sphere has received less attention in the industrial network field, with a few recent exceptions, such as Röndell & Sörhammar (2010).

The interaction between firm-provided and consumer resources has nevertheless been discussed in other theoretical streams in the marketing discipline, such as the Service-dominant Logic of marketing (S-DL) and Consumer Culture Theory (CCT). These streams and the industrial network approach share a number of common touch points and underlying assumptions, which is also illustrated in an array of articles discussing the similarities, differences, and potential contributions between these. For instance, they share an approach to marketing that stress-

es an interactive and co-creating practice of "marketing with," rather than "to," customers, and thereby an active role assigned to users/consumers and supply chain partners (Vargo & Lusch 2008; Cova & Salle 2008a). Furthermore, in their understanding of products and the value they may provide, these approaches all de-emphasise the significance of the physical goods in themselves and instead draw attention to their heterogeneous and context-dependent nature (Ford 2011; Baraldi, Gressetvold & Harrison 2012). We will return to a more detailed examination of these similarities and differences in chapter 2.

During the course of this research process, both S-DL and CCT appeared to provide concepts that were useful for understanding the focal idea in this thesis: products as symbolic resources. CCT, and consumer research more generally, offer tools to understand the role of symbolic meanings and ways in which consumers use firm-provided resources as cultural resources to advance their life goals and create their identities (Arnould & Thompson 2005). S-DL in turn offers tools to understand the role of brands as resources that consumers integrate to create value for themselves. These two streams thus offer complementary perspectives addressing consumer-level resource issues, which business-to-business focused network research has largely left outside of its scope.

This thesis addresses a phenomenon that is located in the intersecting points between these theoretical streams, as illustrated by Figure 1. *The study positions itself primarily in the IMP field and utilises the others in order to enrich the understanding of the nature of specifically symbolic resources.* The study utilises the analytical framework provided by the 4R model, rooted in the industrial network approach, and aims at contributing to the development of it regarding the role of the symbolic level.
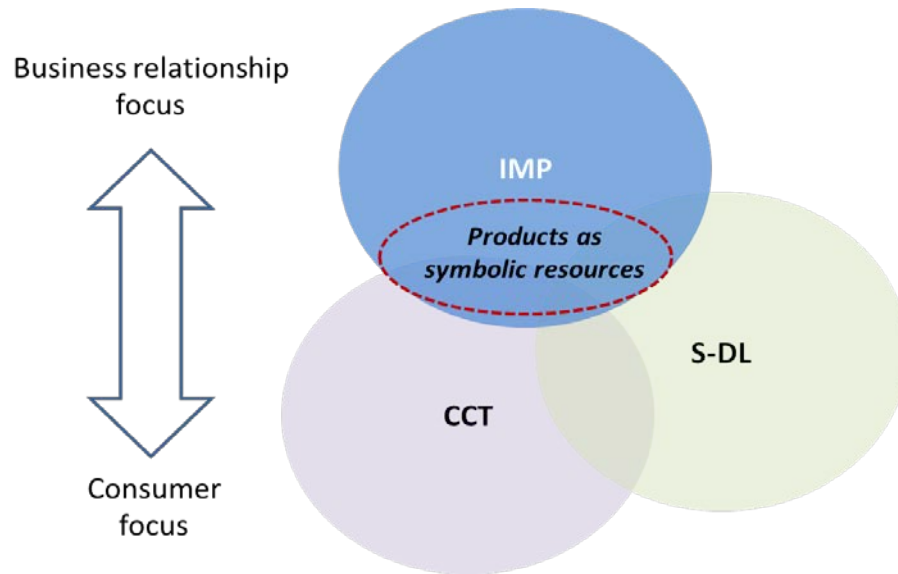
Figure 1.   Positioning of the study

1.2   Purpose of the study

To sum up, the unit of analysis of this thesis is the interconnections between product and context, and these interconnections will here be approached from a resource perspective.

The thesis focuses in particular on the symbolic dimension of resources, which has received less attention in previous business network research, but which we consider to be of particular significance on the distribution side of the network, where issues such as store atmosphere, brand and retailer image and service and personal selling strongly affect the ultimate presentation of the product and the value it is able to provide for intermediate, as well as final customers.

The purpose of the study is thus to gain an **understanding of symbolic embeddedness of products.** More specifically, we delimit our study to examining symbolic embeddedness in the selling system and will thus explore **how symbolic embeddedness manifests itself in different contexts.**

This research question is approached though following, more detailed objectives:

- Understanding the role of retailers' resource environment in resource interaction. How does the retailer affect the symbolic properties of a product and how in turn does it use it as a symbolic resource itself?
- What is the role of a retailer as a resource intermediary in a network?
- What is the role of inertia and path-dependence for the development and utilisation of symbolic resources?
- How can brands and signs be used as symbolic resources in customer relationships?

These more specific objectives are examined through the four separate essays of this thesis and a synthesising discussion of how these contribute to the holistic understanding of symbolic resources embeddedness is presented in the subsequent conclusions chapter.

The conceptual and empirical complementarities of the essays, and the case studies they are based on, are discussed in further detail in chapter 3.

1.3   Structure of the study

The structure of the thesis is illustrated by figure 2 below. After having presented the research setting and the conceptual and empirical starting points, the positioning of the study and defined the purpose and aims of the thesis in this introductory chapter, we move to the theoretical framework, which constitutes chapter 2 of the thesis.

In the theory chapter, we move from the general towards the specific; from the underlying perspective of markets-as-networks to a presentation of the network model, further focusing on the resource dimension of it and the nature and characteristics of resources seen from this theoretical perspective. Subsequently, we discuss the 4R framework for understanding resource interfaces. Finally, additional theoretical perspectives on resources from the CCT and S-D L fields are introduced and integrated to enrich the theoretical framework of the study.

The third chapter accounts for the methodological underpinnings and choices made in the research process and offers a discussion of the roles of the independent essays play for the totality of the thesis. An evaluation of the quality of the research is also made in this chapter.

The four independent essays of the thesis constitute the following chapters. Chapter four corresponds to the essay "The symbolic side of resource interaction – exploring product embeddedness in the retail context", chapter five "Retailers and Media as Resource Intermediaries", chapter six discusses "Inertia in Business Relationships: the case of a designer furniture manufacturer" and finally, chapter seven takes the angle "Symbolically valuable for the customer? A longitudinal analysis of the interlinkages between between the brand and relationship development activities of a furniture manufacturer". The empirical material in the form of three case studies are presented in essays 1, 3 and 4, while essay 2 has a conceptual focus, although building on the findings from the case in essay 1.

Chapter eight draws the findings of the essays together and offers an integrated discussion on the notion of symbolic embeddedness and its forms of expression. It summarizes the conclusions of the study and provides directions for further research.
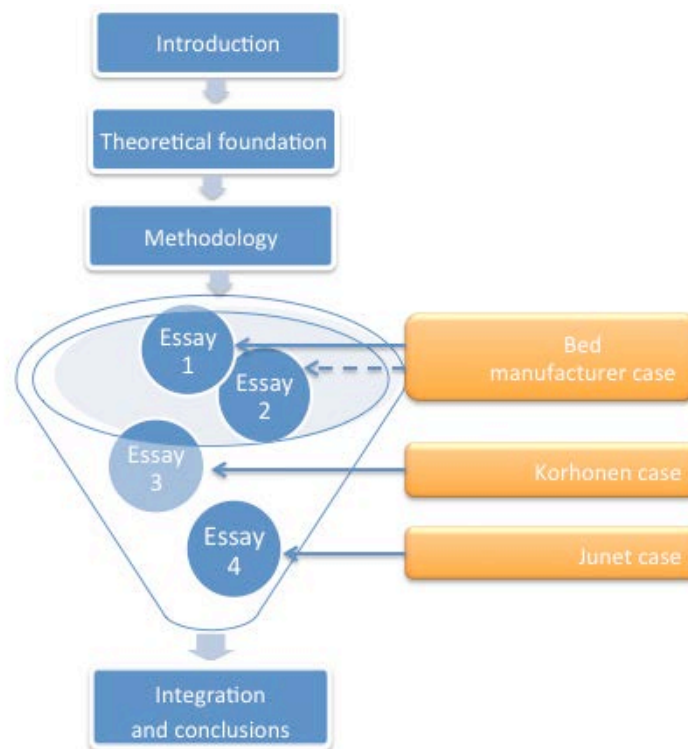
Figure 2. Structure of the study

2   THEORETICAL FOUNDATION

This chapter presents the theoretical foundation of the thesis. It discusses the conceptual cornerstones that will be used in the subsequent essays and empirical investigations. The emphasis in this chapter is in providing an understanding of the network approach, and its take on our focal topic, resources. In addition, the need for and complementarities provided by other conceptual perspectives (CCT and S-D L) for a better understanding of the symbolic aspects of resources are discussed. The chapter concludes with a presentation of the theoretical framework of the study.

2.1   Markets as networks

The underlying perspective in this study is a view of markets*,* which differs from the assumptions in traditional economic and marketing theory. That is, it adopts the view of business *markets as networks* of relationships, rather than seeing the market around the firm as an abstract and anonymous mechanism of individually insignificant customers and actors with clear and distinct roles (Ford et al. 1998: 193). Instead, this view highlights the diversity of the business landscape that a business manager operates in (Ford et al. 2011: 6), of the unique issues and problems posed by specific customers, and of the varying relative importance of different relationships to actors within this landscape.

In the next section, we shall briefly outline some of the features of the markets-as-networks (MAN) perspective in order to provide a background to the theoretical standpoint of the thesis. Contrary to microeconomic, reductionist approaches, the MAN approach sees the market as an evolving and socially constructed institution, with a history and a dynamic nature. But even if history matters, it does not rule. Economic action is thus dependent on but not predetermined by previously made decisions and actions (Mattson 2002; Araujo & Harrison 2002).

According to Mattsson (2002), the market can be defined as an institutional form of the co-ordination of activities and the allocation and development of resources controlled by the actors in economic systems. The function of markets is to match supply and demand, determine prices, allocate resources between alternative uses, and select viable products and actors.

The network is a seen as a subjectively perceived context for activities and resources rather than an objectively given structure. In other words, the MAN approach takes a different ontological view of markets compared to the microeconomic standpoint (Mattsson 2002; Snehota 2004).

The term "markets-as-networks" has been used quite interchangeably with notions such as the Industrial Network Approach or the IMP perspective (McLoughlin & Horan 2002). The emergence of this research tradition can be traced to Uppsala University, and it has also been labelled as the Uppsala School (e.g., Thorelli 1994). The term "IMP perspective" refers to the work by an international group of researchers on the topic, the so-called IMP Group (originally standing for International Marketing and Purchasing and later more commonly referring to Industrial Marketing and Purchasing), who published the book, *International Marketing and Purchasing of Industrial Goods: An interaction approach*, in 1982 (see Håkansson ed. 1982) (Gressetvold 2004: 28). Based upon this work, the term "Interaction Approach" has been used to describe the same phenomenon. In this thesis, we do not make a distinction between these terms but will use them interchangeably.

According to this perspective, a company's supply and customer markets do not exist in isolation. The companies a focal firm buys from or sells to are not simply seen as units in a linear supply chain or levels in a distribution or marketing channel. Instead, each of the company's diverse relationships with its suppliers and customers are affected by their own relationships with their customers and suppliers, indirectly affecting the focal company (Ford et al. 1998). The MAN approach thus takes a more dynamic view of markets, viewing actors as interdependent and involved in longer-term relationships rather than as separate exchange episodes. This interdependence also concerns the processes of value creation and innovation, also acknowledging the role of distributors and other intermediaries and end users in the value creation process. A detailed comparison between the assumptions of traditional marketing models and empirical observations by network researchers has been made by Håkansson, Henjesand, & Waluszewski (2004). They concluded *"market exchange in the IMP interpretation is a process of handling interdependency and incompleteness—and, therefore, development possibilities and dynamics."* (Håkansson et al. 2004:10).

Companies are always rooted in specific contexts, which provide both constraints as well as possibilities. They operate within *textures of interdependencies* that affect development. The interdependencies can be related to technology, knowledge, social relations, administrative routines, or legal ties (Håkansson & Snehota 1995: 12–13).

The notion of interdependencies is related to the *connectedness* of business relationships. Interdependence implies that the things that happen in a relationship have an effect on what occurs in other relationships. Relationships can be considered connected when a certain relationship affects or is affected by actions in an-

other relationship. Not all relationships are, however, connected in this manner. Examples of connectedness are when a new business partner is evaluated through the use of references, such as by examining how this actor has handled previous relationships (ibid: 17–18).

Actors are connected to other actors in both positive and negative ways. Positive connections refer to synergetic, co-operative relationships, while negative connections imply a situation where actors compete of an exchange relationship with a third party. A connection between actors can also simultaneously be both positive and negative (Mattsson 2002). A relationship can thus contain elements of both co-operation and competition.

Generalized connectedness is one of the central propositions of the MAN approach (McLoughlin & Horan 2002). When business relationships are seen as connected, it also has to be considered that there are chain dependencies *between* relationships, or *indirect* connectedness. This connectedness between relationships of different companies is referred to by Håkansson & Snehota (1995: 19) as generalized connectedness. The fact that business relationships are generally connected implies that there exists an aggregated structure or a network. Relationships are thus parts of this broader structure (Håkansson & Snehota 1995: 19).

Actors can also be seen to have a certain *position* within the network, which describes how the focal firm is connected to the other actors in the network (Mattsson 2002). The position is associated with certain norms, and thus the firm is expected to behave according to the norms associated with the position (Mattsson 1984 in Easton 1992). The position of a focal organisation is actually defined by other organisations it has relationships with (Easton 1992: 19). A similar term used by Håkansson & Johansson (1984) referring to the views about a firm's role and position in relation to other firms in the network, is *strategic identity* (Easton 1992:19).

Distinctive for the MAN approach is also that networks are not viewed as á priori structures to be imposed on organisations. They are rather seen as structured by the enactment of autonomous actors (McLoughlin & Horan 2002; Håkansson & Snehota 1995).

MAN stresses the exchange relationship (not the individual transaction) as the basic coordination mechanism. It focuses on their creation, development, and termination, as well as the creation, increase and decrease of interdependencies within the relationship (Mattsson 2002).

The consequence of these interdependencies is that companies need to interact effectively with the actors with whom they have relationships.

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2.2   The network model

The mechanism through which the previously mentioned interdependencies can be handled is the *business relationship*. A relationship can tentatively be seen as a mutually oriented interaction between two reciprocally committed parties (Håkansson & Snehota 1995: 25). What distinguishes a relationship from transactions between actors in general is that they are often characterised by "structural" features, such as continuity, complexity, symmetry, and informality, as well as "process" characteristics like adaptation, co-operation and conflict, social interaction, and routinization (Håkansson 1987; Håkansson & Snehota 1995).

The main analytical device of the MAN tradition is the network model, which has also been referred to as the Actors-resources-activities (ARA)-model by Håkansson (1987). In this model, it is recognised that companies operate within complex networks, which are defined as "two or more connected exchange relationships" (Cook & Emerson 1978: 725). The network model provides insights into the interdependencies between the relationships that constitute the network (Gressetvold 2004).
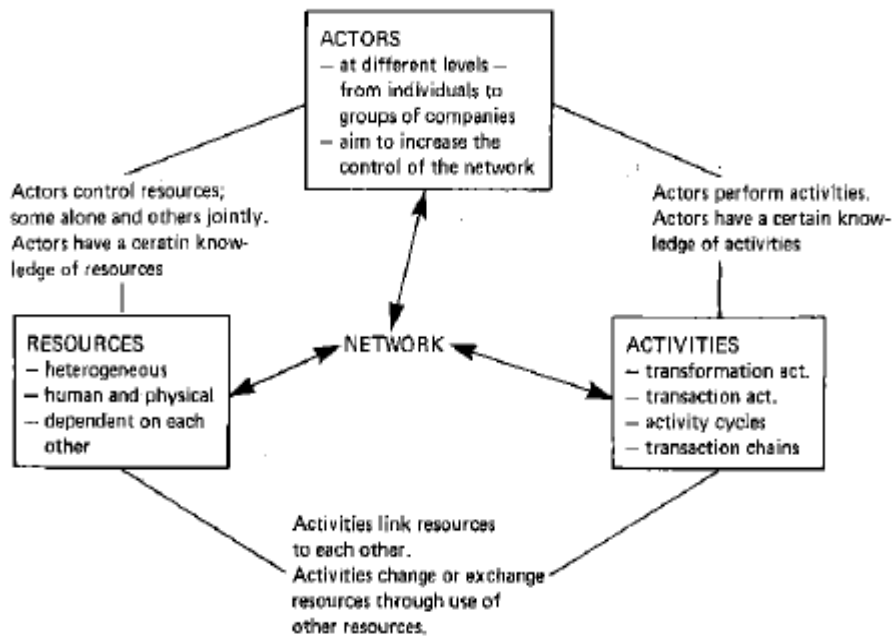
Figure 3.   The network model (Håkansson 1987: 17)

The basic variables in the network model (see Figure 3), actors, resources, and activities, are the points of departure in depicting industrial networks. These three variables are also related to each other within the general structure of the network. That is, actors (individuals or collectives) control resources and employ them to perform activities where the resources are transformed or transferred. Resources (human and physical) function as the means used by actors to perform activities, and they are also controlled by one or several actors. Activities link together resources either through transformation or transfer, and they are, like resources, also controlled by actors. The networks of actors, resources, and activities are thus related to each other through this circular definition (Håkansson 1987; Håkansson & Johansson 1992: 28).

The basic ARA model was elaborated further in Håkansson & Snehota (1995) by dividing the relationship between actors into three interdependent layers of substance: the actor layer, the resource layer, and the activity layer. The substance of a dyadic business relationship was broken down into activity links, resource ties, and actor bonds (Håkansson & Snehota 1995). In the following section, we shall focus more specifically on one of these layers, the resources.

2.3   The resource dimension in business networks

Since the 1990s, the different layers of the aforementioned network model have also been studied separately in order to increase understanding of the different facets of the network. Studies with an actor focus have dealt with strategy, and those with an activity focus are concerned with co-ordination and efficiency issues. Those examining the resource dimension more closely have to a large extent been studies focusing on technological development (Baraldi 2003), innovation and, more recently, also areas such as logistics and accounting (Baraldi et al. 2012). Concentrating on one of the layers, such as resources, does not, however, mean that it would be studied in complete isolation from the other two layers (Baraldi, Bocconcelli, & Söderlund 2002). Instead, as Dubois & Torvatn (2002) point out, the chosen level of analysis needs to be understood in relation to its context, such as resources in relation to actors and activities.

In this section, we will make a closer examination of the resource dimension of the network model and discuss its underlying assumptions. The so called 4Rs model, which is used as the analytical tool in this study and which describes interaction between resource items, will also be examined in this section.

2.3.1   Resources and the business relationship

The network model (Håkansson & Snehota 1995) identified that one of the layers of substance is constituted by resources. A business relationship can be used to access or acquire resources and also to bring resources of the two actors together and confront and combine them. Interfaces between resources from the two companies can become broad and deep and therefore become specifically oriented towards each other, forming *resource ties* between the interacting companies. These ties can become useful through the emergence of new resource combinations and, since relationships in themselves also are valuable bridges for accessing resources, even the relationship itself can therefore be considered a resource (Håkansson & Snehota 1995: 30–31).

Resource ties thus connect the resource collections of individual firms. The resulting aggregated resource structure, in which a company is directly and indirectly related to the resources of other actors, is described by Håkansson & Snehota (1995) as the resource constellation, which is illustrated in Figure 4.
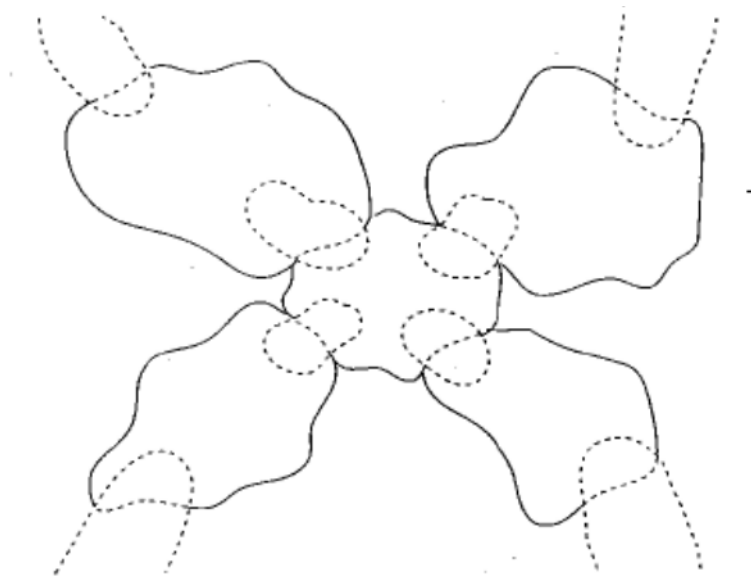
Figure 4.   Resource ties, resource collections, and resource constellations over
five companies (Håkansson & Snehota 1995: 31)

2.3.2   Resource heterogenity

A central assumption related to resources within the industrial network field
seems to be that of **resource heterogeneity** (Holmen 2001: 142; Holmen &
Pedersen, 2012: 212). This term has its roots in the resource based view (RBV) of
the firm, in which Edith Penrose (1959: 25) wrote that

> "Strictly speaking, it is never resources themselves that are the inputs in
> the production process, but only the services that they can render. The ser-
> vices yielded by resources are a function of the way in which they are
> used."

This statement implies that that the resources do not have given features (Baraldi
et al. 2012: 267) but that the same resource can have a different value if used for
different purposes and in different combinations. When resources are modified
and developed, new "services" emerge as a result.

Penrose (1959) used the term "heterogeneity" to describe the close relationship
between the resources of the firm and those of its context in the study of the
growth of firms. Alchian & Demsetz (1972) employed the heterogeneity argu-
ment to explain the very existence of firms. According to them, heterogeneous
resources give different marginal returns depending on which other resources they

are combined with. The relative importance of the properties that a resource has is thus dependent on the combination in which the resource is used. The value that these combinations provide differs; it is heterogeneous (Alchian & Demsetz 1972).

These ideas of resource heterogeneity have been adopted by the industrial network approach assuming that features of a resource are created as this resource is combined with other resources. A consequence of this is that a resource always has hidden qualities; since there are many new ways of combining this resource with others, new qualities of it can be discovered in this manner. By being combined or activated in a new way, an existing resource can thus exhibit new features. At the same time, it is impossible to have full knowledge of any resource and the potential ways in which it can be used (Håkansson & Waluszewski 2002: 32).

Holmen & Pedersen (2012) conducted a review of the variety of ways in which researchers within the network have dealt with the notion of resource heterogeneity. They arrived at seven different sets of terms, five of which were grouped under the umbrella term "heterogeneity-as-potential," which focuses on the contributions that resources can provide in line with the Penrosian (1959) idea of services, the complexity of resources, their unknown potential, their presently known and utilized sides, as well as their accumulated potentialities over time. Another set of vocabularies was the view of "heterogeneity-as-fit," where the emphasis was on the value/usefulness of the resource in a certain resource combination and the systematic relating and combining of resources that this requires. Moreover, the perspective "heterogeneity-as-variety" was identified as a way to group together and compare sets of resources, for instance, in the form of demands from different types of customers or variety among suppliers (Holmen & Pedersen 2012).

From the notion that resources are heterogeneous, it follows that *interaction* is important for the development of the resource and the value that it can provide. Business relationships become important for relating the heterogeneous resources of the interacting firms and allowing their combined effectiveness to increase. Within the industrial network approach, it is believed that heterogeneity is highly relevant for resource ties in relationships and that they explain why inter-company relationships often have a tendency to be broad in content and stable over time (Håkansson & Snehota 1995: 135).

Heterogeneity is something that exists on both the demand and the supply side. According to Alderson (1995: 22–23), materials that are useful to man occur in nature in heterogeneous mixtures that have only random relationships to human

needs and activities. These materials, and the goods fabricated from them, are matched with the needs of households or individuals through the marketing process. In other words, according to Alderson (1995: 23), the aim of marketing is to cope with the heterogeneity of both needs and resources.

Researchers interested in the notion of resource heterogeneity, such as Penrose (1959), Alchian & Demsetz (1972), and Alderson (1995), have also mentioned the opposite of this concept, resource homogeneity. Within the industrial network field, Holmen et al. (2003) have also drawn attention to this aspect. They suggest that resource homogeneity should also be considered more explicitly, as actors who face the task of handling the heterogeneous resources must in fact disregard some of this heterogeneity in order to be able to frame and classify what they are handling. Bounded rationality and cognition thus lead to actors assuming resource homogeneity in some situations. (Holmen et al. 2003)

2.3.3   Embeddedness of resoucres

If resources are considered heterogeneous in the sense that their value depends on which other resources they are combined with, it means that these resources need to be evaluated in different constellations and combinations: as **embedded** instead of given elements. The concept of embeddedness has its roots in economic sociology (see Granovetter 1985), where it is asserted that economic behaviour is closely embedded in networks of interpersonal relations. Social relationships form ongoing structures, which have their own histories. These two points thus imply that firms are both socially and historically constructed (Granovetter 1985).

In the industrial network strategy, embeddedness has been approached through the earlier mentioned notions of connectedness and network position as well as by also seeing embeddedness in resource ties, activity links, and actors bonds (Halinen & Törnroos 1998). Holmen (2001: 133–134) points out two main differences in how the notion of embeddedness is approached within the IMP and how it is seen in economic sociology. Firstly, there is a terminological difference in the concepts that are used to describe single business transactions. Granovetter's (1985) term "actions" is very close to the term "episodes," which is used within the IMP literature. A second difference is related to how these views understand "structure." Economic sociology mainly concentrates on the social and cognitive elements of structure, even if it is acknowledged that other factors, such as technological structures, may also influence economic action. According to the industrial network model, again, the notion of structure is related to all three layers of the network; it does not only focus on the social structure (actor layer). In this

sense, it can be said that these two approaches overlap but are also complementary (Holmen 2001: 133–134).

Halinen & Törnroos (1998) use the concept of embeddedness to refer to companies' relations with and dependence upon various types of networks. They provide different perspectives for the study of embeddedness, suggesting it could be studied from at least three angles: the perspective of the actor-network, the dyad-network, and the micronet-macronet. The actor-network angle takes the viewpoint of a focal actor and seeks to understand the interface between it and the network. The dyad-network in turn has a focal dyad, such as a buyer-seller relationship as a starting point, and analyses its connectedness in the broader network. The third level, micronet-macronet, refers to the embeddedness of a group of actors involved in a distinct business activity as part of a broader national or institutional network of actors with an effect on the micronet (Halinen & Törnroos 1998).

Halinen & Törnroos (1998) furthermore discuss different types of embeddedness in business networks. They distinguish between temporal, spatial, social, political, market, and technological embeddedness.

Temporal embeddedness relates to the fact that companies, dyads, and nets have their histories, their current situations, and also their objectives and expectations about their future. (Halinen & Törnroos 1998). The role of history is frequently claimed to be important for the actions companies attempt to undertake, as actions may be path-dependent. That is, future actions are dependent on the actions, decisions, and investments made in the past (Araujo & Harrison 2002). When activities or processes, such as product development, are viewed as embedded in time rather than as an isolated process, it implies that the unit of observation changes from a single development project to a more aggregated level. In other words, it is considered that "history matters" in the development of the product but also that the potentially valuable outcomes for the future are created beyond the product itself (Gressetvold & Wedin 2005). We shall return to discussing the role of path dependencies for resource development and use in more detail in Essay 3.

Spatial embeddedness refers to how business activities are located and organized in space and how actors are internationally or locally embedded in networks. It also pertains to the spacio-mental perspectives of how actors understand the spatial hierarchy around them (Halinen & Törnroos 1998). Embeddedness in space can also be regarded more broadly in terms of a space or area where resources meet (Gressetvold & Wedin 2005).

Social embeddedness is evident in business networks through the individuals who work and interact in companies, providing possibilities for activities like ex-

change and learning. *Political embeddedness* again refers to interfaces with the politico-social context, while *market embeddedness* denotes the connections through products/services offered to the clientele served and the functions performed. Market embeddedness also relates to the connections of the firm with its customers, suppliers, distributors, and other actors. Embeddedness can also be viewed in terms of connections to and dependence on various technological systems, i.e. *technological embeddedness* (Halinen & Törnroos 1998).

Given the empirical and analytical context of this study, we would like to propose that the notion of embeddedness can also be extended to the *symbolic* context of resources. In the subsequent essays of this thesis, we will more closely examine both the additional conceptual linkages and the empirical forms of expression of symbolic embeddedness and return to discussing this notion in the conclusion chapter.

2.3.4   *The two-faced nature of resources*

Companies make use of resources, acquire resources from others, and provide resources for others in the form of the products and services that they offer. That is, resources have both a provision side and a user side. This implies that companies on one hand *economise* on scarce resources but on the other hand *use* resources (both internal resources and those of others) in order to provide resources for others (Håkansson & Snehota 1995).

Håkansson & Snehota (1995: 134) state that the value of a resource lies in its use; a resource can only be regarded as a resource when use can be made of it, such as when it is coupled to a context. Therefore, resources can be very broadly defined as anything that has a known use.

Placing the emphasis not only on what individual firms can do with their resources but also how they can be used together with other resources is what distinguishes the industrial network perspective from the RBV of the firm (Dubois & Torvatn 2002: 16). The RBV largely focuses on core competences that distinguish firms, whereas the network approach emphasises resources as negotiated between companies. Further, the RBV sees capabilities as sources to gain a competitive advantage, while the network approach is more interested in how they are adapted through interactions to *fit* in relation to existing resources (Dubois & Torvatn 2002: 2; Baraldi et al. 2012: 271).

The implications of the double-faced nature of resources are related to economical, performance-related, and activity-related issues. Firstly, resources are critical

for the economic performance of the firm as resources that are used up incur costs. At the same time, however, revenues depend on how resources are developed. Secondly, the available resource collection also affects company performance. Some of the necessary resources are available internally, but others need to be accessed through relationships. Thirdly, the access to resources that a company has limits the possibilities regarding what a company can do. Companies must consider how to use their own resources efficiently and simultaneously determine how to best provide resources for others. To succeed with the latter, it is important that the company is connected to demanding partners who will pull the company to develop its products and services (Håkansson & Snehota 1995: 133).

To summarise the network approach's understanding of resources, we refer to Håkansson et al.'s (2009: 69–71) basic propositions, which were also discussed by Baraldi et al. (2012: 267):

Proposition 1: The value of a resource is dependent on connections to other resources. Resources do not have a value in themselves but become useful and provide economic value only in combination with other resources or when they are embedded into larger resource combinations (Håkansson et al. 2009: 69, 73), New resources, such as new products, confront existing resource structures and need to create their space and role in relation to the existing structure (ibid: 71).

Proposition 2: A resource changes and develops characteristics over time. Resources can be seen as results of prior interactions, enabling and restricting their use (Håkansson et al. 2009: 70). Path dependencies and inertia (cf. Ford et al. 2003: 51; Araujo & Harrison 2002) affect how resources can be managed.

Proposition 3: A resource is embedded in a multidimensional context. Being a part of several resource combinations and production and use contexts also limits and enables resource use and can even create contradictions (Håkansson et al. 2009: 70).

Proposition 4: All changes of a resource create tensions. Given the interdependencies between and the embeddedness of resources, changes made in a resource have implications for the costs, efficiency, or effectiveness of the other resources connected to it (Håkansson et al. 2009: 80). Håkansson & Waluszewski (2002) examined the tensions between resources through the notion of friction. Essay 3 of this thesis explores the same phenomenon partly from the point of view of positive effects through the notion of inertia (Norrgrann & Luokkanen-Rabetino 2011).

Proposition 5: *The interaction intensity influences the effects of a change in a resource.* The greater the intensity of interaction between resources, the bigger a change in one resource it may cause as a consequence in the other affected resources in terms of costs or benefits (Håkansson et al. 2009: 70–71).

Proposition 6: *The interaction breadth influences the number of resources that are affected by a resource change.* The more broadly resources interact, the more widespread the effects will be in terms of costs or benefits (Håkansson et al. 2009: 71).

2.4   The 4R framework

As stated earlier, the mechanism that permits companies to access, activate, and develop resources in interaction is the business relationship. Interaction in the business relationship is not only about social exchange but also involves an adaptation of the products exchanged and influences both the requirements and the solutions offered (Håkansson & Waluszewski 2002: 27).

To understand interaction and its consequences for resource utilisation and development, Håkansson & Waluszewski (2002: 33) emphasise that it is not enough to merely examine the interplay between the participating actors but to also understand the interplay between resources. Based on the previous discussion, if we assume that resources to their nature are heterogeneous, and their value is dependent on with which other resources they are combined, then resources should not be regarded as separate, stand-alone elements but rather be evaluated in different combinations and constellations (Håkansson & Snehota 1995: 135; Baraldi 2003: 17)

2.4.1   *The components of the 4R model*

Whereas the previously mentioned ARA-framework has its resources in an existing business relationship as a starting point, the so-called 4 resource entities (4R) model provides an analytical framework for the *interfaces* between these connected resources themselves (Håkansson et al. 2009: 67). This framework is based on a categorisation of resources into different types. Even if such categorisations are found in prior literature that approached resources from different perspectives (see for instance Grant 1991 and Das & Teng 1998 for RBV contributions), Gadde and Håkansson (2008: 36) concluded that there is no general agreement on how resources are categorised, even within the industrial network approach, but

that the categorisations are dependent on the specific purposes of resource analysis.

The 4R framework, proposed by Håkansson & Waluszewski (2002), has been used in numerous subsequent studies (see Baraldi 2012), makes a distinction between four types of resources that can be grouped into two main categories: physical and organizational. The physical resources comprise products and facilities, while the organizational include business units and business relationships (Håkansson & Waluszewski 2002; Gadde & Håkansson 2008; Baraldi et al 2013). The terminological labels on the resource entities have changed somewhat from the original wording used by Håkansson & Waluszewski (2002) so that production facilities have subsequently been termed facilities to reflect the broader definition of the item; similarly, business units and business relationships have in more recent 4R work (Håkansson et al. 2009; Baraldi et al. 2012) been termed organizational units and (inter-)organizational relationships.

In brief, the content of the four resource categories is as follows:

Products refer to what is exchanged between economic actors. While Gadde & Håkansson (2008: 36) consider products to be physical resources and Håkansson et al. (2009: 67) as ”*usually* combinations of tangible resources” [our emphasis], we will in this thesis pay particular attention to the intangible and symbolic dimensions of the physical products. As Håkansson & Waluszewski (2002: 35) highlight, the network perspective sees product features as a result of interaction: for instance, the selling process creates imprints on the products. Given the context of this study, we would like to propose that such an interaction can also be symbolic in nature, drawing on the well-established notion from consumer research that products are symbolic communication tools (Solomon 1983) and carriers of cultural meaning (McCracken 1986). Particularly the cultural approaches in consumer research (Arnould & Thompson 2005; Peñaloza & Venkatesh 2006) highlight the meanings as *co-produced*: a result of interaction.

Facilities refer to resources that are used for creating or transforming products, such as production plants, information systems, machines, warehouses, and exhibition outlets (Gadde & Håkansson 2008; Baraldi et al. 2012). Particularly concerning facilities linked to marketing, we may also consider this resource category not only from a physical resource point of view but also as symbolic resources, including signs and meanings communicated through product displays in the retail environment or advertisements and other forms of marketing communication.

Business units (or organizational units) represent the knowledge, experience, and skills in an organization, and they may refer to the firm, a part of it, or even sev-

eral firms (Håkansson et al. 2009; Gadde & Håkansson, 2008). Baraldi et al. (2012: 268) mention identity and reputation as business unit resources, thereby additionally highlighting this resource category's relevance from a symbolic resource perspective. We would also suggest that brands and designs could be seen as assets relating to the business unit, even if they might also be conceptualised as features of products.

Business relationships (or inter-organizational relationships) refer to the substantial links, ties, and bonds resulting from the interaction between firms. They connect organizational units and are used for influencing routines and procedures and for organizing products and facilities (Baraldi et al. 2012; Håkansson et al. 2009: 68), as this concept is related to both physical resource handling as well as the social processes of interaction.

As Figure 5 below shows, all of the entities interact with each other. Facilities are used for the transformation and transaction of products; products are exchanged between business units within the framework of business relationships, etc. The resource entities, such as products, should thus not be studied in isolation but against interfaces with other resources.
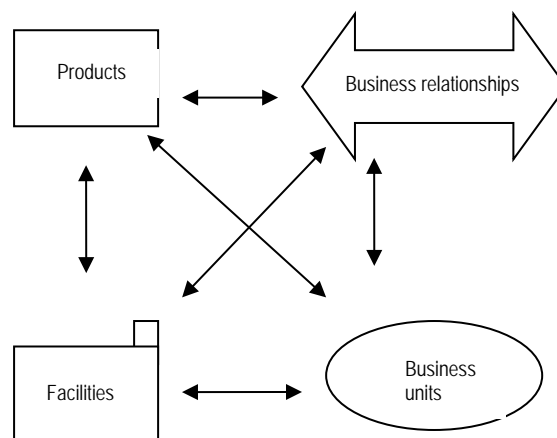
Figure 5.   The four resource entities (4R) framework

The 4R model thus provides a tool for analysing how resources interact and develop and how they receive their characteristics and value. To understand the value of a resource, the model explores how the resource is related to or embedded into the surrounding ones (Baraldi 2003: 17).

Resource interfaces have been defined by Gadde & Håkansson (2001: 82) as "what is between resources." They differ from the notion of resource ties, which refer to a more specific type of interface, such as a technical adaptation between

the resources of two interacting firms (for example, an adapted component and the final product into which it is assembled). The notion of a resource interface is thus broader and "cuts surgically into the texture of resource interactions by pointing at the specific contact points between two resources, defined along relevant technical, economic, and social dimensions" (Baraldi 2003: 17–18).

Resource interfaces can vary in strength. The differences between interfaces have been approached through the terms *heaviness* and *variety* (Håkansson & Waluszewski 2002). Heaviness refers to how strongly the two resources are connected and related to each other. Heaviness increases with time, monetary investments, and adaptation, and such heavy interfaces are thus harder and more expensive to break apart. On the other hand, variety refers to interfaces that are more versatile and open for reconfigurations, thus offering possibilities for use in different combinations (Håkansson & Waluszewski 2002; Baraldi 2003).

The task for companies in handling resources is thus not only that of dealing with the individual resources but of handling the *interfaces between* resources. This distinction implies a need to firstly recognize the relevant interfaces for a specific goal and secondly to attempt to understand how they can be utilized or modified (Baraldi 2003: 19). Understanding all the relevant interfaces can, however, be a difficult task, as all interfaces may not be *visible*, or they may be too complex for the actor to frame and make sense of, either because they are outside the actor's awareness boundary (see Dubois 1998) or because the bounded rationality of actors makes it difficult to grasp the complexity of the heterogeneous resources (Baraldi 2003:19; Holmen et al. 2003).

For examining and measuring resource interfaces, Baraldi (2003: 21) suggests a distinction between quantitative and qualitative interfaces. Quantitatively measurable interfaces can include the production capacity of a facility, the share of a certain customer relationship in the sales of a specific product, or the lead time of a product. Even social interfaces can to some extent be quantified, such as in terms of the number of contacts or meetings between two interacting business units (Baraldi 2003: 21).

Qualitative interfaces, again, can relate to the power of a producer on a distributor business unit or the effect of the corporate image of a business unit on the sales of a product (ibid). In this thesis, such qualitative and immaterial interfaces will be closely examined.

2.4.2   *Using the 4R model*

Håkansson & Waluszewski (2002: 39) acknowledge that when attempting to study resources that can mean one thing in one structure and again have completely different features if placed in another structure, some important contradictions need to be considered. To understand the interactive dimensions of a resource, resources must be seen as the following:

Both as a totality and as a set of interrelated components in a larger context: At some point a resource needs to be treated as a totality in order to understand its content. At the same time, by dividing it into smaller parts and examining how they are related to each other, it can be revealed how the resource functions and how it can be related to other resources. (ibid). Products, which are the focal resources in this thesis, can also be regarded as a totality, which consists of different components and features or, as in the case when a collection is defined as the focal product, even of several complementary or alternative products that together constitute a larger product entity with certain common features.

Both as an object in itself and as an image object: Physical and social resources have their impact on economic life, but so do actors' perceptions of them. Resources are formed through human interaction, a process in which image is a central ingredient. Interaction thus relates both physical resources and the images of them to each other (Håkansson & Waluszewski 2002: 39-40). The image dimension of resources is thus related to perceptions formed and held by *actors*. Image thus connects the concrete resource layer with the actor layer. We will return to this concept more specifically in section 2.5.3.

Both as given and non-given: When resources are regarded as non-given, it implies that they can be developed from an economic point of view. However, when decisions are made about a resource or when a researcher is attempting to study it, it needs be treated as given and static at a specific point in time (Håkansson & Waluszewski 2002: 40).

Both as a source of development and as a point of reference for other resources: When resources are seen as open for development possibilities and are thus fragmented, it is difficult to take such a "slippery" resource as a point of reference in studying other resources. However, this is what has to be done when companies relate their resources and the researchers who attempt to study them. Then, the fixed point of reference is simultaneously also a source of development (Håkansson & Waluszewski 2002: 40).

Gadde & Håkansson (2008) use the 4R model when considering the role of business relationships in the management and systematic combination of resources, making a distinction between resource combinations *within* relationships and *between* different relationships. They point out two important ways in which relationships affect resource combining. On the one hand, when resources from different firms become connected, the result of this combination is a relationship between the firms. On the other hand, the relationship is the resource that enables resource combining across firms. In a continuous relationship, the resources become increasingly intertwined, and if/when one of the firms changes the resource combination, the relationship as a resource is affected and becomes vulnerable. The relationship thus depends on how the firms manage the resource combinations, how resources are exploited, how their possibilities are explored, and how problems related to them are handled (Gadde & Håkansson 2008).

Apart from managing resource combinations within a relationship, another resource combining challenge relates to utilizing (or deriving more value out of) a specific resource in different relationships, thus connecting relationships by resource combining (ibid). In this way, managing a specific resource also becomes a question of developing and managing different relationships and their requirements.

Gadde & Håkansson (2008) suggest making an analytical distinction between three levels of resource combining. At the level of *primary combining,* a focal resource's interfaces that are most central for is use with such resources from the other resource categories are examined. Such primary combinations involve resource adaptation to make the most out of the resource, but simultaneously, such specific adaptations also create lock-in effects, which makes use of the resource in other combinations more challenging. In *secondary combining*, three of the resource types are held constant, but the fourth is allowed to vary: the resource is considered in relation to other primary combination sets. When such secondary combinations were analysed, tensions between handling resources from different sets, were revealed as well as new opportunities. An additional, analytically distinct level is *tertiary combining*, in which at least two resource categories are allowed to vary, making resource management increasingly complex due to the multiplicity of possible resource combinations and the possibilities and restrictions they may provide.

In two of the empirical cases of this thesis, we will more closely examine the tensions and path dependencies when resource combinations from existing relationships are contrasted with efforts to develop new products for new relationships. Also in these cases, we direct our particular attention to the symbolic aspects of

resources in old vs. new combinations. This relates, among others, to the time dimension of image: how experiences and representations received over time, in combination with present experiences, form present images. This concept is referred to by Rindell (2013) as image heritage.

The 4R model has been applied in a number of empirical studies examining the resource dimension in business networks. Håkansson & Waluszewski (2002) originally developed the model in relation to a case study of technological development related to the efforts to make IKEA's catalogue paper more environmentally friendly. It follows how two companies, the paper user IKEA and the paper producer SCA, when driven by a common environmental threat, work to arrive at a solution in the form of a new kind of catalogue paper.

Wedin (2001) also used the model in a technological setting by studying the provision side and the utilization side of a specific resource, namely electricity. That is, he studied how the demand for electricity in an industrial process is formed and how the use of electricity is embedded in a broader network context, comprising different business units and the facilities and products within them. This study was empirically set in the paper and printing industry, although the focus was on electricity as a product in these processes. Wedin's (2001) study also concentrated on the knowledge dimension of resources, highlighting that the use of a single resource requires knowledge about several other resources from different contexts. This idea implies that the role of relationships becomes highlighted as an important mechanism for coordinating knowledge about the resources.

The 4Rs model was also the conceptual cornerstone in the Furniture Project to which we referred in the Introduction section. It initially attempted to study resource interaction in the European furniture industry in a quantitative way (see Baraldi & Bocconcelli 2001) but then shifted to qualitative case studies focusing on different aspects of resource interaction, namely IT, distribution, and design (Baraldi, Bocconcelli, & Söderlund 2001).

Baraldi's (2003) thesis deals with the interplay between resources and information technology. It focuses on the role if IT tools and systems as facilities that are used in order to manage physical resources, such as products. The role of IT systems is explored in two case studies from the furniture sector, and the focus is on managerial tasks.

Applications of the 4R framework with a more specific product development focus include the studies by Forbord (2003), von Corswant (2003), Gressetvold (2004), and Hjelmgren (2005).

Hjelmgren's (2005) study of an ERP-system provider's product development efforts centres upon how a company handles the interplay between developing standard products and customer-specific solutions. It analyses how specific product features are developed through interaction and mutual adaptation and explores how the two interacting parties handle the effects that a certain adaptation may have on other parts of the network. Similarly to Baraldi's study, it discusses the managerial issues of exploration and exploitation of resources.

Gressetvold (2004) in turn focused on the connections between product development and relationship development in his case study with a semiconductor producer as the focal company. More specifically, the study explores how a company can influence the development of its network of relationships through product development. In the analysis, particular attention is given to the effects in terms of time and visibility.

Whereas all of the studies referred to above could be said to be characterized by a fairly high degree of technological complexity in the interfaces between the studied resources, in Forbord's (2003) study in turn, the focal resource is a more simple one: goat milk. Changes in the utilization of this resource are followed over time: how the value changes when being detached from certain resources in the network and attached to others, in the form of being a component in different final products. In this study, the emphasis is on the economics of resource use, including how new ways of utilizing the resource may imply changes in seeing the resource either as a cost or as a value.

Many of these applications of the 4Rs model, as well as other studies examining the resource dimension in networks (Holmen 2001; Bengtsson 2003; Åberg 2013, to name but a few), share the fact that the analysis concerns highly technical products or processes. The analysis of the resource interaction therefore concentrates on fairly technical interfaces, and many of these studies also fall under the umbrella of technological development in business networks.

Baraldi et al. (2012) conducted a comprehensive review of academic work, from dissertations to books and journal articles, where the resource interaction approach has been used subsequent to the seminal work by Håkansson & Waluszweski (2002), Their review revealed that the scope of these studies range from the aforementioned types of work concerning innovation and technical development to Science and Technology Studies (STS) (see Waluszewski 2009) and even accounting and management control (e.g. Lind & Strömsten 2006). Many of the studies have also been conducted within the application field of logistics (see e.g. Jahre et al. 2006).

In the previous 4R studies, such as the aforementioned works by Forbord (2003) and Gressetvold (2004), it has not been uncommon to select a focal resource as a starting point for the analysis; this study takes such a perspective. As this study focuses on products and their properties, the focal entity out of the four elements in the 4Rs model will naturally be the product. The level of our analysis is thus **the product-centred resource network relevant for the product's development and utilisation**. The rough analytical tool for the study can thus be illustrated as shown in Figure 6:
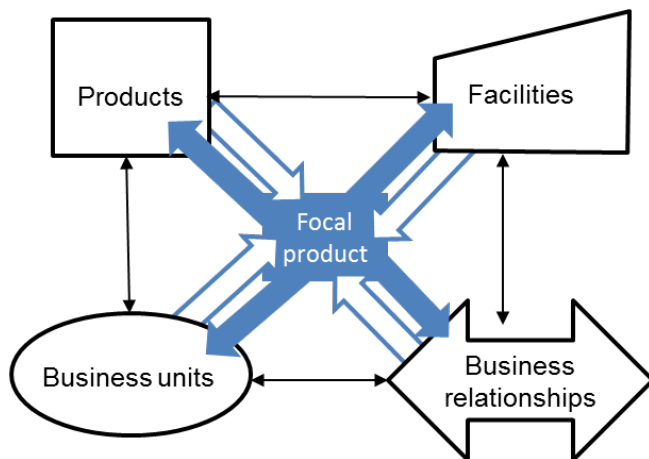
Figure 6.   The focal product's resource interfaces

The white arrows from the surrounding context illustrate the effects of the other resource items on the product; while the darker arrows outward from the focal resource show how the product influences other resources with which it is connected and affects these other resources' ability to provide value.

2.4.3   *The role of perceptions*

Forbord (2003) points out that a distinction must be made between a resource in itself and the actual use of it. This highlights the role of the actor as the force that sets the resources in motion and is able to discover the potential economic uses of them. Therefore, the examination of resource use also largely becomes a question of how actors perceive resources: in this case, particularly how they perceive products, their properties, and the potential value that connecting to and interacting with such a product can provide. In conceptual terns, how to evaluate the *heterogeneity-as-potential* referred to by Holmen & Pedersen (2012).

As we mentioned earlier, resources can – and should – both be regarded as physical objects in themselves, and as image objects. In addition to technical or economic features, the resource thus also contains a *symbolic dimension*. Such images are related to how different actors *perceive* the product and thereby also the value (or potential value) that it can provide in different contexts. These perceptions, assumptions, knowledge or representations (like images or blueprints) function as subjects of discussion and as a basis for actors to make decisions and actions regarding resources (Håkansson et al. 2009). The conceptual frame of the four resource entities can thus be complemented by making a distinction between resource interfaces at the image level and the level at which interfaces between resources are concretely activated. It could be said that all resources can be viewed also from this perceptional side; it is a *dimension* in all resources. Consequently, also the *interfaces* between interacting resources involve a connection on the image level, in addition to e.g. technological interfaces on the activated level. We suggest that a resource can be regarded as a symbolic resource, when the perception held of it suggests usefulness, i.e. its image is a representation of a way in which it can provide value. Against the notion of resource ties and interfaces, that have been discussed above, we can also extend the symbolic perspective to comprising what is between resources, i.e. that the connection between them can be viewed as a symbolic interface and resources as interacting with each other also on a symbolic level.

Since this aspect of resources is not particularly addressed within prior business network literature, we identified a need to broaden our theoretical scope and seek support in streams of literature where discussion of symbolic resources could be found. In the section explaining the positioning of the study (1.1.2.) we already briefly mentioned that our primary conceptual base is the network approach, but that the two complementary perspectives of CCT and S-D L are used to shed additional light onto the symbolic aspects of resources, thereby justifying a shift from one conceptual domain toward a multidisciplinary approach.

2.5   Toward a multidisciplinary understanding of resources - network, service and consumer perspectives

Even though Essays 1, 2 and 4 of this thesis discuss the ways in which the other selected theoretical streams cross-fertilize the resource interaction perspective's understanding of specifically the symbolic aspects of resource embeddedness in detail, we will in this chapter provide a brief introduction of consumer culture theory (CCT) and service-dominant logic (S-DL) and discuss the premises under

which their perspectives can be combined and the potential they offer for elaborating our conceptual framework.

2.5.1   *CCT and IMP?*

Consumer culture theory (CCT) refers to a *"family of theoretical perspectives that address the dynamic relationships between consumer actions, the marketplace, and cultural meanings"* (Arnould & Thompson 2005: 868). They approach the behaviours and choices related to consumption as social and cultural phenomena, in contrast to behavioural or purely economic perspectives (Cova & Salle 2008b). Their view of culture differs from the idea of homogenous, collectively shared meanings, values, and ways of life expressed in national cultures by instead focusing on consumer culture as *"a social arrangement, in which the relations between lived culture and social resources, and between meaningful ways of life and the symbolic and material resources on which the depend, are mediated through markets"* (Arnould & Thompson 2005: 869). The marketplace is seen as a source of symbolic resources, which people use as tools for their identities (ibid: 871). Such a view of resources, particularly symbolic ones, makes this an interesting field to investigate for possible contributions for understanding the projection of a focal resource into the final consumer sphere, which is currently lacking in IMP.

Our aim to find commonalities between the aforementioned streams of research is not a completely new effort. Cova & Salle (2008a) have drawn attention to several similarities between IMP and CCT in their criticisms of traditional marketing approaches and even pose the question of whether the assumed dichotomy between consumer markets and business markets is still completely justified, given that consumer research has developed in new directions since the initial development of the IMP framework. Drawing on a comparison between IMP propositions from Håkansson (1982) and also from the CCT characteristics summarised in Arnould & Thompson (2005), Cova & Salle (2008a) pinpoint four particular areas in which they believe the two perspectives align. The first is the **time perspective**; both streams stress a longer-term orientation. In IMP this is reflected in a relational rather than a transactional approach to customers, but CCT also acknowledges the longer-term relationship context, although with a focus on brand relationships and loyalty. The second aspect is the **role of the customer/consumer**. The IMP view distinguishes itself by emphasising the active role of the buyer as a counterpart in the business relationship, but such perspectives have also emerged within consumer research. For instance, Pels (1999) claimed that the use of the relationship approach can also be extended towards consumer mar-

kets and highlighted (at that time) that the assumed passivity of consumers as relationship counterpart stems more from the lack of possibilities to interact than a desire to be a passive recipient. CCT challenges prior marketing perspectives by seeing the consumer as empowered and active (Arnould 2007). It views consumers as actively transforming symbolic meanings in marketer-provided resources, such as physical products, brands, retail environments, or advertisements, into their own personal or social circumstances or goals (Arnould & Thompson 2005: 871). Cova & Salle (2008a: 7) also pinpoint that in CCT perspectives, *"products are only arbitrarily linked to their original functions, and therefore, infinitely open to subversion and diversion through everyday life experiences,"* making product images and uses only partially controllable by suppliers and assigning the consumers roles as producers of meaning, rather than as passive targets. According to CCT frameworks, market offerings provide "symbolic services," services that the offerings provide by symbolising things to the self and to others (Arnould 2007: 60).

The third intersecting point referred to by Cova & Salle (2008a) is the similarity in the IMP's emphasis on **relationship mechanisms** rather than atomistic markets, and the CCT notion of consumer tribes and subcultures of consumption, which according to Cova & Salle (2008a: 7) "provide opportunities for marketers to engage in symbiotic relationships." A final common point that the authors have identified is the **focus on the context** in studying both consumers as well as network phenomena In the CCT line of thought, consumers make firm-supplied operant resources perform for them, relating and reimagining value propositions in relation to consumers' projects of identity construction and community building (Arnould 2007). Within CCT, the value of products is also referred to as "a dynamic, subjective, and context-dependent notion, which has been constantly co-created within a network of actors" (Karababa & Kjeldgaard, 2014: 24).

Concerning the focus of this study, the idea of products as open to reinterpretation and use seems to resonate well with the idea that IMP proposes regarding heterogeneous resources and their value being dependent on how they are used and combined. In our opinion, the role of brands and other types of meanings as symbolic resources particularly suggests interesting avenues for further exploration; we believe consumer research may provide useful input and prove to be complementarity to the 4R model.

2.5.2 S-DL and IMP?

The seminal starting point within S-DL is the Vargo & Lusch (2004) article, which laid the foundation for subsequent work (see e.g. Lusch & Vargo 2006 eds;

Vargo & Lusch 2008). A distinction is made between a goods-dominant and a service-dominant perspective on marketing, and the foundational premises of this logic are postulated. Vargo & Lusch's (2008: 258) summarisation of the transition from goods logic to service logic includes a shift from "making things" to assisting customers in their value-creation processes and thus regarding customers as resources, not targets; seeing value as co-created, rather than produced by the provider; and seeing customers in context, rather than as isolated, and firms' resources as operant, rather than operand.

Vargo & Lusch (2008: 257) specifically point to this perspective's similarities with the network perspective's ARA model, which they consider to be *"relatively effortlessly isomorphic with the resource integrator/resource/service model of SD logic."* Indeed, as we will discuss in the essays to follow, the terms "resource integration" (S-DL) and "resource interaction" (IMP) reflect a similar approach to understanding the nature of resources. Cova & Salle (2008b: 14) also picked up on this statement, pondering the implications of the two "academic brands" intersecting in this manner.

From the IMP angle, Ford (2011: 232) acknowledges the similarities in the approaches in "de-emphasising the importance of the physical product." Both views instead stress the context-specificity of the value (or service) they provide. Ford (2011), however, regards the S-DL as being more focused on benefits for the customer, while IMP is concerned with the broader network context of interrelated relationships also outside the focal buyer-seller dyad.

This difference in viewpoints also provides a distinction between the two perspectives' otherwise similar take on resources. S-DL (see Vargo & Lusch 2006) distinguishes between *operand and operant resources* and emphasises the operant ones in particular, "i.e. resources that produce effects" that become valuable through a process of using, rather than possessing. This concept, also in Ford's (2011: 233) opinion, *"relates closely to the IMP's expression that resources are heterogeneous and their form and usefulness is dependent on how and with which resources they are combined."* However, one difference is that S-DL is analytically positioned on the level of the marketing actor and is overall more normative than the typically more descriptive IMP, which focuses more on interaction processes and structures of interdependencies as its units of analysis (Ford 2011). In Baraldi et al.'s (2012: 272) view "the resource interaction approach stresses that while resource use is pivotal, both its use and its associated value can only emerge when resources become combined across organizational boundaries from both the producing/selling side and the using/buying side," thus giving more emphasis to the relationship and network, than the more customer-oriented S-DL.

More recent S-DL work has nevertheless increasingly begun acknowledging the networks and ecosystems (see Essay 4), which is also illustrated by the more recent viewpoint by Vargo & Lusch (2011) that "every economic actor is a resource integrator."

2.5.3   *Enhancing 4R with S-DL and CCT*

Even though the statement above by Vargo & Lusch (2011) appears to increasingly bridge the differences between the two approaches and bring them closer, Baraldi et al. (2012) point out a key difference between the two theoretical perspectives, which has a particular significance for the choices of this thesis. That is the fact that S-DL mainly focuses on phenomena in the application field of marketing, whereas resource interaction studies have predominantly focused on topics such as innovation, technological development, control, efficiency and economising at a system level. As this thesis is indeed located within the academic discipline of marketing and concerned with the symbolic aspects of resources, we feel that this offers a justification to make use S-DL concepts, precisely because of their marketing and customer focus.

Furthermore, this study's focal resources are low-tech, but highly symbolic products, furniture. Moreover, the part of the network in which we are interested in examining this product's interrelationships, is the selling context, which is a context full of symbolic resources (see Arnould 2005). This raises a need for supporting concepts that could tackle these less technological, immaterial and symbolic aspects of resources. In our opinion, given the sufficient similarities in the underlying premises and understandings related to the resource concept in the aforementioned theoretical perspectives, we are able to combine aspects from all three discussions for a fuller understanding of our focal phenomenon, symbolic embeddedness. We agree with Baraldi et al. (2012: 273) in that the resource interaction perspective offers more elaborated and specific analytical tools (such as the 4R model) for understanding the process of interaction(/integration) than S-DL. That is ultimately also why we haven't abandoned our original theoretical "home" of IMP and choose to position the study more within IMP than S-DL.

However, in this study, we focus the examination on customer relationships and even stretch the horizon further in the direction of consumers, than IMP studies typically do, and we do position it in the domain of marketing, rather than e.g. technological development. Thereby we inevitably move closer to the user / customer sphere (see Grönroos 2008) and the notions of value and value propositions

(Frow & Payne 2011). As mentioned in the preceding discussion, the analytical level within IMP studies is often the broader structure or network, and thereby IMP researchers have tended to place less emphasis on the value dimension and more on understanding resource embeddedness in a broader sense. Service scholars, on the other hand, are interested in resources specifically as a means of providing value, thereby its research topics typically focus on value (co)creation (Vargo & Lusch 2006; Grönroos, 2008). CCT, in turn, helps us bring the resource concept even further into the consumer sphere and provide discussions particularly on symbols and meanings; a topic on which CCT and SD-L also strongly intersect, through a shared view of markets offering "symbolic services" (cf. Arnould 2007: 59-60).

In sum, even though we see the study foremost rooted and positioned in the IMP's resource discussion, we will draw on work within S-DL and CCT to the extent that they provide help in understanding resources specifically in the customer / consumer sphere. By doing so, we aim at providing an increased understanding of the previously neglected symbolic dimension in the 4R model.

Figure 7 below summarises the complementarity of the perspectives in the context of this thesis.

Network level	Resources as embedded and interdependent (IMP)	Resource process or structure focus
Customer (relationship) level	Operant resources in value propositions (SDL)	Value focus
Consumer level	Symbolic, cultural Resources CCT	Meaning focus
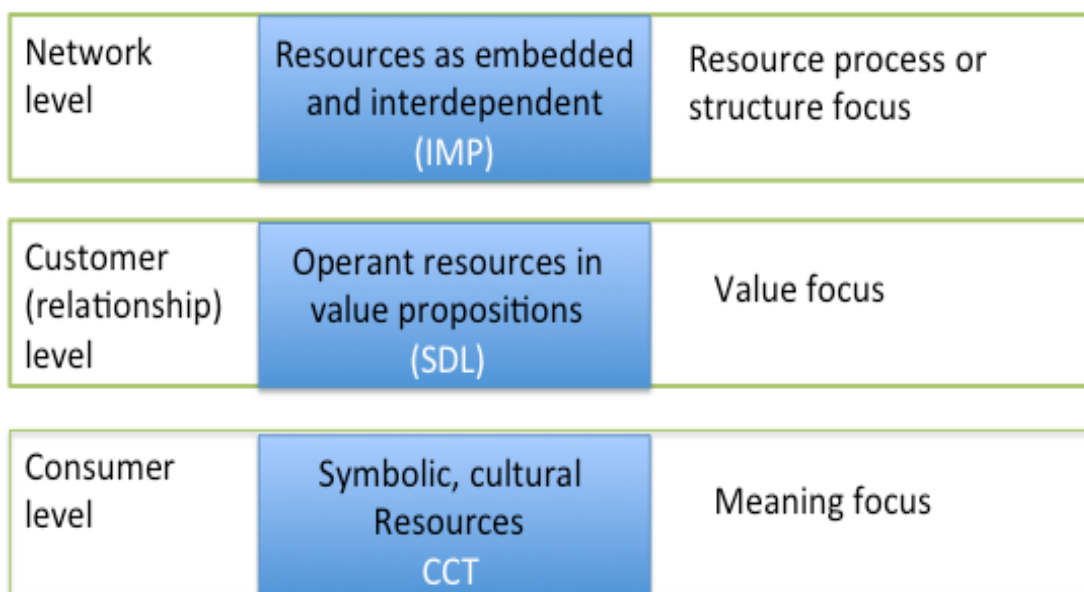
Figure 7.   Understanding resources from IMP, SDL and CCT perspectives – an overview

From the IMP discussion of resources, we pinpointed the analytial distinction between the image level and the activated level of resources. Based on Håkansson et al. (2009), the former implies the perceptions, assumptions, knowledge and representations that make resources subjects of discussion in business interaction. On this image level, the symbolic respresentations of the actual, physical or social resource (product/facility or business unit/business relationship) is what this research focuses on understanding. The relevance of this focus is lies in the fact that the decisions that business actors make related to resources, are based on these representations of the potential usefulness and valuableness of the resources. The image level of resources thus consists of representations that *symbolize* the value potential of a resource.

In section 2.4.3 we concluded that the symbolic dimension can be distinguished as an aspect in any resource, and that the interfaces between interacting resources also involve connections on the symbolic level. An example of such a symbolic resource interface is e.g. the relationship between the image of a business unit and the image of a product, or that between the images of different products in the same retail environment. According to the same logic, resources can also be seen as symbolically embedded, i.e. interconnected with their context on the image level. In the case of this research, where the focal unit of analysis is a product, which is studied particularly in its retail context, the notion of symbolic embeddedness can be seen as an elaboration of Halinen & Törnroos' (1998) notion of market embeddedness, i.e. connections between a product and the customers and functions it serves.

The theoretical framework serving as a foundation for the individual essays, that address the more specific research questions of the thesis, is presented in figure 8.

The framework has its foundation in the product-centred resource interface model referred to in section 2.4.2, but given the focus on the symbolic, it analytically separates the image level from the activated level, and draws attention to the connections specifically between the image levels of different resource items. The framework draws, on the one hand, attention to a focal product's symbolic interfaces with other firm-provided resources, i.e. its connections with resources that symbolically affect and are affected by it. These resources may be products, facilities, business unit featres or business relationships, and they may be located within the supplier firm, or outside it, e.g. within the sphere of different distribution and retail actors. The interfaces imply dependencies, and effects in both directions; hence the double-ended arrows.

On the other hand, for a better understanding of the symbolic dimension related to resources, with a consumer product as the focal unit of analysis, we extend the

framework towards the marketing context. The supplementing theoretical per-
spectives of CCT and S-DL provide additional conceptual support and enrichment
of the theoretical framework by addressing the ways in which the firm-provided
symbolic resources in the form of brands, symbols and meanings become inte-
grated with the customer/consumer sphere, and used as symbolic cultural re-
sources for consumer life projects and goals (CCT) and operant resources, that
provide services and value for customers (S-DL).
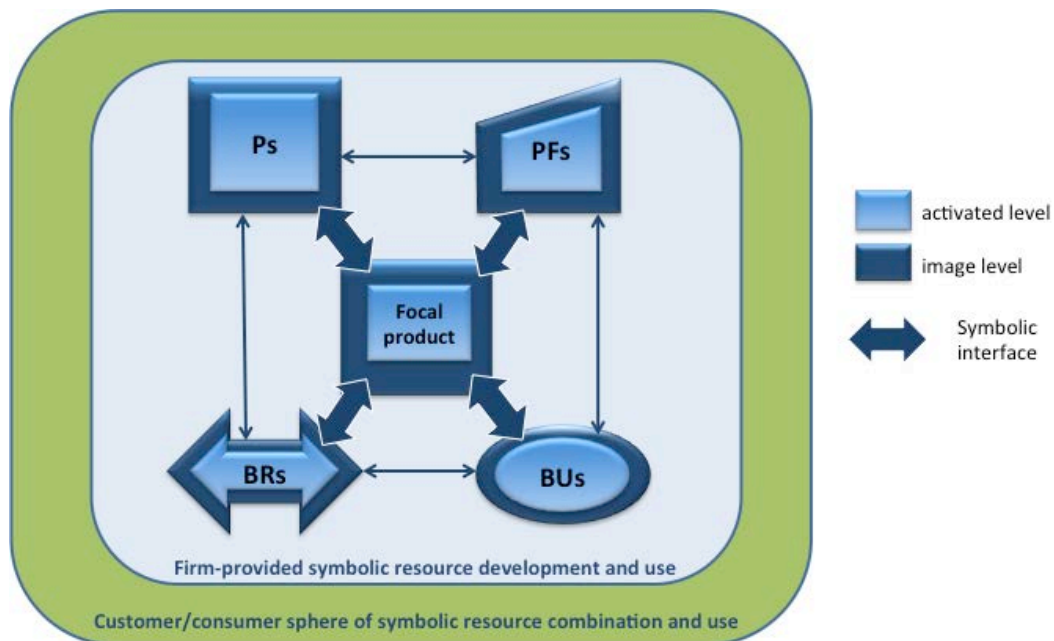
Figure 8.   Theoretical framework of the thesis

The aim of the essays and case studies that will be presented in this thesis is to
enhance this preliminary understanding of symbolic resource embeddedness. The
cases address the questions of how symbolic features emerge in a distribution
network and how they are used by retailers; how symbolic resources from a cer-
tain business relationship can be used in other relationships, and how the devel-
opment of brands, signs and symbols is linked to customer relationship develop-
ments. The next chapter offers a more detailed account for the roles and charac-
teristics of the empirical material.

3 METHODOLOGY

This chapter presents and assesses the methodological choices made in the study. It provides a discussion on the choice of cases and presents their characteristics and complementarities regarding the topic under investigation. The different methods used for data collection are presented, followed by an assessment of the quality of the study. The chapter concludes with a discussion of how the four essays of the thesis provide complement each other.

3.1 Methodological considerations in investigating business networks

As we concluded in the previous theoretical chapter, the phenomenon of our analytical interest is the product and its interconnections with the surrounding resource context. According to Håkansson & Snehota (1995: 12-13) context refers to the connectedness and interdependencies a company has with other actors, which on the one hand is an enabling, and on the other hand a restricting factor. The context can thus offer possibilities in terms of utilisation or development of the value of the resource – or provide restrictions so that the actors do not manage to make use of it (see Håkansson & Waluszewski 2004: 255). Products do not necessarily fit smoothly into their contexts. If placed in the "wrong" network, the features and value of a product might stay un- or underutilised. Service scholars refer to this phenomenon as *value destruction* (Plé & Cáceres 2010) Instead of speaking of "fit", it is perhaps more appropriate to use the term *adaptation,* which also better reflects the dynamic and interactive nature of systematically relating resources on the supplier side and the user side (Håkansson & Waluszewski, 2002: 254).

When it comes to finding a research strategy that would be well suited for achieving a qualitative understanding (illustrated by our research questions in the form "how") of a selected unit of analysis against its context, the case study methodology stands out as a particularly relevant and also commonly used approach in business network studies. Halinen & Törnroos (2005) highlight the suitability of the case strategy specifically for the study of business networks, thanks to the method's ability to provide many-sided views of situations, offer depth, comprehensiveness, and rich descriptions, as well as its strengths, in the study of both contextual factors and processes related to change, being thus able to reveal the complexities and dynamics of business markets.

The case study method enables the investigation of "a focal phenomenon within its real-life context, where the boundaries between phenomenon and context are not clearly evident" (Yin 1994: 13). As Johnston, Leech & Liu (1999) state, the case study method does not attempt to isolate the phenomenon from its context, but, on the contrary, sees the phenomenon as being of interest precisely because of its context. According to Eriksson & Kovalainen (2008: 115), the context of the case refers to to the historical, economic, technological, social and cultural factors against which the case is understood.

Specifically applied to the study of business networks, Halinen & Törnroos (2005: 1286) provide a definition of the case strategy as:

> "an intentive study of one or a small number of business networks, where multiple sources of evidence are used to develop a holistic description of the network and where the network refers to a set of companies (and potentially other organizations) connected to each other for the purpose of doing business"

For case studies of industrial networks Dubois and Gadde (2002, 2014) suggest an approach they call *systematic combining*, grounded in an abductive logic. This approach is also used in the present study. According to Dubois & Gadde (2002, 2014) systematic combining is a non-linear and non-positivistic, path dependent process with the ultimate aim to match theory and reality. This matching implies a process of "going back and forth" between framework, data sources and analysis. In such as process, the preliminary analytical framework will be affected by what will be discovered during data collection as well as during analysis and interpretation. Data analysis might identify new issues that must be covered in interviews, etc.

The theoretical framework of this study has developed successively and it has from early on been tested and "fed with in input" from empirical material. This early contact with the empirical world has enabled "going back and forth," instead of only testing a given theoretical framework. Therefore, the initial conceptual starting point has been complemented with input from other theoretical streams as the empirical work raised new questions regarding the interface between the product and the retail and even consumer sphere. Furthermore, the refinement of the conceptual framework also gradually raised some themes that were revisited in the empirical setting, e.g. in the form of examining cases where brands and design played a stronger role.

3.2   Case selection and complementarity

As mentioned in the Introduction chapter, this thesis comprises three case studies. The cases have their strategic roles in illuminating different, complementary aspects of the focal phenomenon of the study. In this section, we account for the process of case selection and discuss the roles and contributions of the different cases.

The three cases were initially approached as somewhat separate projects, which were integrated at a later stage, as the research framework and focus evolved. There was thus no predetermined research-strategic intent to conduct a multiple case study from the outset, but as the insights from the different cases began to emerge, complementarities between them could be identified, which justified their inclusion into one analytical whole. Dubois & Gadde (2014: 2080) refer to common instances where "the case selects the researcher", i.e. observations from empirical reality raise research phenomena and shape the research task. This is quite an accurate description of the process through which also the empirical investigation of this study unfolded.

Chronologically, the case of the joint venture *Junet* (see Essay 4), served as the initial, empirical touch point in the beginning of the research process, when we wanted to begin applying the ARA and 4R frameworks. The case company was already familiar to the researcher from previous projects and it exhibited certain characteristics, like the "network" nature of the firm itself, which made it appear particularly interesting. However, the way the firm defined itself as a "network" is not completely identical with how networks are understood in the academic, IMP sense, as the network focus, albeit with its links, ties and bonds (Håkansson & Snehota 1995) was on level of the internal organization of the firm as a joint venture between suppliers of complementary products, rather than extending in the same manner to e.g. its customer relationships.

The initial applications of 4R on Junet, as a part of the international Furniture project, that we referred to in the introduction chapter, resulted in a "mini-case" illustrating the interlinked processes of product and network design (see Baraldi, Bocconcelli & Söderlund 2001). The first analytical stage of this case study served thus as a kind of pilot study in applying the 4R model. At the same time, its role for the research process on the whole was to help narrow in on such aspects of resource interaction that would eventually become of increased interest. In the case of Junet, this meant shedding light particularly on the process of brand development as an aspect of symbolic resources, a topic that was later revisited in the empirical setting.

Already quite early on in the process, we came in contact with another interesting firm in the furniture sector: a private label bed and mattress manufacturer (see Essay 1). Initial discussions raised our interest in this firm, which was bigger in size and positioned on a different level in the supply network and which thereby appeared to exhibit more clearly the business market behavior suggested by the chosen theoretical approach in terms of interdependence and complexity (see e.g. Ford et al. 2011). This case study offered a possibility to examine resource embeddedness in what appeared to be a more of a 'relationship setting', compared to the first case. In other words, the case appeared to better display the structural and processual relationship characteristics such as continuity, symmetry, adaptation and interaction, referred to by Håkansson & Snehota (1995: 7-9). Indications of this included the characterisations of key customer relationships as partnerships, which both the buying and selling counterpart appeared to be strongly committed to and engaged in. More importantly, this case and the firm's character as a provider of private label products helped raise new questions related to the origin of symbolic resources, and interaction and co-operation between different actors in developing them.

The third case, which deals with the highly design-intensive manufacturer Korhonen (see essay 3), in turn, started off from a conceptual interest in the temporal dimension of resource management and the role of their path dependencies. Through a research collaboration, we gained access to longitudinal empirical material that, after being complemented with new data, offered a good illustration of particularly the role of inertia in using symbolic resources from one business relationship in new ones. Moreover, this case contributed to describing the circumstances in which symbolic resources were represented in the form of a particularly high design(er) intensity; something that this case illustrated exceptionally strongly.

Lastly, when considering the empirical inputs from the cases for understanding the symbolic nature of resource embeddedness specifically, we decided to revisit the first Junet case and examine more closely the brand and sign level considerations and how they had developed, as we were aware that the firm had increasengly invested in these efforts since the first round of data gathering. Simultaneously, this enabled us to stretch the analytical time horizon of the case study and offered a possibility to examine also this case from a processs perspective.

While the bed manufacturer case offers a more typical, broad, cross-sectional picture of a network structure, the two other cases, Korhonen and Junet, provide longitudinal perspectives of resource development dynamics over time. Empirical studies of processes and dynamics related to resource interaction have thus far

been quite limited and Baraldi et al. (2012: 274) call for future studies that would increasingly capture this dimension. We attempt to contribute to answering this challenge with the two case studies.

A longitudinal study is by Halinen & Mainela (2013: 200) defined as:

> "a form of research in which a) data are collected with a temporal orientation on specified structural or processual elements, either continuously or in one or several distinct time periods; b) the subjects or cases analyzed are for some fixed part of the phenomenon the same from one period to the next; and c) the analysis involves comparison of data between periods or integration of data related to past, present and future."

In a longitudinal study, it is a difficult task to try to achieve both breadth in terms of network understanding and a comprehension of the process focus at the same time. In order to be parsimonious and selective for the sake of the quality of the case study (see Eisenhardt 1989), the longitudinal cases take a focal actor perspective (Halinen & Törnroos 2005) in defining the boundaries of the case. According to Halinen & Törnroos (1998: 191) such a delimitation implies that the network embeddedness is studied from the angle of the actor-network: the focal point is a single firm (in contrast to e.g. a focal relationship or a micronet) and its relationships. From this perspective, the "firm's point of view" becomes largely a question of individual actors' perceptions and also their socialization into the firm's corporate culture (Halinen & Törnroos 1998). In the two longitudinal case studies of this thesis, the firms were both small in size, so we considered that the managing directors' views can credibly represent the focal firm perspective. In the Korhonen case, the interviews done at the different points time (see Appendix 3a) were all conducted with the same person, which provided a constant in the examination of the firm's resource development and use over time. In the Junet case, the person in the managing director's position changed towards the end of the study period, but otherwise, the view of the company was also in the case represented by the voice of the same informant from 1999 to 2012 (see Appendix 4a).

When analysing the network context around the focal actors in the two longitudinal cases, we have adopted a perspective in line with Strandvik & Törnroos's (1997) notion of "relationscape," which refers to *a relational landscape of a company's business environments from both the present and the more strategic and future-oriented perspective.* Such a view seems an appropriate choice when studying the attempts to develop and establish customer relationships (the Junet case) and find new relationships in which to utilize resources developed in an existing one (the Korhonen case).

The bed manufacturer case, on the other hand, goes deeper into structure and has wider analytical boundaries. This case more specifically takes products (in existing relationships) as the analytical starting point, and follows their path upstream towards its initial development activities and downstream all the way to consumers. The focus is thus on understanding, from a product-centric point of view, the structures and contexts in which the resource is embedded, which is in contrast to the two other cases' viewpoint of resource utilisation in time, in new relationships, and not only in the existing network of relationships.

Table 1 below offers a summarised picture of the dimensions that the different case studies address both in terms of case company characteristics and the analytical level complementarities they provide.

Table 1.   Characteristics and complementarities of the cases

Case firm Characteristics	Bed manufacturer case	Korhonen case	Junet case
Type of firm	Medium-sized manufacturing unit, dominant position on the market	SME, specialised production	Joint venture between SMEs with complementary products
Type of products	Mostly private label beds/mattresses , product collections with wide price and quality range	Wooden design furniture for customer brand, subcontracting and own products, premium quality	Full range of customisable home and public space furnishings, own brand, quality and design orientation
Focus of customer relationships	Several large retail chains as strategic partners	Dominant, long-lasting customer relationship , pursuits at complementary relationships	Variety over time
Analytical characteristics			
Case definition and boundaries	Embedded case study of product-centered resource networks	Focal firm perspective	Focal firm perspective
		"relationscape"	
The relationhsip context	Existing customer relationships	Tension between existing vs. new relationships	Customer relationship developments
Analytical focus	Structure Use, provision and co-creation of symbolic resources	Process (longitudinal) Path dependence and inertia related to design as a resoucre	Process (longitudinal) Brands as resoucres

We would like to stress that the intention of including three cases is not to make comparisons between the cases as such. We agree with Halinen & Törnroos (2005: 1288) who state that *"as a result of context specificity and historical background, each network case is somewhat unique and thereby difficult to compare with others."* Indeed, network researchers such as Halinen & Törnroos (2005), Easton (1995) and Dubois & Gadde (2002, 2014) take a more critical stance towards the standpoints represented by Yin (1994) and Eisenhardt (1989), who from a positivist line of thinking seem to consider that the use of multiple cases offer better explanations and generalizability than single, as they rely on a replication logic. Single case advocates such as Dubois & Gadde (2002, 2014) highlight instead that in the *"analysis of a number of interdependent variables in complex structures, the natural choice would be to go deeper into one case instead of increasing the number of cases"* (Dubois & Gadde 2002: 260). In our case, we would like to underline that the rationale behind the inclusion of three different cases is to offer conceptual complementarity and to add to the richness of understanding the focal phenomenon and its forms of expression in variable contexts, not to compare the contexts with each other.

3.3 Methods of data collection

More specific details concerning the data used in the different case studies can be found within the individual essays and in the Appendices. In the nextsection, we shall however offer an overview of the types of data that the study has drawn on.

As referred to earlier, one of the important features of case studies is the possibility to utilise rich and multifarious sources of evidence around a focal phenomenon. Yin (1994) refers to the notion of *triangulation*, the use of multiple sources of data to form a holistic picture. Dubois & Gadde (2002) also point out that the use of multiple sources may bring forward new aspects of the research problem and discovery of "active data," unanticipated findings, which the researcher has not specifically set out to find.

In the bed manufacturer case, multiplicity of data was ensured by a network level of analysis, which stretches the boundaries of the case to comprise a range of actors within the focal firm and across different companies that have a significant connection with the focal product (see Appendix 1a). The perspectives of different actors/informants, ranging from persons involved in the original product concept development (at the focal firm's sister company in Sweden), purchasing, production, marketing (within the focal firm), and sales (customer chains and retailers), contributed to the holistic understanding of the different contexts (devel-

opment, production, various selling contexts) in which the focal products were embedded. The selection of informants followed a snowball sampling logic, where interviews helped localise other, subsequent informants who were relevant for understanding the embeddedness of the product. The initial interviews with the focal firm's managing director were particularly important for laying the foundation for the case and helping select two sub-units of analysis. These were chosen on the basis that they were regarded as particularly significant relationships and development efforts from the perspective of the focal company.

The empirical work started out at the firm level and continued with a more detailed investigation at the product/relationship level. Thereby, this case study can be characterised as *a single, embedded case* (see Yin 1994: 42). Two product collections, developed in/for two different customer relationships, were initially followed in more detail, and the findings related to these units of analysis could be contrasted to one another, as well as the remaining context of the case in the form of its other products and customer relationships. This is a particularly relevant point concerning the nature of this specific case firm, since it highlights the heterogeneous symbolic outcomes of fairly generic products, when being sold in different retail environments. At a later stage (Essay 1), for the sake of focus and depth, we concentrated our analysis on one of the product/relationship combinations. The other product/relationship was at that point used to constitute part of the case context, against which the focal unit of analysis could be mirrored.

Initially, the issues examined in the network around the focal products were rather broad, including topics related to e.g. logistical processes and component sourcing. However, at a later point in the research process, the analytical boundaries were drawn around issues that had a relation particularly to the symbolic aspects of resources, thus delimiting for instance purchasing and production issues more to serve as contextual rather, than focal factors in the case. Examples of interview themes in this case can be found in appendices 1b and 1c.

In the bed case, the in-depth interview data were supplemented with written materials and documents, such as brochures and advertisements and researcher observation of production and sales environments. Furthermore, a covert form of observation, mystery shopping (see Wilson 1998), was explored as a novel methodological angle to network research, shedding light on the interface between the focal product and the final customer. Although initially intended first and foremost as a means of triangulating the findings from interviews with retail informants, this investigation in fact provided surprisingly important additional insight by exposing instances where products were in fact unable to function as value providing resources. The mystery shopping observation details can be seen in

Appendix 2a. The observers were briefed with an assignment description and a recall form to fill in after their "shopping" visit (Appendix 2b). After the observations, a group discussion session was also arranged in which the "shoppers" accounted for and discussed their observations and impressions.

The role of the bed manufacturer case in this thesis is to serve primarily as a description of symbolic resource **co-development** in the distribution network, illustrating **resource heterogeneity** and variety in the forms in which the same product can be useful as a resource.

The other two cases in turn shed light on two different aspects of the focal phenomenon of symbolic resource embeddedness, namely **brand development and resource history**. The Junet case depicts the dynamics of developing and embedding a brand and it follows a focal company's network development (particularly concerning the development of customer relationships) and the interlinked product and brand decisions. The data from this case are also primarily based on personal interviews with the firm and selected marketing actors (see Appendices 4 a and 4b), carried out at several occasions during a period of 15 years (1999–2014), which enables an analysis of resource development and utilisation over time. Also in this case, observation is used as an additional method. Moreover, owing to the specific research focus in this particular case on brands and signs as resources, written and online materials in the form of brochures, catalogues, web pages and other communications materials enabled an analysis of semiotic content.

Similarly, the Korhonen case is also based on longitudinal data, stretching over a period from 1986 to 2005. The earlier stages of data gathering originate in other, previous research projects, in which a case database of furniture companies had been updated at repeated intervals, focusing on themes such as customer relationhips, products and product development, investments and production, marketing activities and horizontal co-operation. We selected this case firm purposefully from this pre-existing material, as it appeared to particularly well illustrate how resource investments made in and for a very dominant and long-lasting customer relationship were later put into use in new ventures. From the point of view of symbolic resource development, this case was also of special interest because its resource structure included products, brands and designers (Alvar Aalto, Artek) that enjoy a particularly high recognition and can even be characterised as classics within the field of design. Thereby, we believed that such as case with a high symbolic content would offer a special contribution to the whole.

The pre-existing interview material related to this case was updated with a new in-depth interview (see Appendices 3a and 3b), which also helped gain a more detailed picture of such resource aspects that were not covered by the earlier data.

Similarly, as in the other two cases, the Korhonen case material also relied on observation and a variety of written materials such as brochures and web pages as additional data sources supplementing the interview transcripts and field notes. As the empirical investigation related to the Korhonen case was a collaborative research effort, the analytical phase also benefitted from the work of two researchers' separate and integrated efforts in interpreting and analysing the findings.

In the longitudinal cases, the data gathering through repeated revisiting of the case, and the use the same informants enabled a combination of both real time data and retrospective analysis. According to Halinen, Törnroos & Elo (2013:1216) both these analytical orientations have their advantages; the real-time snapshots provide insights into managers' interpretations of current situations and motives and goals for interaction, such as *"how a process unfolds within its context",* while retrospective analysis—in this case carried out by also asking informants to reflect on developments and changes leading up to the current situations—make continuous processes more visible.

3.4   Assessing the quality of the study

We conclude the methodology chapter with an evaluation of the quality of the study. Since the thesis at hand is a product of a qualitative research approach, we can start out by saying that the most typical quality assessment tools used in quantitative studies, validity and reliability, are not particularly well suited in this instance. Case studies build on analytical, rather than statistical inference (Dubois & Gadde 2002:559).

Instead of an application of criteria whose underlying rationale does not fit well with the methods used, Dubois & Gadde (2002, 2014) suggest that the quality of case studies should be ensured above all through sufficient *transparency* in the account given of the research process, providing the reader enough detail to assess the plausibility of the conclusions drawn.

Apart from the more general criterion of transparency, Lincoln & Guba (1985) offer a set of variables that are frequently used in the operationalization of the *trustworthiness* of case research. They see trustworthiness as consisting of credibility, transferability, dependability, and conformability. We found a number of these aspects and techniques applicable for this study and will offer a short overview of the ways in which these criteria can be reflected in our cases.

Lincoln & Guba (1985: 294-296) refer to **credibility** as a naturalist's substitute for internal validity, a "truth value" that findings and interpretations can be "considered credible and approvable by the constructors of the realities being studied". For techniques to increase credibility, they suggest prolonged engagement, persistent observation, triangulation, peer debriefing, negative case analysis, and referential adequacy.

In the case studies of this thesis, *prolonged engagement*, the investment of sufficient time to form an understanding of the phenomenon, is met in all of the cases, in some even better than others. The longitudinal nature of two of the case studies serve this purpose, particularly in the Junet case where the researcher herself carried out all the phases of the fieldwork, allowing for the understanding of the case to emerge over a long period of time. Even though the bed manufacturer case is not analysed from a process perspective like the other two cases, and thus does not have the same extended temporal horizon, this case in practice also exhibits a prolonged engagement with the case, as the initial interviews led to new rounds of interviews with different actors, enabling a revisiting of certain aspects of the case n in the spirit of the logic of systematic combining (Dubois & Gadde 2002). In the case, we also "went back" to implement the mystery shopping exercise. The engagement with this case stretched in all over a period of four years and comprised a variety of different actors as informants, so we feel that corresponds quite well to Lincoln & Guba's (1985) criterion of prolonged engagement to ensure breadth in understanding of the case and its context.

The prolonged engagement with the cases together with an abductive research strategy that included conceptual inputs into the process also assisted in what Lincoln & Guba (1985: 304) refer to as *persistent observation,* depth, detail, and salience of the characteristics that are most relevant.

Our attemptsto increase credibility by means of *triangulation* were discussed already in the section on data collection. According to Denzin (1978, in Lincoln & Guba 1985), triangulation refers to sources but also to methods, investigators and theories. Our research meets the criterion of using both different multiple types of the same source (different informants' accounts of the same topic) as well as different types of sources of the same information (interviews-observation-documents, etc). The somewhat less common triangulation dimensions of methods and theories are also to some extent visible in the study, though the use of complementary theoretical perspectives, as well as the use of the additional methods of mystery shopping (Essay 1) and content analysis (Essay 4).

Peer debriefing and *member check* are also techniques referred to by Lincoln & Guba (1985) that have been applied to the cases of this study. A dissertation pro-

cess, particularly one with qualitative empirical work that continues for a lengthy period of time, does not take place in isolation. The tentative empirical findings in evolving cases studies become repeatedly subject to presentation and review at different types of academic forums, helping clarify the analysis and making implicit assumptions more explicit. Member checks refer to "data, analytic categories, interpretations and conclusions being tested with members of those stakeholder groups from whom the data were originally collected" (Lincoln & Guba 1985: 314). According to the authors, such testing can be both informal and formal and continuous. In the case studies of this thesis, this mechanisms has been utilised both in the form of presenting conclusions to be checked by case actors or by taking up more specific interpretations made at prior interviews or observations for discussion at subsequent interview occasions.

3.5   Complementarity of the essays

In the introduction, we referred to the fact that the three case studies will be presented in the form of separate essays, which correspond to Chapters 4-7 of this thesis. This choice was not self-evident from the outset. Rather, the initial idea was to be able to present the empirical findings as a linear, logical sequence. The research process, however, with its abductive "back-and-forth" directions between empirical observations and the inclusion of additional conceptual building blocks, made the reporting of the study in such a manner somewhat challenging. Instead, we chose to include the cases in the form of independent essays, as the separate cases have, in addition to a common theoretical base, their own, more specific supporting conceptual angles.

The essays all have their own, specific contribution to the overall purpose of the thesis, to shed light of the notion of symbolic embeddedness of products and its manifestations in different contexts.

Essay 1, which constitutes Chapter 4 of this thesis, is titled "The symbolic side of resource interaction –exploring product embeddedness in the retail context." This essay tells the empirical story of the embeddedness of the private label manufacturer's bed collections. The analysis focuses particularly on the interface between the focal resource and other resources in selected retail settings. The nature of the case allows us to examine the two-faced nature of resources referred to in the theory chapter, i.e. in which ways they are symbolically marked by the retail context, and on the other hand, how retail actors use them as symbolic resources.

Essay 2, "Retailers and Media as Resource Intermediaries," presented in Chapter 5, is a conceptual paper that elaborates on the themes of Essay 1 by bringing them to a more general level, where the roles of retailers are paralleled with the case of media, both playing a role as a resource intermediary. Essay 2 goes further in depth into the conceptual approaches to resources by combining views from IMP, CCT and S-D L.

Essay 3, corresponding to Chapter 6, has the title "Inertia in business relationships: the case of a designer furniture manufacturer". This article addresses the role of inertia and path-dependence for the development and utilisation of resources, particularly in a setting when symbolic resources from one relationship are being put to use in new ones. The longitudinal case of Korhonen and its customer developments over time are used as the empirical basis in this article.

Essay 4, in Chapter 7, is named "Symbolically valuable for the customer? –A longitudinal analysis of the interlinkages between the brand and relationship development activities of a furniture manufacturer." This essay delves more specifically into the topic of brands and signs as symbolic resources. Empirically, this essay follows the branding and communications development activities in the Junet case and compares these symbolic resource developments with concurrent events within customer relationship development.

4   THE SYMBOLIC SIDE OF RESOURCE INTERACTION - EXPLORING PRODUCT EMBEDDEDNESS IN THE RETAIL CONTEXT

Anu Norrgrann

Abstract

The manufacturer and the retailer of a product share a common interest in wanting to make the most of a product as a value-providing resource. Nevertheless, the value proposition and the cues that the products signal, may change as the product enters the retail context. Through marketing communication, branding, store atmospherics and personal selling etc. the retailers significantly shape the way the product – the manufacturer's and retailer's joint resource - becomes ultimately presented to consumers.

This article elaborates on the discussion on resource interaction by exploring its symbolic dimension. Drawing theoretically on the notion of resource interaction and by adding insights from literature on branding, retailing and images, this article examines the interaction between a product and the resources in its retail context. Based on a case study from furniture retailing, it analyses how the context affects the symbolic properties of the product and discusses the retailer's role in transmitting and co-creating resources.

1. Introduction

The industrial network (IMP) perspective has criticised the assumption of homogeneity behind the traditional marketing mix model's view of products (see Håkansson, Harrison and Waluszewski, 2004). Instead, it has been suggested that resources, such as products, exchanged in marketing processes are heterogeneous to their nature, which implies that they need to be evaluated in different constellations and combinations; as embedded and result of interaction, rather than as given elements with a value that is independent of the system in which it is produced or used.

According to the idea of resource interaction, the product affects, and is affected by other products, facilities, business unit features and business relationships

(Håkansson & Waluszewski, 2002). In this article, we focus on examining the interplay between a focal product and its interaction with the aforementioned other resource entities in the "selling system", i.e. the retail context in which it is embedded.

Of particular interest in this paper is the symbolic dimension of embeddedness. This intangible dimension of interaction between a product and its context has so far not received much attention within business network studies, but we find this to be an important aspect in trying to understand how value is created, conveyed and realized through the supply network towards the consumer. In this process, the retailers have a powerful role in shaping the symbolic presentations of the product and affecting the ultimate perceptions of it in a number of ways. Research into atmospheric design and retail branding and images (Porter and Claycomb, 1997; Turley and Chebat 2002; Davies and Ward, 2005) has stressed the importance of factors such as store environment, layout, design, promotional materials as well as social variables like service as factors that surround the product similarly as a package. Different retail contexts can thus augment the same physical product in differing ways, making the ultimate product value quite heterogeneous.

This article seeks to address the question how the retail environment affects the product on a symbolic level and how the retailer in turn uses the product as a resource. It draws theoretically on the resource interaction discussion within IMP, and touches also upon other streams of literature such as consumer culture theory, which adopt a similar, interactive approach to the notion of resources. Inputs are also taken from brand and image literature.

After the conceptual part, the article presents a case study of a bed collection to illustrate the symbolic embeddedness of a product into the retail environment. The empirical material consists of interview data and mystery shopping observations, which are analysed utilizing the categorization of four resource entities as a tool. The article concludes with a discussion of retailer's roles as resource intermediaries, in the creation and utilisation of value.

2. Resource interaction and value

Industrial marketing and purchasing (IMP) researchers (c.f. Håkansson & Snehota, 1995; Håkansson & Waluszewski, 2002) often emphasise the embedded and interacted character of products, i.e. that the features and value of products are

considered to develop in interaction, rather than independently of the systems of production and use.

The underlying argument is that products can be seen as a type of resources, which are heterogeneous in nature. This notion of heterogeneity can be traced back to Penrose (1959) according to whom "*Strictly speaking, it is never resources themselves that are the inputs in the production process, but only the services that they can render. The services yielded by resources are a function of the way in which they are used*". This implies that that the same resource can have different value if used for different purposes and in different combinations. And when resources are modified and developed, new "services" emerge as a result. From the notion that resources are heterogeneous, follows that *interaction* is important for the development of the resource and the value that it can provide. (Håkansson & Waluszewski, 2002)

The IMP perspective on resources has thus drawn the focus to the inter-organizational level; that the question of resources is in contrast to the traditional resource based view of resources, less on how a single firm handles its internal resources, to how the resources of different firms are combined, adapted and developed together.

In recent years, also other theoretical streams of research have shown increasing interest in the concept of resources from a more interactive point of view. In a similar vein (see Cova and Salle, 2008 for a more thorough comparison) the service-dominant logic for marketing (Vargo and Lusch, 2006) also stresses the importance of *operant*, rather than *operand* resources. Viewing resources as operant implies focusing on the instrumental *use* of resources, rather than only on their possession and control. For example, a consumer does not buy groceries for the sake of having them in store, but as a resource that is, together with other resources such as cooking skills, kitchen equipment etc. used for instance to produce a nice family occasion (Grönroos, 2008).

This concrete example also shows that resources interact and are open to different combinations of use also in the consumption context. While IMP research has, with a few exceptions, focused on interaction on the inter-organizational level, Consumer Culture Theory (see Arnould & Thompson, 2005) has dealt with the notion of resource interaction, or resource *integration* (see Baron and Harris, 2008)*, in terms of how consumers combine the firm-provided resources with their own resources, in order to pursue their personal life projects and goals. Also according to this perspective, the products that firms provide, are not necessarily used in the way the marketer has imposed (Aitken, Gray and Thompson, 2005),

i.e. their value is "open" and the product heterogeneous in the same manner as considered in IMP resource research (c.f. Håkansson & Waluszewski 2004).

There is thus much similarity between how these different approaches define resources and value. Håkansson and Snehota (1995: 134) define resources in the following way: *"Various elements, tangible, or intangible, material or symbolic, can be considered resources when use can be made of them"*. Relatedly, the service-dominant logic by Vargo and Lusch (2006: 44) emphasizes that *"there's no value until an offering is used – experience and perception are essential to value determination"* (Vargo and Lusch 2006: 44)", similarly as Grönroos (2008: 303-304) states that *"If customers cannot make use of a good, value-in-exchange is nil for them…Only during consumption, realised value in the form of value-in-use is created."* The role of marketing becomes in this sense *"a process of doing things in interaction with customer"* (Lusch, 2007: 265). Firm-provided resources in the form of value propositions which consumers are invited to derive benefit from, interact with consumer resources and the *value-in-use.* (Arnould et al., 2006).

If resources are heterogeneous and their value is dependent on with which other resources they are combined, resources should also be analysed not as separate stand-alone elements, but in different resource combinations and constellations. (Håkansson & Snehota, 1995; Baraldi, 2003). In recent IMP studies with a resource focus (e.g. Wedin 2001, Forbord, 2003, Baraldi, 2003 and Gressetvold 2004) a research tool developed by Håkansson & Waluszewski (2002) has been utilised for the analysis of resource interaction. This four resource entities (4R) model comprises the following essential resource entities, which all are created and / or formed in the interaction processes:

1. **Products**: artefacts exchanged between economic actors
2. **Facilities**: equipment and facilities used to create or transform products
3. **Business units**: the organizational structure, competence and personnel skills characterizing firms
4. **Business relationships**: the substantial links, ties and bonds resulting from the interaction between firms

As figure 1 below illustrates, these four entities are all interrelated; facilities are used for the transformation and transaction of products, products are exchanged between business units within the framework of business relationships etc. To understand a specific resource entity and its value, such as a product, it should thus not be analysed in isolation, but against the context of its interfaces with other resources.
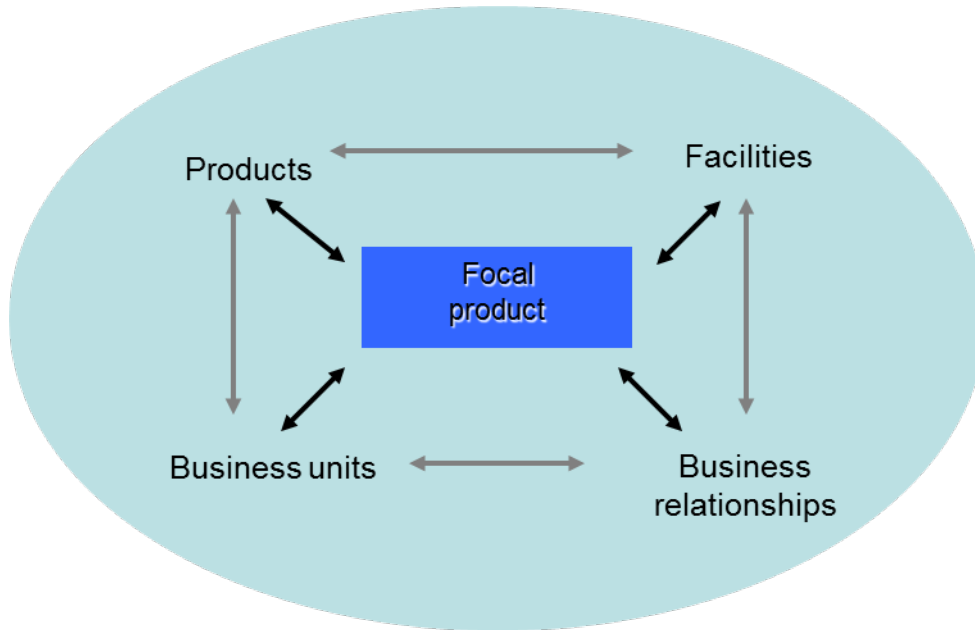
Figure 1: The contextual embeddedness of a focal product

The 4Rs model thus provides a tool for analyzing how resources interact and develop and how they receive their characteristics and value. To understand the value of a resource, the model helps to explore how the resource is related to, or embedded into, the surrounding ones. (Baraldi 2003:17)

Resource interfaces have by Håkansson & Gadde (2001: 82) been defined as "what is between resources". It differs from the notion of resource ties (Håkansson & Snehota, 1995), which refer to a more specific type of interface, such as technical adaptation between resources of two interacting firms (such as an adapted component and the final product into which it is assembled). The notion of resource interface is thus broader and "cuts surgically into the texture of resource interactions by pointing at the specific contact points between two resources, defined along relevant technical, economic and social dimensions" (Baraldi 2003:17-18).

In the network model (Håkansson & Snehota 1995), the resource and actor (as well as activity) layers are not isolated from each other. Even if the focus is on understanding resources and how they interact, the role of the actor is still highlighted as the force that that sets the resources in motion and is able to discover the potential economic uses of them. It also pinpoints the need to regard the re-

sources as image objects. Resources are formed through human interaction, a process in which image is a central ingredient. Interaction thus relates both physical resources and the images of them, to each other. (Håkansson & Waluszewski (2002:39-40)

Firm-provided resources or value propositions are thus subjectively experienced and evaluated both by the business actors that are related to the product in various ways, as well as by consumers. Even a physical resource is thus always considered on a symbolic level. In addition to evaluating it, actors add their skills and other resources to the product, in order to make it useful and valuable for their purposes.

3. Resources in the retail environment

Following the argument presented above, when consumers as well as firms buy products, they do not necessarily obtain resources that are fixed or given. Rather, on their way downstream towards the final user, products become embedded into new contexts which affect the value of the product, not least on the symbolic level. Retailers as an intermediary between manufacturer-provided and consumer operant resources, have a significant role in shaping the firm-provided value propositions and activating the symbolic resources of final users.

Distribution intermediaries function in themselves as *positional* resources by connecting networks of suppliers with networks of customers. They also provide *technological* resources through their ability to effectively handle distribution-related tasks, such as physical logistics. (Ford et al., 2003: 134) Thereby, these intermediaries affect the services that the products render for their intermediate and final users.

In addition, the retail environment can also create a variety of symbolic imprints on the products, as the product interacts with the facilities, business unit features, relationships and other products in each, specific retail context. Depending on for instance the rest of the assortment of an individual the store, the display facilities, the efforts and motivation of sales personnel and the strategic aims of the individual retailer, the preconditions for the product to be able to function as a useful and valuable resource may vary.

Philip Kotler wrote already in the 1970's about the importance of atmospherics, stating that

"one of the most significant features of the total product is the place where it's bought or consumed. In some cases the place, more specifically the at-mospehere of the place, is more influential than the product itself in the purchase decision. In some cases, the atmosphere is the primary product." (Kotler 1973: 48)

Retailers have at their disposal various branding and image creation tools that add to the resource potential of the product. In addition to the more traditional image elements such as names, symbols and advertising, also *merchandise*, *store char-acteristics*, *service* and *promotion* can be used as branding components (Davies and Ward, 2005; a similar categorisation also used by Turley and Chebat, 2002). Merchandise refers to assortment, brand mix, price and quality (Davies and Ward, 2005), i.e. the number and type of other brands in the store's assortment thus in-fluence the focal product and the way it is positioned and presented by the retail-er. Store characteristics again include the location, atmosphere and internal and external environment of the store (Davies and Ward, 2005), providing an envi-ronment for the product that can be likened to a package (Turley and Chebat, 2002), as it surround the product and adds on symbolic characteristics. A study by Buchanan et al. (1999) indicates that retailers' display decisions can even *negate* brand equity.

Also the influence between retailer image and brand image has been acknowl-edged in previous research (c.f. Pettijohn et al., 1992). For instance according to Porter & Claycomb (1997) a brand image can substantially improve or damage the image of a retail store, depending on how the brand is evaluated. Brands affect particularly the perception of the store's fashion. In other words, retailers can *use* products for their own profile building purposes, while on the other hand, an un-known brand might benefit from an established retailer image, provided that it is in accordance with the type of meanings that are intended to be linked to the product.

The retail context also has a social side, referring to the personnel in it, their char-acteristics and the level and quality of service they provide. (Porter & Claycomb, 1997; Turley & Chebat, 2002; Davies & Ward, 2005). Service, advice and staff-customer interaction is an essential part of the offering or the brand (Ford et al., 2002: 122-123; Newman & Patel, 2004) and thus a significant way in which the retail context marks the product and affects its value. The retail atmosphere af-fects not only consumers and their shopping behaviour, but also the way the em-ployees of the store function and behave. For example poorly constructed envi-ronments may negatively affect the possibility of employees to approach, interact and influence customers (Turley & Chebat, 2002). In resource interaction terms;

facilities affect the people with the business unit and thus indirectly the way they relate to the products they sell.

Arnould (2005) suggests that retailers should be regarded as *resource purveyors*, who package cultural resources into a particular habitat, appliance, assortment, personnel policy, pricing strategy, communications campaign, and/or other element of the retail mix, which consumers use as a source of cultural resources. He distinguishes between four categories of cultural resources, which the retail environment can affect: 1) economic, 2) utopian, 3) ludic, and 4) temporal. In the economic sense, the retailer can communicate cues that promise the ability of the consumer to engage in for instance thriftiness and gaining value for money, whereby the total offering is in this sense a resource for the consumer in such a pursuit. In a similar way, utopian resources help consumers *"weave the ideals of the perfect world into their everyday lives and selfhood"* (Maclaran and Brown 2001, in Arnould 2005) and the retailer can have a role in evoking such utopia. At the same time, however, they may also raise dystopian images for some consumers or in some respects. Ludic resources relate to consumers' pursuit of play, and also in this respect the retail environment can have a facilitating role. The retail environment as a temporal resource, in turn refers to the enactment of consumer timestyles. Variations in the retail habitat and servicescape (see Bitner, 1992) provide consumers with different time perceptions and temporal experiences. (Arnould 2005) Through servicescape management firms can try to affect and predispose how consumers deploy their operant cultural resources (Arnould et al 2006).

4. Case study: a bed collection in the furniture retailing environment

The empirical material presented in this section is a case study of a bed manufacturer and one of its products, a bed collection. To understand the context of the case, we have collected in depth personal interview data from a variety of informants (see Appenxix 1a) within different functions in the focal firm and outside its boundaries. This includes the managing director, key account managers for the most significant customer relationships (including the focal one for this paper), production manager, purchasing manager and an informant in the focal firm's sister company, who had a key role in the initial development process of the product concept. The focal customer, who has exclusive distribution rights to the case product, is a nationwide chain of fairly loosely co-operating individual furniture stores. Empricially, we have gathered interview data on the furniture chain level (product manager) and in selected stores with store managers and sales rep-

resentatives, allowing the researcher to examine the embeddedness of a product in a potentially quite heterogeneous setting. Examples of interview themes can be found in Appendix 2. In addition to interviews, mystery shopping observations were carried out to provide additional insight into how the product actually, and not only as described by retail informants, presents itself towards the consumer in the retail context. In the analysis, it is examined how the products are embedded to these contexts by using the 4R framework described earlier.

4.1.   The focal resource

The focal product in the case is a bed collection, consisting of a number of different product items, some of which are complementary and some alternative. The collection comprises different kinds of mattresses (box mattresses, spring mattresses, continental mattresses and motorised elevation beds) of different size and firmness, categorised under three sub-brands, from basic models to medium-priced and models for the more demanding customer. In addition, the collection includes different types of top mattresses that can be combined with the selected bed or mattress. There are also different models of bed legs or runners available to choose among.

What makes all these items to be considered one product, i.e. a collection, is firstly the brand name and secondly a similar external appearance of all the models, the actual differences between models are mostly found "on the inside".

Many of the components that the product consists of are not specially adapted, but can also be found in other products, while for instance the fabric is exclusively designed with this collection in mind; with the brand logo woven into it. In order for the product to communicate its more hidden features to users, the product concept also includes prescriptions and materials that retailers can use for store display. Uniform appearance of the pillows, pillowcases and other fabrics, as well as an oak laminate floor, is thought to provide a suitable contrast to the blue and white coloured beds. Manufacturer-provided brochures and posters also contribute to the concept of how the collection is presented. In addition, training is provided for sales staff in order to transmit knowledge about the more hidden product features and their effect on physiological well-being and comfort. With such information it is thought that the sales staff will be better equipped to sell the products successfully.

The original development philosophy behind the product concept, stemming from the manufacturer's sister company in Sweden, where the product concept was initially developed, has been to offer beds for consumers who want value for their

money; a good bed without it costing too much and without the label of "vanity" which some competing products are considered to carry, according to the product developer.

Actors involved with manufacturing and selling the product in the Finnish context have to a large extent adopted this product definition and also emphasise the product's good ratio between price and quality and also between price and appearance. In the Finnish context, the actors also emphasise the fact that the product is a ready concept, i.e. the local actors do not need to invest in the creation of the features (including promotional materials) as a valuable product feature. Moreover, there are some factors that become differently highlighted in the Finnish context and that offer a different type of value than compared to the original Swedish product (in Sweden), i.e. where coupling to a new context creates a new type of value for the product. Examples include the fact that manufacturing (assembly) takes place in a business unit in Finland), which allows for the utilization of the "Finnishness" argument as attached to the product. Secondly, some technical as well as appearance related features (detachability and colour of fabric) were novel to the Finnish market at the time the product was introduced, which allowed their utilization to another extent, e.g. as a means of differentiation.

When assessing which features are significant in the focal product on the whole, largely similar characteristics are highlighted by actors in the retail context as those involved with the product's development and manufacturing. In the interviews, physical and construction related features were mentioned, such as the type of springs used, quality and durability of materials as well as the fact that the fabric is detachable and thus washable, better maintainable and hygienic. Physical product features also further affect sensory and thus more individually perceived properties, such as comfort. The broadness of the collection was in this respect highlighted as a significant characteristic, as it offers a range of different alternatives (related to firmness/softness) to match the variety of user definitions of what is considered comfortable.

Characteristics related to the appearance of the product were also emphasised. The appearance was described as appealing and youthful and attention was also drawn to the colour of the fabric. The colour had been a significant feature particularly at the time when the collection was introduced, since this product was said to have been the first dark blue mattress on the market. Initially this characteristic was used not only in terms of differentiation or though the fact that a new looking product is more "fresh" and interesting for sales people to sell, but also as an argument for customers in the form of a claim that *"Other (manufacturer)s are also heading in this direction (with fabric colours), but these are the first to have it."*

In other words, fashions and trends play a role in the assessment of the product's appearance, possibly trickling down also to product or company image, for instance as being perceived (or at least portrayed) as some kind of trendsetter or forerunner. It highlights the fact that the utilisation value of product features is time dependent and relative to the features of other products.

A much stressed product characteristic among all interviewees was the fact that the product was perceived as "good value for the money". Both the physical as well as aesthetic properties were perceived valuable in relation to the price of the product. The consumer may be told for instance that *"You get this for the price of a regular mattress"*, which can be interpreted as a perception of the features as something "more than regular".

Related to the product's price, the store owners/managers also made reference to the producer and the group behind it. They pointed out that outside the core of the product, important underlying aspects were the production technologies and cost structures of the manufacturer and their qualities as a supplier.

Other significant features that were mentioned, were issues related to place. On one hand, it was emphasized that the product had a domestic manufacturer, but on the other hand, sometimes sales staff found it useful to emphasise the collection's origin as Swedish or as being provided by a large European group (of which the local manufacturer is a part of), possibly in terms of embedded competence which was seen as a potentially valuable cue. Moreover, the blue and white colour of the product also received a new symbolic meaning in the Finnish context.

4.2. The retail context

The business units responsible for retailing the collection on the Finnish market are furniture stores belonging to a loosely co-operating chain of individual stores. This chain has exclusive right to sell the collection in Finland and it comprises 55 independent furniture stores, with joint purchasing and marketing operations. The collection is sold in all the stores of the chain, and its share of the total sales of mattresses within this chain is estimated to nearly 50 %. For the manufacturer, the relationship to this retail chain accounts for approximately 15 % of its sales.

As the stores in question are run by individual entrepreneurs, without strict chain management, the stores differ remarkably from one to another with respect to size, appearance, assortment, style of advertising, store layout etc., providing very heterogeneous environments for the collection to be sold in. On the whole, the key account manager of the manufacturer (with a personal history in this particu-

lar retail organization) characterised the stores as *ordinary people's furniture stores*; as not very exclusive but at best *nice-looking* and *pleasant*, although there were also said to be some less well-managed ones.

The extent to which individual stores "make use" of the product can vary from one store to another. Some have devoted more space to these products than others, and some display them more clearly and utilize more of the manufacturer-provided display materials ("sleeping studios") than others. The way products are located and displayed also affects the way consumers approach them and test them, which in turn enables them to access and assess the sensory features of the product. Variations in the conditions for testing the products (e.g. how separated, peaceful or inviting the mattress section of the store appears and where in the sore it is located) can thus affect the degree to which the product manages to convey its characteristics to potential users. The retail environment could be said to affect the product both on store level (atmosphere and layout of the store as a whole) and on the product category level (how the products in question are displayed and possibilities provided for testing).

As we referred to in the section on store image, other products also affect the way a focal product is perceived in a retail context. Items that belong to the focal collection can create trade-offs or complementarities in relation to each other, which both sales staff as well as consumers need to evaluate. Furthermore, the focal product interacts with other products and brands in the store's assortment, and also these interfaces can be of either competing or complementary character, for instance other mattress brands or other pieces of furniture or interior decoration items, which may be used in connection to the focal product (e.g. bedside tables or bedding). In studies of the effects of brand image on store image, particularly influences related to customers' perceptions of fashion have been emphasized (Porter & Claybomb 1997). The "standard" set by other products in the store thus also indirectly affects the image of the focal product, as customers may have certain expectations of what type (or fashion) of products they are likely to find in a retail context with a specific image.

Observations from different stores also point at the fact that there may be trade-offs between which type of resources the product is coupled with. For instance some stores have opted for displaying mattresses in a more information focused manner, with extensive use of stands, posters and other graphic material, others have chosen to replace the promotional stands between each bed model with different models of night tables, in order to display the product in a way that more resembles the actual user environment, i.e. the bedroom and thus focuses more on ambience. It is notable in the empirical material that different store own-

ers/managers have their own "philosophies" in what they think is the best way to display a mattress, whereby the same product may ned up in contexts that vary in the extent to which they appeal to e.g. cognition or affect.

Typically, the assortments of the stores include two or three (sometimes even more) other major brands in addition to the case collection. At the lower end of the product category, they offer a private label brand, which is manufactured by the same business unit that also makes the focal collection. A few other brands are positioned above the focal collection, making the focal product the "middle alternative". It is not only consumers that evaluate the trade-offs between these alternatives, but also the sales staff face the problem of deciding when and how they demonstrate and argument for each of these products. Willingness of an individual sales person to sell a certain brand and the ability to see its potential as matching with user needs becomes critical for the value the product can provide for the retailer. Among the stores in this retail chain, there is variation in how well they sell the different brands and how committed they are to them. It would appear as if even small episodes in relationship history (e.g. how product complaints are handled) can affect these commitments and lead to a stronger focus on one brand at the expense of another.

The case has shown that during the life cycle of the collection, it has continuously adapted in relation to other products, and also vice versa. Initially, it was perceived that the higher end of the case collection had some overlap with one of the premium competitors. Retailers were then not able to utilize the high end features of the brand, as many of them appeared to consider the competing brand as a better choice if for the more demanding customers. To overcome this overlap, the prices of the two collections were both adjusted in order to increase the perceived difference between them. Recently also the higher end of the case collection has received new physical features; a new top mattress material (a foam that adjusts according to body temperature) has been included. The origin of this solution is in a competing product (and thus not the Swedish sister company) and the foam component is in fact bought from this competing manufacturer.

The last example describes both how another product affect the features of a focal one, but simultaneously also how the product interacts with other business relationships that may indirectly affect it so that the product alters also its physical properties in the new context. In the case of the focal collection and the relationship between the manufacturer and the retail chain, it could be said that the relationship forms a continuous and committed platform for joint development work in the ongoing process of adapting the product to its retail context, of which the adjustments in price and components are a few examples.

4.3. Consumer interpretations

In order to test how imbued product characteristics are transmitted all the way to the consumer and to explore the ways in which retailer specific features mark the perception of the product, a small scale mystery shopping inquiry was undertaken. Mystery shopping refers to the use of researchers acting as potential customers to monitor the processes and procedures used in the delivery of a service (Wilson, 1998). In this technique of disguised observation, the role of the researcher is minimized, as those who are studied are unaware of the true purpose of the observer and treat him/her as a natural member of the group (Grönfors, 1982:104), or in this case, as a real customer, whereby information is gained about how product features become transmitted to consumers through e.g. sales argumentation.

The number of observations concerning the focal product and its retail context is limited (6 observations, of which some were made individually, some by couples or pairs) and most of them were done in the same store, which implies that the findings cannot be generalized. Nevertheless, they provide some interesting illustrations of the interface between the focal product and its potential final user and the role of the retail context in connecting these. The observers made notes of their mystery shopping experiences and afterwards all the observers also participated in a focus group for a more thorough discussion of their experiences and impressions.

The observers were instructed to go to one of the stores of the furniture chain in question, looking to buy a box or spring mattress of good quality for a reasonable price. The observers were specifically asked to pretend being particularly interested in the focal collection and pay attention to how the sales people would argument about it.

As a conclusion of the mystery shopping findings it could be said that the inquiry failed somewhat in validating the picture of the product presented by the other actors. On the other hand, it raised some new issues of interest. The most striking and surprising finding was that despite these guidelines and the "attempts" of the shoppers to (pretend to) buy the focal product, only one mystery shopper was clearly offered one. This would imply that product features and value in this case did *not* reach to final customer at all, and its value remained quite unexploited. Instead, for most of the shoppers the sales persons tried to convince that another product (a cheaper brand or a special offer of a more expensive brand) was the best choice for them and seemed reluctant to demonstrate other alternatives, including the focal product. The shoppers even felt that the sales people did not let them look sufficiently at other alternatives. This was reinforced by the fact that

different mattress brands were displayed in different parts of the store, some (the cheapest special offers) even on another floor, making comparisons more difficult than if all alternatives had been in the same section of the store. This store layout thus requires the sales person to be more involved in the customer's process of finding what they want and appears to assign them more power to steer the purchase in a specific direction. Different stores however have different layouts, why these findings only should be interpreted as examples of heterogeneity, rather a general rule.

The fact that the observers were primarily offered other alternatives than the case product despite their briefing, could perhaps be explained by how the sales people *categorized the shoppers.* Instead of creating individual sales strategies to every customer, creating typologies of customers helps the sales people to organize and structure the sales process and form appropriate sales strategies for different customer categories (Mäki, 2003). Retail customer typologisation has been studied from the point of view of how customers see themselves (e.g. Sharma & Levy, 1995; Reynolds & Beatty, 1999) and by Mäki (2003) from the point of view of how sales people describe and characterise customers. In his study, criteria that formed the basis for categorization were e.g. the appearance, behaviour, mood and demographic features of the customer (Mäki, 2003: 148).

In the mystery shopping case, the sales persons seem to have drawn their conclusions based on such features of the shoppers (e.g. young age) and adopted a certain sales strategy in accordance with this categorization. This implied focusing particularly on price and special offers and thereby on other products than the case collection.

The mystery shoppers thus received much of their product knowledge of the case product through other means than from service provided by the sales person. Promotional materials such as product labels, posters, brochures and promotional stands, pillowcases etc. made the product distinguishable in the store and provided information of its features. Likewise some observers had visited the furniture store's website to learn more about the focal product. This highlights the role of the interface between the core product and its supporting promotional materials as a reinforcer of its features.

The mystery shopping investigation also highlighted the question of store image and the significance of the store environment overall; many shoppers commented on this issue in the discussion of their visits and compared their impressions with those from other stores where they might shop in reality. References were made to both features of the external environment (appearance of the store from the outside, other products in the window), and the internal environment, such as the

first impression encountered when entering the store and the layout and way of grouping and displaying products. Variation in store appearance also among stores within the same chain thus couples the product to quite differing image contexts, which can have implications for the value of the focal product's features.

5. Symbolic embeddedness into the retail context

The theoretical and empirical discussion above on how products interact with the surrounding network of other resources regarding its symbolic interfaces are summarised in figure 2 below.
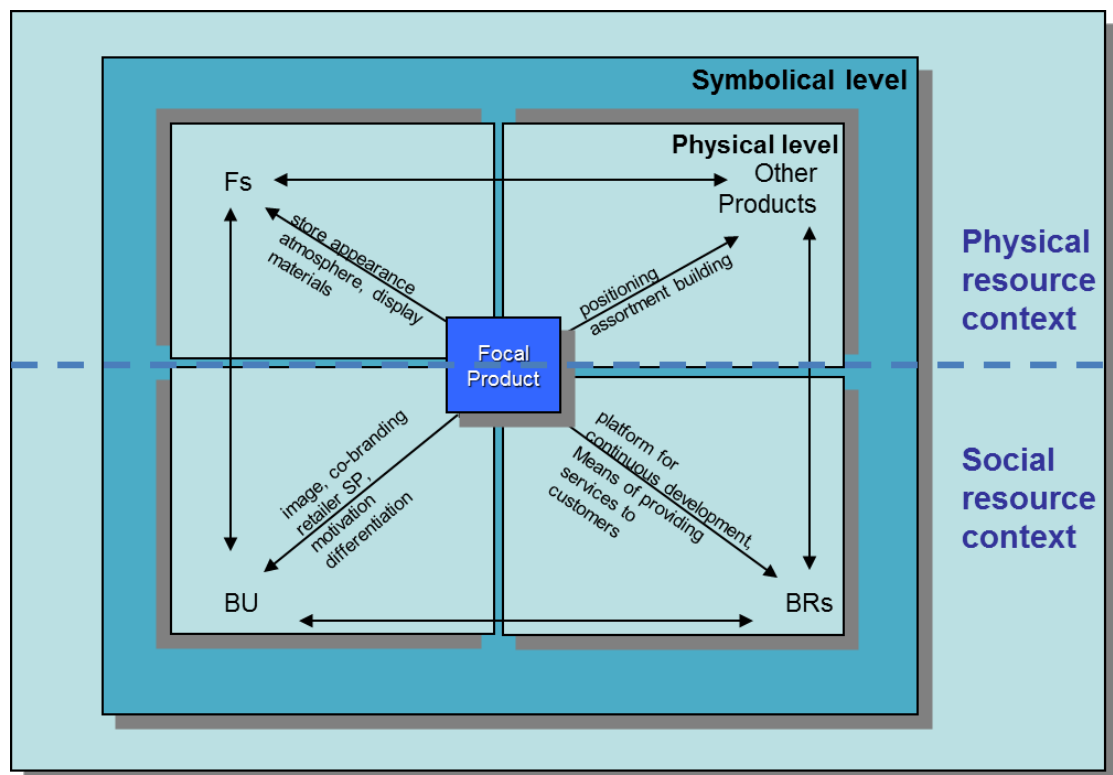
Figure 2: Interaction between a focal product and other resources in the retail context

In the retail context, **facilities** could be characterised as resources supporting the selling of the focal product, such as the store itself and physical and symbolic

elements in it such as the premises or layout of the store, or the marketing resources of the retailer. With atmospheric design retailers can significantly affect the perceptions of the store and thereby also the perceptions of the products in it. Even though, as in the empirical case presented here, the impulses, directions and materials related to the display of the focal product are provided by the manufacturer, the retailer does exercise significant control over how the product is ultimately presented and to what extent the manufacturer's strategy is followed. Buchanan, Simmons & Bickart (1999) point out that product presentation is indeed often a source of conflict in the relationship between manufacturer and retailer.

On the symbolic level, the interface between the retail facilities and the focal product, concerns the congruence between the image, atmosphere, appearance of the store vs. that of the product. When it comes to resource use, the interface could concern the ability of facilities to support to product in different ways, in order for its features to become better visible and valuable to intermediate as well as final users.

In managing this type of interface in the retail environment, the actors face the challenge of "stagesetting" the product in the store environment, and developing supporting display and communicative materials (signs, brochures, advertisements etc), that help deliver the wanted message of the product. While marketing communication literature frequently stress the importance of message consistency and the advantages of integrated marketing communication (IMC), the retailer however may "localize" communication themes and images (Turley & Chebat, 2002) as has been done to some extent in the empirical case. While product brochures provided by the manufacturer feature more profile-building and atmospheric themes, the stores advertise the same product in local print media with foremost a price and special offer focused argumentation.

In the retail context, the focal product interacts with **other products** that are alternative, complementary, overlapping, supporting or competing of space and attention. The amount and type of other products interacting with the focal one differs from one retail context to another, as the breadth and depth of the assortment varies from store to store. Thus, the availability of products already provides differing opportunities for the product to be presented to a potential end customer.

The effect of other products in the environment is also indirect. The sales staff evaluate the products against one another in their attempt to try to match customer needs and wants with the alternatives that are available. As the empirical materials shows, the evaluations of resource combinations made by these actors, can be crucial for the realisation of product value.

On the symbolic level, products are mirrored against others in the same context on the level of images and meanings, e.g. related to fashion, aesthetic properties or price or quality images. Products, in relation to others, can be used to create and maintain a certain image. The challenges of managing the interface between different products involves tasks such as positioning, assortment building, through which the retailer can affect product communication and the value that a resource thus can provide.

The retailer **business unit** also creates imprints on the product, and vice versa. Factors of importance here are e.g. the image of the retailer, which is also related to its facilities. Another significant element of the business unit is the people in it, who enable interaction between (potential) consumer and the product. The service and communication provided by salespersons is a factor that significantly contributes to the ultimate perception of the product. The competence, skills and motivation of the sales staff to promote the product to consumers is central for the realisation of the value potential. Similarly as in the case of display and advertising materials, also here the manufacturers activities can "improve" the interface. Sales promotion activities directed at intermediaries and sales staff include e.g. training, incentives and co-operative advertising (Shimp, 1997: 463). As the extent of such activities may vary between manufacturers of different (competing) products in the store, this may make the sales staff more able and/or motivated to sell a certain product alternative, compared to another. Nevertheless, the case also illustrated that there can be a positive effect of sales training from one producer also on the selling of another product. An example of such an effect is that the training and building of expertise that one manufacturer provided to sales staff about the more generic aspects related to the use of the product group (e.g. physiological aspects of sleep), is a type of knowledge that could be utilised in the selling any brand of beds, i.e. spinning off from one product and business relationship to another.

On the symbolic level, the business unit – product interface has to do with issues such as image congruence, interacting brands (product vs. retailer) and the competence, attitudes and motivation linked to the product held by people within the business unit. On the resource utilisation side, a retailer can make direct or strategic use of a product for its own purposes, such as using it as an economic resource or for image building or differentiation. Indirectly, product-related actions (such as training of sales force) can reinforce the business unit resources and their ability to make use of the focal product. In the empirical findings, it was also referred to that new or improved products helped motivate the sales staff, since they considered it more interesting and refreshing to sell.

The challenges of managing this interface thus relate to communication consistency between product messages and the messages delivered by salespersons.

The focal product is the physical manifestation of what is exchanged in the **relationship** between buyer and seller. A product may be influenced by relationship history and structural or mental inertia stemming from previous relationships. As the business relationship as a resource item is social in nature, this interface can also not be characterised in physical terms. Symbolically, this connection relates to the perception of how the product can be useful for the relationship. In a utilitarian sense, the product can be seen as means for the retailer to be able to providing services to consumers. These services van relate e.g. reliability, quality or other desired properties of the product, speed of delivery etc. In the management of this interface, the issues of product management and relationship management become intertwined.

6. Resource usefulness for the retail actor

Products are carriers of both restrictions and opportunities. Such opportunities can be taken advantage of, missed (as illustrated by the mystery shopping case) or new ones created when combined in a new way. Different actors, such as managers of different stores, can also utilize the opportunities somewhat differently. That is, the product exhibits different value when coupled to different contexts. The product can thus be used to provide value, i.e. function as a resource for different actors, in different ways. In this section we shall look closer at the utilization side, that is, the features that retailers appear utilise and in which way.

Earlier it was referred to that one of the features characterizing the product is its **spatial dimension**. Different actors seem to view this dimension differently, which also provides heterogeneity in the ways of utilizing this dimension e.g. in sales argumentation. On the one hand, it can be emphasized that the product is domestically manufactured, which in fact is highlighted by many actors and also e.g. in the promotional materials in the form of the Finnish flag symbolizing this. Simultaneously, the product can also be viewed as Swedish to its origin and also through its brand name. This feature again can be used both as implying something exotic or something appealing, depending e.g. on whether the product features are communicated to a consumer in western or central Finland, i.e. depending on the cultural distance to Sweden and how this is expected to affect how consumers react to "swedishness" as a product attribute. Other actors in turn may choose to downplay the Swedish origin altogether.

The issue of "place" manifests itself in the product also through the fact that the business units that are involved in developing and manufacturing the product, possess certain competencies and capabilities which actors in the retail context see as assets which they may indirectly access. This shows e.g. in the form of utilisation of logistical strengths as well as product development work elsewhere in the company, which can potentially be utilized also for the benefit of this relationship.

The product as a building block in the assortment In a classical sense the purpose of a retailer can be seen as to connect supply and demand and this connection could be said to physically manifest itself in the product. Thus, when looking at how retailers manage to utilize the value of (heterogeneous) products, this can be looked upon in terms of how the actor manages to connect relevant product properties with the needs, wants and preferences of the target customers.

Some differences prevailed in the way different retailers defined the target group(s) of the focal product. Certain variation existed also in the retailers' views on how the focal product was positioned in relation to other brands in the assortment. However, on the whole, the case brand was seen as a way covering the medium price segment well. In this way, it could be said the retailers utilize the product as a means of supplementing their assortment with products that have features that are attractive for target customers. These features can be differently emphasized depending on what type of features each individual customer is thought to be interested in, ranging from technical features to hygiene, durability, easy care, comfort, appearance etc.

It also appears as if many of the interviewed retailers have adopted a highly price focused strategy, judging for instance by the type of advertising they carry out. The focal brand seems to perform also as a means in this strategy, as an element in the retailers special offer based marketing activities and a typical product which is featuring in the retailers' newspaper advertisements to "pull" customers to the stores. However, as the mystery shopping findings indicated, the assortment may also include other products which can offer better potential as means of reaching the price sensitive consumer. On the other hand, the case brand is not considered to possess the same amount of "pull" appeal as better recognised brands. In this sense, it fills the gap in the assortment between the cheapest and the most exclusive brands reinforcing the image of the retailer as a provider of a

wide variety of furniture for "ordinary people" to use the characterization provided by one of the interviewees.

The product as a means of offering reliability It was mentioned earlier that the product is said to contain an element of reliability in terms of both product features as well as prompt and reliable deliveries, which stems from the interface between the manufacturing and developing business units and the product. In a way, the reliability aspect can be passed on or "duplicated" from the product to the retailer level so that the retailer can utilize this strength factor itself. An example of this is the fact that when the collection was first introduced, it was portrayed in the form that "We now have mattresses from Europe's biggest manufacturer". The linkages to the competence and reputation of the supplier were thus explicitly used as an argument that also says something about the retailer. Another example is the logistical arrangements and facilities, which enable the retailer to claim that they can provide the products fast and promptly to consumers.

The product as a source of differentiation An important characteristic of the product from the retailer's point of view is the fact that the product is exclusively sold in this furniture chain. Therefore it offers the retail actors the possibility to provide its customers with an offering that is distinct and different from those of other retailers in terms of appearance (colour), brand and certain physical features, such as the detachability of fabric and its implications for sales argumentation in terms of hygiene, durability etc.

The product as an enhancer of the store environment The product concept of the focal product includes specifications of how products should be displayed and materials that can be used for this purpose. In the best case, the brand's own sections should resemble shop-in-shop type of sleeping studios. The extent to which these elements have been utilized varies among the stores. However, the sleeping studio can potentially be used as an enhancer of the retail environment. Some of the other brands have perhaps devoted more effort and succeeded better in this respect, while for others, this has remained less utilised.

The product as a motivator The focal product was often characterized as easy to sell and argument about, as it perceived as "good value for the money". It was even said that the product could be presented as having "this kind of features for the price of an ordinary mattress" (in contrast to some more expensive competing products in some cases) Sales staff were said to *like* to tell customers about these products as this enabled them to argument more, and provide information, than

they would be able to do in the case of a piece of furniture which is largely chosen according to individual tastes. Some store owners said that their sales staff particularly *want* to provide service when a customer is looking for a mattress. They were even sometimes said to become frustrated if the customer wants to look alone as they have so much to tell about the products. Product related training which is provided also increases the sales people's knowledge about the products and reinforces their expert role, which they can demonstrate in the service situation.

The product as an economic resource Perhaps the most obvious way in which a product functions as a resource for a retailer, is through the economic value that its sales provide. In the case of the focal product, a particularly significant aspect is that it provides good sales in relation to the floor space devoted to it.

The product as a platform for relationship development Related to the aforementioned issue of accessing competencies on the supply side, it could also be seen that the retailer can utilize the product as a platform or point of reference for further development and long term business relationships with the supplier. It was mentioned as a strength of the product that its supplier does not only offer a core product to be distributed, but a source of continuous, regular, clear and good business and that they are able to keep up with both product and price developments.

These empirical observations appear to support the reinterpreted view of products (as one of the classical four P's) as non-given presented by Håkansson & Waluszewski (2004: 253-254). In the case, both the physical/technical, as well as immaterial features of the focal products are significantly affected by the buyer (retailer). The retail context can be seen to leave its imprints on the product for instance in terms of fully adapted components or specific combinations of standard components as was seen in this case when the original product concept was transferred to the Finnish market. The context may also create adaptation towards coherence with its own corporate identity and resource structure by emphasising certain product features while downplaying others. Adaptation can also be noticed in relation to other products in the context; the focal product and other e.g. competing brands are dynamically repositioned and the focal product may show different features depending on what other products it is "mirrored against". The retail context can also affect product properties by augmenting the core product "in its own manner" though e.g. its own promotional activities, personal selling, argumentation and additional services provided, as well as through the retail environment itself (product display etc). So far, it would appear that though such means, the distributor could be able to *utilise the product as a resource* to serve

its own strategic purposes. This can be done either by using the product as a way of reinforcing its current strategy or by using it to renew it in some way.

6. The retailer as a resource intermediary and value creator/provider

In this paper, we have approached products as resources from an interactive point of view, considering them on one hand as results of interaction and adaptation in the inter-firm relationships, and on the other hand we have also considered the relationship from the retailer to the consumer, in which the retail actor has a significant role in conveying the value proposition and providing the cues in order for the consumer to be able utilise the product as an operand as well as operant resource. This is illustrated in figure 3 below.

Figure 3:   Actor utilisation of a product as a resource

The point of departure is the core product, which in itself is a carrier of traces of its resource history, of interfaces with other resource entities in the phases prior to its selling phase. The features of this core product have been marked by interaction with other resources in for instance design and manufacturing. If we take the stance that meanings are not inherent in objects, but created in interaction, the

features and potential of the product to provide value are thus still at least partly "open" as the product enters its retail context. The manufacturer/seller of the product certainly holds a certain image of its envisioned utility (e.g. product concept), which it communicates through retailers to potential final users in varying ways and with varying intensity. Or according to Arnould (2005) firms can communicate cues that promise resources. Whether these "promises" become realised and the product performs as a value creating resource in the same sense as the firm intended, is however a different question.

As discussed in section 3, the retail context contains many resource entities with which the focal product interacts, and these interfaces provide a "package" around the core product. This *total product*, to use the term by Kotler (1973), shapes the actor level perceptions and images of resources. If the same product is placed in retail environments with different configurations of resources that "package" it and contains different actors (e.g. store managers, sales people) who may have different histories, objectives and ideas, the total product will thus vary from one context to another, as the meanings connected to it and its use is seen as interacted.

The retailer as an actor can be seen as an intermediate user of the product as a resource. Ford et al. (2003) suggested that resources in distribution are positional and technical in nature. In this paper, the discussion was extended to retail actors' utilisation the product as a resource also on a symbolic level.

This paper also considered how the resource concept extends to the interface with consumers. Researchers within consumer culture theory use the term *operant resource*, i.e. that consumers integrate firm-provided resources with their own cultural resources, thereby extending the value creation process to involving the consumer as well. Even if a more thorough analysis of the consumer side falls outside the main focus of this study, it may still be useful to consider in which ways consumers use the retail context, which *cultural projects* they pursue through their consumption *in* and *of* retail settings, in order to provide managerial insight for manufacturer and distributor firms in how to communicate the product's potential use in a broader, symbolic sense.

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5   RETAILERS AND MEDIA AS RESOURCE INTERMEDIARIES

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Abstract

Purpose*: This theoretical paper examines the role of resource intermediaries in value creation. We discuss the role of retailers and media as important actors between the selling firm and the consumer, influencing and participating in the process of resource provision and use.*

Approach: *We integrate three different approaches to resources in order to gain a more comprehensive understanding of the role of intermediaries in value creation. Industrial network (IMP) research approaches resources from an interaction perspective, stressing resource ties and interfaces between companies. Resources are also a central concept in the Service-Dominant (S-D) logic of marketing. Both these perspectives focus on how resources are used and combined to provide value, or "services". Consumer Culture Theory (CCT) again focuses on understanding the social and cultural roles that products play in consumers' lives. According to this perspective, the services and products that firms provide are operant and cultural resources for consumers to use.*

Findings: *Resources are not always directly available for customers, but are mediated through markets. In fact, customers often interact more with retailers and advertisements, than with the producing firms. Therefore, the ultimate presentation of the product is thus not only in the manufacturer's hands. We offer a conceptualization of the role of retail and media intermediaries in creating and managing the product, its meanings and value.*

Value: *This paper builds understanding on the notion of resources, particularly when it comes to the interacted nature of the concept and the role of intermediaries in the creation of resources and value.*

Keywords: *resources, co-creation of value, intermediary, retail, media, conceptual paper*

1. Introduction

The discussion regarding resources has gained increasing interest in marketing and management disciplines in the recent years. The traditional Resource-Based View (RBV), with its roots in the 1950's (Penrose, 1959), has stressed the ability of companies to access adequate resources for growth, core competence development and competitive advantage. The focus has thus been on the organizational level, on resources internal to the firm (Theingi, Phungpol and Purchase, 2006; Dubois and Torvatn, 2002). The notion of resources has also been a central theme among industrial network (IMP) researchers (c.f. Håkansson, 1987; Håkansson and Snehota, 1995; Håkansson and Waluszewski, 2002), who in turn have approached the concept from an inter-organizational perspective. They draw attention to the resource ties and interfaces between companies, i.e. looking at resources as embedded and negotiated *between* firms. In other words, the focus in these studies is more on adapting and relating resources of one actor with those of other actors.

In the recent years, the resource dimension has also received increasing attention through the introduction of the so called *Service-Dominant (S-D) logic* of marketing (Vargo and Lusch, 2006). A common denominator for IMP and S-D logic is that they in contrast to RBV focus less on resource possession as a source of competitive advantage, and instead on how resources are used to provide value, or "services", for either consumers or intermediate customers. The phenomenon is thus similarly as in the industrial network studies, approached from a more interactive point of view.

Consumer Culture Theory (*CCT*), for one, has been an important field of research for understanding the social and cultural roles that products play in everyday lives of consumers (see Arnould and Thompson, 2005). Researchers have increasingly also begun to emphasize the consumer perspective and empowerment of consumers as producers (Aitken, Gray and Lawson, 2008). There has been an increasing interest in how consumers utilize their own resources and firm-supplied resources to pursue their personal life projects and goals. In this perspective, different kinds of services and products that firms provide, are seen as *operant* and cultural resources for consumers to use. It is recognized that the goal-derived use of products is not necessarily the same as the one imposed by the marketer. It is thus essential to consider how consumers act as resource integrators and use different products and services to create value for themselves.

However, resources are not always directly available for customers, but mediated through markets (Arnould, 2004). In fact, the customer is often more in interaction with retailers and advertisements than with the firms that provide the products. Therefore, it is essential to consider the role of resource intermediaries in the process co-creation of value. In this study we analyze market intermediaries as co-creators of value. Two important intermediaries are of particular interest; retailers and media. In this paper, we will examine their role between the selling

firm and the consumer, as business actors mediating and participating in the process of resource provision and use.

Resource theories have been criticized for being firm centric (Arnould, 2005: 90). In this paper, we therefore draw on the interactive approaches to studying resources from the fields of both business and consumer marketing, i.e IMP, S-D logic and CCT, in order to broaden the understanding of the resource concept with regard to the role of intermediaries in value provision. We have chosen to limit our discussion to symbolic resources instead of tangible, operand resources. This delimitation is in our view relevant, given our focus on retailers and mass media, which typically contribute to product management and value creation through providing symbolic rather than material resources. Furthermore, a focus on symbolic resources elicits the logic of value-creation networking relative to one-directional supply chain and marketing promotion perspectives from the goods-dominant logic (Lusch, et al., 2008: 7).

2. Interaction between symbolic resources

Håkansson and Snehota (1995: 134) define resources in the following way: *"Various elements, tangible, or intangible, material or symbolic, can be considered resources when use can be made of them"*. Relatedly, the service-dominant logic by Vargo and Lusch (2006: 44) emphasizes that *"there's no value until an offering is used – experience and perception are essential to value determination"* (Vargo and Lusch 2006: 44)", similarly as Grönroos (2008: 303-304) states that *"If customers cannot make use of a good, value-in-exchange is nil for them…Only during consumption, realised value in the form of value-in-use is created."* The role of marketing becomes in this sense *"a process of doing things in interaction with customer"* (Lusch, 2007: 265). Firm-provided resources in the form of value propositions which consumers are invited to derive benefit from, interact with consumer resources and the *value-in-use.* (Arnould et al., 2006).

If we try to understand resources and their value, these perspectives thus suggest that we should focus on interaction and value in use, rather than look at resources as something that is internal to a firm. The term *operant* resources, i.e. *"resources that produce effects"* (Constantin and Lusch, 1994), has been proposed, i.e. the focus is placed on the *services* (c.f. Penrose 1959) that the resources render, rather than just on their control or possession. E.g. a consumer does not buy groceries for the sake of having them in store, but as a resource that is, together with other resources such as cooking skills, kitchen equipment etc. used to for instance to produce a nice family occasion (Grönroos, 2008).

Operant resources are often invisible and intangible in nature (Vargo and Lusch, 2004; Arnould et al., 2006). According to Arnould et al. (2006) marketers' value propositions in the form of images, symbols and myths can provide consumers as well as consumption communities with operant resources for carrying out behavioral performances such as social roles or life projects. For instance in the retail context, consumers engage in shopping as a means of producing their

self-image and community membership (Arnould, 2005). Resource interaction in this sense is largely a question of symbolic linkages between the resources of business actors and those possessed by consumers, with the purpose of e.g. directing consumers' mental attention and experiences.

The industrial network tradition (c.f. Håkansson & Snehota 1995; Håkansson & Waluszewski 2002) stresses the nature of resources as being embedded and heterogeneous, drawing attention to the interaction between a focal resource (such as a product) and its interaction with other resources it is connected with, and how the same resource (product) can provide different value when combined with different other resources. Although this research field has mostly dealt with resource interaction focusing on issues related to interorganizational technological development (c.f. Håkansson and Waluszewski, 2002, Baraldi, 2003) Håkansson and Snehota (1995: 134) nevertheless state that also immaterial and symbolic elements can function as resources. It is also stated that from a methodological point of view resources should be regarded both as objects in themselves and also as image objects (Håkansson and Waluszewski, 2002: 39) so that the value of a resource is always also dependent on individual actors' perceptions of them (Forbord, 2003).

Firm-provided resources (or value propositions according to Grönroos (2008)) are thus subjectively experienced and evaluated both by business actors as well as consumers. Even a physical resource is thus always considered on a symbolic level. In addition to evaluating it, actors add their skills and other resources to the product, in order to make it useful and valuable for their purposes. Furthermore, products also receive characteristics and value through interacting with other resources in the network in which the product is embedded. On the symbolic level, this could mean receiving symbolic imprints from the environment in which the product is sold or the media through which its image is communicated.

3. Resources and the consumer

Consumer Culture Theory, *CCT* (see Arnould and Thompson, 2005) emphasizes the social and cultural roles that products play in everyday lives of consumers. Basically, it is stated that firms should have an understanding of the consumer viewpoint, that is, how consumers use products as resources for their lives, because this determines the ultimate choice criteria employed by the consumer and the value sought in the products that firms provide. One of the research topics of the CCT approach is to examine consumers' identity projects. In this work, consumers are conceived of as identity seekers and makers, and that consumers actively rework and transform symbolic meanings encoded in advertisements, brands, retail settings, or material goods to manifest their particular personal and social circumstances and further their identity and lifestyle goals. (Arnould and Thompson, 2005: 871).

This discussion has typically referred to the *symbolic consumption* approach, which emphasizes the symbolic meanings attached to consumption objects and self-expressive acts of consumers. Basically, it is stated that we employ consumption symbolism to construct and express our self-concepts as well as to identify our associations with others (Dittmar, 1992; Elliott, 1997) For example Thompson (1995: 210) describes the *self* as a symbolic project, which the individual actively constructs out of the available symbolic materials. However it should be noticed that things don't create meanings by themselves nor are fixed, but are created by consumers in contexts (Jansson, 2002: 23, 26).

Firms as well as consumers combine their resources to accomplish their goals (Arnould et al., 2006). Generally, they are not primarily interested what they buy and possess, but in what they can do with what they have (Grönroos, 2008). Consumers deploy firm-provided operant and operand resources to enact their life goals, projects and roles (Arnould et al., 2006). However, firm-provided resources are only one source of operant resources for achieving these life projects and goals. In fact, consumers' own operant resources such as skills, social relationships, cultural capital, emotions and imagination determine how and which firm resources they are going to draw on (Arnould et al., 2006, Baron and Harris, 2008) and it is the combination of these that provide value.

Life projects, as defined in previous research (Belk, 1988; Mick and Buhl, 1992 in Parker 1998), are subsets of life themes (goals) that consist of four categories, community, family, national, and self. Life projects could also be termed as identity projects (Arnould and Thompson, 2005: 871), personal projects (Little, 1989) or consumer projects (Arnould, 2005). They are on the middle level, and rather concrete goals (cf. Huffman et al., 2005). Little (1989) defines these projects as extended sets of personally relevant action. Life projects mean that people try to maintain their key roles and identities, for instance to be a good mother, loyal employee, or a successful teacher (Arnould et al., 2006). Typically consumers have various life projects (Arnould and Price, 2000), and each of us have different and unique projects depending on the nature of one's life goals. Life projects are also in a continuous flux, in accordance with changes in circumstances and life cycles (Mick and Buhl, 1992: 318). In the same vein McCracken (1987) has characterized life projects as each person's development, refinement, and disposal of specific concepts e.g. manliness, Americanism, from culturally established alternatives. To summarize, consumption objects should be understood as symbolic resources that allow for multiple variations in consumer interpretation and use (Holt, 1997: 334). Goods are not utilized as such but as resources for life projects.

4. Resources and the role of intermediaries

Following the argument presented above, when consumers as well as firms buy products, they do not necessarily obtain resources that are "fixed" in nature, but resources that interact with other resources and purposes, which shape the value that they will ultimately provide. On their way downstream in towards the final user, products become embedded into different context. They are offered in specific retail settings and presented through specific communication channels. Therefore, the ultimate presentation of the product, or its value proposition, is not only in the manufacturer's hands. Next, we turn to discuss the role of two different types of intermediaries, retailers and mass media, which are situated between the producing or marketing firms and consumers in the process of value creation. These both intermediaries have possibilities to create and activate symbolic resources and shape the firm-provided value propositions.

4.1. Retail intermediaries

On the business-to-business relationship level, distribution intermediaries function in themselves as *positional* resources by connecting networks of suppliers with networks of customers. They also provide *technological* resources through their ability to effectively handle distribution-related tasks, such as physical logistics. (Ford et al., 2003: 134) Thereby, these intermediaries affect the services that the products render for their intermediate and final users.

In addition, the retail environment can also create a variety of symbolic imprints on the products, as the product interacts with the facilities, business unit features, relationships and other products[5] of each, specific retail context. Depending on for instance the rest of the assortment of the store, the display facilities, the efforts and motivation of sales personnel and the strategic aims of the individual retailer, the preconditions for the product to be able to function as a useful and valuable resource may become quite varied.

Retailers have at their disposal various branding and image creation tools that add to the resource potential of the product. In addition to the more traditional image elements such as names, symbols and advertising, also *merchandise*, *store characteristics*, *service* and *promotion* can be used as branding components (Davies & Ward 2005; a similar categorisation also used by Turley & Chebat, 2002). Merchandise refers to assortment, brand mix, price and quality (Davies & Ward, 2005), i.e. the number and type of other brands in the store's assortment thus influence the focal product and the way it is positioned and presented by the retailer. Store characteristics again include the location, atmosphere and internal and external environment of the store (Davies & Ward, 2005), providing an environment for the product that can be likened to a package (Turley and Chebat,

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[5] For a more detailed description of the four resource entities model, c.f. Håkansson & Waluszewski 2002; Baraldi 2003; Forbord 2003.

2002), as it surround the product and adds on symbolic characteristics. The research of Buchanan et al. (1999) indicates that retailers' display decisions can even *negate* brand equity.

Also the influence between retailer image and brand image has been acknowledged in previous research (c.f. Pettijohn et al., 1992). For instance according to Porter & Claycomb (1997) a brand image can substantially improve or damage the image of a retail store, depending on how the brand is evaluated. Brands affect particularly the perception of the store's fashion. In other words, retailers can *use* products for their own profile building purposes, while on the other hand, an unknown brand might benefit from an established retailer image, provided that it is in accordance with the type of meanings that are intended to be linked to the product.

The retail context also has a social side, referring to the personnel in it, their characteristics and the level and quality of service they provide. (Porter & Claycomb 1997; Turley & Chebat 2002; Davies & Ward 2005) Service, advice and staff-customer interaction is an essential part of the offering or the brand (Ford et al. 2002: 122-123; Newman & Patel 2004) and thus a significant way in which the retail context marks the product and affects its value. The retail atmosphere affects not only consumers and their shopping behaviour, but also the way the employees of the store function and behave. For example poorly constructed environments may negatively affect the possibility of employees to approach, interact and influence customers (Turley & Chebat, 2002). In resource interaction terms; facilities affect the people with the business unit and thus indirectly the way they relate to the products they sell.

Arnould (2005) suggests that retailers should be regarded as *resource purveyors*, who package cultural resources into a particular habitat, appliance, assortment, personnel policy, pricing strategy, communications campaign, and/or other element of the retail mix, which consumers use as a source of cultural resources. He distinguishes between four categories of cultural resources, which the retail environment can affect: 1) economic, 2) utopian, 3) lucid, and 4) temporal. In the economic sense, the retailer can communicate cues that promise the ability of the consumer to engage in thriftiness and gaining value for money, whereby the total offering is in this sense a resource for the consumer in such a pursuit. In a similar way, utopian resources help consumers *"weave the ideals of the perfect world into their everyday lives and selfhood"* (Maclaran and Brown 2001, in Arnould 2005) and the retailer can have a role in evoking such utopia. At the same time, however, they may also raise dystopian images for some consumers or in some respects. Ludic resources relate to consumers' pursuit of play, and also in this respect the retail environment can have a facilitating role. The retail environment as a temporal resource, in turn refers to the enactment of consumer time-styles. Variations in the retail habitat and servicescape provide consumers with different time perceptions and temporal experiences. (Arnould 2005) Through servicescape management firms can try to affect and predispose how consumers deploy their operant cultural resources (Arnould et al 2006).

4.2. Mass media intermediaries

The categorization of cultural resources by Arnould (2005) can also be applied to mass media. Mass media provides economic resources for consumers' life projects when providing the kind of product and lifestyle information that can enact consumer's preferred ways of allocating and spending money. Mass media can act as a temporal resource when the media consumption facilitates and accompanies consumer's preferred time styles across different daily activities. Ludic resources, such as entertainment and game programs, and magazines, facilitate the consumer's pursuit of play. Utopian resources, for one, facilitate the use of one's imaginary and realization of possible and desired selves. Indeed, many television programs and web pages provide these kinds of escape experiences.

All in all, media, brands and advertising provide consumers with rich symbolic resources for the construction of identity (Elliott and Wattanasuwan, 1998; McCracken, 1990; Mick and Buhl, 1992; Kellner, 1995). For example McCracken (1987, 122) has proposed that consumers look at advertising for "*symbolic resources, new ideas and better concrete versions of old ideas with which to advance their projects.*" Media provide resources for identity and new models if identity which look, style, and image replaces such things as action and commitment as constitutives of identity, of who one is (Kellner, 1995: 259). In the same vein, Hirschman and Thompson (1997) see that "*consumers use the images conveyed by the mass media as a visual department store of symbolic possibilities that can be tried on, adopted, altered, or discarded in keeping with their desired self*". This, in other words, manifests consumer's freedom to choose, invent and create their own identity 'to become any of one's possible selves' (cf. Markus and Nurius, 1987: 594; Saren, 2007: 344).

As exemplified above, mass media should not only be understood as a communicative medium, but as a symbolic resource in itself. For instance, the increasingly popular genre of lifestyle programs on TV and lifestyle-related magazines illustrate the fact that mass media vehicles strive to act as important resources for consumers' life projects. Naturally, it should be noted that the contents of mass media are very rich and heterogeneous, and this, in turn, can make the management of product-offerings embedded in mass media vehicles quite complex.

Mass media can be seen as valuable resources for firms, when *providing ways to emphasize and intensify product or company-related messages* and when *providing consumers with symbolic resources for life projects*. For example, media can connect symbolic resources of brands and television-programs, as it is the case in product placement. In addition to product placements and advertisements, the cultural nature of media products makes them communicate meanings related to different life projects and styles. Therefore *mass media can make the products even richer and more valuable* than originally meant by a product manager.

Clearly, media is also a *conveyer of firms' product information* as a channel of communications, marketing and selling. For example the Web consists of locations, or sites, for customers and stakeholders to visit. Those are first created by firms, and then experienced by users in various ways. In the same vein, the meaning of a particular advertisement is not given, but rather constructed within interpretations.

5. Discussion

In this paper, we have approached the concept of resources from a holistic, interactive point of view. Our perspective combines the inter-organizational aspects of resource interaction contributed by business network research, with service-dominant logic and consumer culture theory, which focus on the interaction between firm-provided and consumer resources for the realization of value-in-use. Together these views constitute a more comprehensive understanding of value creation. Figure 1 illustrates the embeddedness of the product in different contexts on its way towards final use by the consumer.
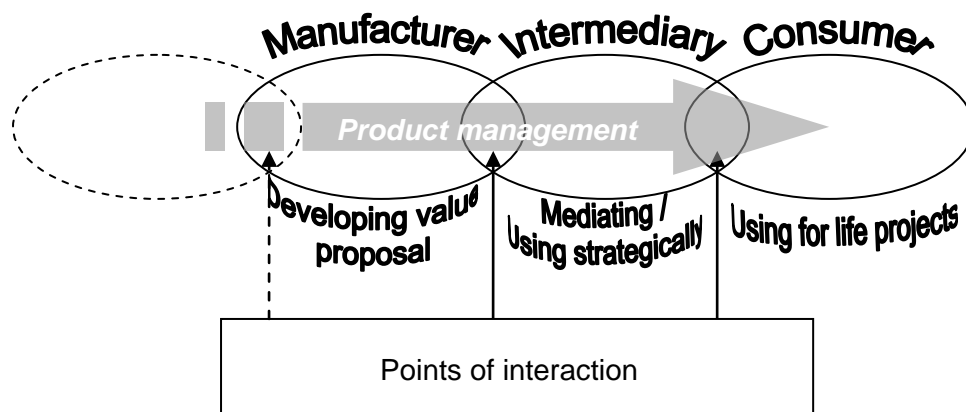
Figure 1. Intermediaries as providers of symbolic resources and co-creators of value.

The manufacturer immerses the product with meanings and develops a value proposition, which is mediated towards to final user through intermediaries, such as retailers and media. The role of the intermediaries is from a resource point of view twofold. On one hand, the act as intermediate users of the product, i.e. they can for instance draw image benefits from the visibility of a certain brand in their environment. In this sense, the product can function as a strategic tool for them. Secondly, intermediaries function as a transmitting channel for how the product becomes ultimately presented to consumers. The characteristics and activities of the intermediary thus add symbolic meanings to the initial value proposition of the manufacturer. We suggest that, depending on the "fit" between the product and the context, the intermediary can either *convey* the value proposition in the same or similar way as intended by the manufacturer, or *improve, change* or even *negate* its value proposition and ability to be perceived useful in the life projects of the consumer.

This draws attention to the critical role of intermediaries in product management, in helping to connect, combine and enhance the different firm-provided resources with those of the consumers, to ensure that the product does provide value.

It is through the different points of interaction between the actors that the product is connected to in various ways, that symbolic resources are co-created, adapted and realized. It is therefore crucial to pay attention to how these interaction points, such as the relationships between manufacturer and intermediary, and intermediary and consumer, are managed. Furthermore, it is important from a managerial viewpoint to aim to understand the different contexts in which the product is embedded, i.e. what kind of strategic objectives of the intermediaries or life projects of consumers the product can relate to, in order for the product to be able to function as a valuable resource and advance the projects of the different actors, be they final or intermediate users.

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Inertia in business relationships: the case of a designer furniture manufacturer

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Abstract: This article discusses how inertia manifests itself in business relationships. It examines how path dependencies shape the development of a firm's resources and accumulate inertia within them, which can affect how the firm relates to other actors in its network. The article draws on different theoretical perspectives that have dealt with the notion of inertia and provides a holistic understanding of this concept, its antecedents and forms of expression. The study uses a longitudinal single-case study of a company where a dominant business relationship has accumulated inertia and affected the firm's engagement in other relationships and development efforts as an empirical illustration. The analysis examines how change forces challenge the existing paths and reveal both positive and negative inertia effects. The article provides a discussion of the different types of inertia and its expressions on different levels and functions.

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1 Introduction

Business relationships develop in dynamic environments marked by adaptive processes, ranging from small and incremental changes to more radical ones. The processes of change related to the establishment or adjustment of relationships, however, rarely go smoothly. The decisions and investments firms made in earlier relationships will affect the resource structure of the firm, and so set limitations on what the firm can do and with whom.

A concept that describes the constraints and difficulties related to such changes is *inertia*. This concept has been addressed in business network studies, and other theoretical schools of thought. The different perspectives provide a broad and general picture of the concept, and an opportunity to use the term in different ways in different contexts.

The fragmented academic use of this concept also raises some issues and makes for gaps in the literature. Firstly, the concept is often used on a fairly abstract level, on multiple levels of analysis, and without analysing and exploring the specific effects of inertia on change and adaptation. This results in the composition of the concept being inconsistent within different studies and makes its treatment difficult to compare. Additionally, inertia has been operationalised quite subjectively and abstractly (Miller and Chen, 1994; Fear, 2001).

A second issue of concern is that an explicit and detailed discussion of the antecedents of inertia is not commonly included in previous studies. Neither are the effects of inertia often tested or analysed. "At the present theories have not specified which factors have the greatest effect on constraining change, or whether there are significant effects arising from the interaction of two or more factors" (Gresov et al., 1993).

Thirdly, it is often generally stated that 'history matters', not least in relationship and resource development. But what the role of history actually is, and whether history is seen as a strength or as a constraint on change and future development, often remains unanswered. The role of history in the discussion of inertia originates mainly from the concept of path dependency, which can be seen as positive or negative, depending on the theoretical approach [Fear, (2001), p.163]. However, the relationship between the concepts of path dependence and inertia is not always clear in literature. It seems that they are sometimes used almost as synonyms in describing the difficulties of change and adaptation, while sometimes they are ascribed differing meanings, due to the differences in the theoretical foundations of the two concepts.

Earlier research within different disciplines has thus dealt with the concept of inertia in various ways, but this paper tries to address the need for conceptual clarification and a more holistic treatment of the antecedents and forms of expression of this concept.

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This article discusses inertia in the context of business relationships. It examines how relationships create inertia in the structures and processes of a firm, and how that inertia affects other business relationships. The article illustrates this empirically with a longitudinal single case, in which a dominant business relationship has created path dependencies and inertia in the set of resources, which affects the way the firm engages in relationships and activities.

2   Conceptual framework

2.1   Path dependence as an antecedent of inertia

As mentioned above, the concepts of path dependence and inertia are often interlinked. In this section, we discuss the notion of path dependence and its role in the accumulation of inertia.

According to David (1985), a path-dependent sequence of economic changes is one in which important influences upon an eventual outcome can be exerted by temporally remote events. This can take the form of technological 'lock in' as a result of:

a   technical interrelatedness or a need for compatibility

b   economies of scale

c   quasi-irreversibility of investments.

Araujo and Harrison (2002) define path dependence as "a characteristic of sequences of events, in which a particular economic process is unable to shake free from the influence of its past states or motions".

The decisions and actions that a firm has taken in the context of previous relationships, thus open up or restrict future choices regarding products, markets and technologies. By making specific investment decisions or by developing specific product or market knowledge, or by establishing a repertoire of specific routines, organisations limit and structure their options for the future (Teece et al., 1997, quoted in Booth, 2003). When companies interact, they bear the burden of earlier interactions, creating 'heaviness' in both physical and immaterial resources, which affects how they can be combined, utilised and economised on (Håkansson and Waluszewski, 2002b).

Path dependence stories have been criticised for attributing inefficiencies in development processes mainly to historical accidents and thus minimising the role of firm agency. More recently though, scholars have begun to focus on lock-in not only as a random event or historical accident, but by examining the environment in which the lock-in has occurred.

Araujo and Harrison (2002) stress that the view of events being dependent on history, does not imply that events should then necessarily be predetermined or inevitable. Instead, a more open-ended view of path dependence incorporates both contingency and agency. While path dependence may limit the options to some extent, strategically reflexive actors can make sense of their positions, interests and identities and change the direction of their paths or even create new ones.

Araujo and Harrison (2002) divide path dependence into two types: self-reinforcing and reactive sequences. The former refers to structural mechanisms that reproduce and amplify the impact of earlier events, thus keeping development moving along a specific

path. Economists refer to such effects as increasing returns and positive feedback mechanisms, which can originate from large set up or fixed costs, learning effects, co-ordination effects or adaptive expectations.

Reactive sequences are again path-shaping actions, where disturbances do not reinforce the existing path through positive feedback, but trigger responses that change the direction of the path (Araujo and Harrison, 2002). Path creation studies, in contrast to path dependency, focus on the active role of entrepreneurs and firms in helping shape the evolution of markets and the rules by which they operate (Stack and Gartland, 2003).

However, actors may in fact not only alter paths, but also reinforce them. Barnes et al. (2004) use the term *behavioural lock-in* to describe path dependencies arising from situations where actors are stuck in a pattern of inefficiencies resulting from habits, learning or culture. Behavioural lock-in can concern different types of actors; producers, professional groups or consumers. Once a particular behaviour is embedded in an organisation, strong status quo inertia may discourage other behaviour. Inefficient processes can thus be locked in on the producer side, while on the consumer side, inefficiencies can prevail in the form of consumer tastes and attachments locking in (or locking out) certain products (Barnes et al., 2004).

Strategically, path dependence can give rise to competency traps where successful organisations are less likely to seek change. If core capabilities are too finely tuned they may ossify over time and become liabilities rather than sources of competitive success. (Booth, 2003) In a relationship context, a reliance (and dependence) on a good and profitable relationship, and the related path, constitutes a similar competency trap. This is particularly the case in asymmetrical business relationships, where smaller suppliers need to react to the demands of more powerful buyers and dedicate their resources to few customers (Johnsen and Machat, 2006). The smaller firm thus becomes more specialised, which can be a problem when new relationships and activities are required, for example if a key relationship ends.

Crises, for instance periods of low profitability, can however stimulate actors to challenge their competency traps and begin looking for new ways of doing things and to seize upon new ideas more actively. Heffernan (2003) refers to this as *entrepreneurial alertness*.

Håkansson and Waluszewski (2002a) discuss path dependencies on a network level, emphasising that paths do not exist in a vacuum, but that different paths may intersect and form crossroads. At such crossings, different actors, their resources and activities, habits and routines meet. While these meetings may be confrontational, revealing negative lock-in and clashes between the paths, they can also potentially lead to positive outcomes, even technological innovation, as their empirical case study of the development of a new type of catalogue paper for IKEA shows.

In summary, path dependencies can be characterised in both negative and positive terms. They can create lock-in of inefficiencies or market imperfections as well as technical, behavioural and cognitive constraints. Simultaneously, they can provide opportunities to make use of established competencies and routines, as well as facilitating development when new intersections between paths are exploited.

2.2   *The concept of inertia*

At the same time as paths are created and reinforced by firms' activities and interactions, inertia accumulates. Cumulative inertia often takes latent and implicit forms, until it

becomes explicit when external or internal forces challenge the former ways of acting, as when there is a *crossing* in the established path as for instance in the case of establishing a new business relationship.

The concept of inertia has been applied within theories of organisational ecology, organisational evolution and metamorphosis, and adaptation (Gresov et al., 1993; Miller and Chen, 1994). As a rough categorisation, the use of inertia started to develop in two areas of academic inquiry. Studies on organisational adaptation and strategy saw inertia as a negative issue, as inadequate adaptation to a changing environment, or as a resistance to fundamental reorientations in policy. On the other hand, in the fields of evolutionary economics and population ecology, inertia was related more to company development, and its positive effects as a provider of reliability, development, continuity, and stability were emphasised (Miller and Chen, 1994). In inter-organisational studies, inertia has been discussed by Ford et al. (2003) in terms of a bias towards existing long-term customer or supplier relationships, and by Håkansson and Waluszewski (2002a) related to the notion of interacting resources of different firms in the network.

In organisational studies, inertia is commonly understood as *structural inertia* (see Hannan and Freeman, 1977) within the context of population ecology. This theory asserts that "existing organisations frequently have difficulty changing strategy and structure quickly enough to keep pace with the demands of uncertain changing environments… it depicts organisations as relatively inert entities for which adaptive response is not only difficult and infrequent, but hazardous as well" [Baum, (1996), pp.77–78, 99 quoted in Jaffee, 2001]. Hannan and Freeman (1984) define inertia related to environmental change as: "Structures of organisations have high inertia when the speed of reorganisation [core feature change] is much lower than the rate at which environmental conditions change" (1984, p.151).

In the context of strategic change, Huff et al. (1992, p.55) describe inertia as an "overarching concept that encompasses personal commitments, financial investments and institutional mechanisms supporting the current ways of doing things… Absent other forces, inertia describes the tendency to remain with the status quo and the resistance to strategic renewal outside the frame of current strategy". This definition leads us to regard inertia as a phenomenon operating on a mental level, as *mental inertia*, which originates in cognitive and learning approaches, thus linking the firm's difficulties with change to cognitive structures, perception and interpretation. For example, Dickson (1992) illustrates mental inertia by citing Luchins and Luchins (1970) as follows: "one of the most powerful psychological effects that can be observed in human behaviour is the inability of the actor to shift mentally from a successful, but inefficient, habitual production rule or activity sequence and 'see' a more efficient way of solving a problem of achieving a goal".

Gresov et al. (1993) define inertia as "a tendency not to move or act", or as a concept, which denotes the property of a system "by which it remains at rest or continues to move in a straight line, unless acted upon by some external force". According to Gresov et al. (1993), the latter definition is more common in inertia studies, and it reflects inertia not only in relation to external forces, but also against a firm's own development. In this sense, a firm can be bound by inertia even when it is making changes, if the changes are following historical lines (Kelly and Amburgey, 1991).

Miller and Chen (1994) attempt to move the concept of inertia onto a more practical level describing competitive inertia, which they define as "the level of activity that a firm

exhibits when altering its competitive stance in areas such as pricing, advertising, new product introductions and market scope". Competitive inertia reflects the number of market-oriented changes a company makes in trying to attract customers and outmanoeuvre competitors (Miller and Chen, 1994).

The definitions above each focus on inertia as a phenomenon affecting a single firm. Inertia has also been discussed by researchers within the business network tradition seeking to understand how it is linked to relationships. Ford et al. (2003, pp.51–52) refer briefly to the notion of inertia in a firm's reluctance or difficulty to change key suppliers or customers. Inertia in that case can be found on both the customer and supplier side. For example, a business buyer may not have the resources to evaluate each purchase or may want to avoid the unknown problems or costs related to using a new supplier. Similarly on the supplier side, sales staff may prefer to approach existing customers, who they have already developed a bond with, rather than attempt to acquire new clients. These are behaviours related to the avoidance of uncertainty and risks of new relationships. Furthermore, the product modifications required by new customers can also have considerable cost implications, making the firm reluctant to change.

In other words, existing relationships, and the dependencies caused by investing in them, can limit both the ability (structural inertia) and the willingness (mental inertia) of firms to develop new relationships and the paths that they would necessitate.

The concept of resources is a useful aid to understanding the link between the different (old and new) relationships a firm has and its level of inertia. Business relationships and the interactions within them shape the resources of a firm. Drawing on the notion of resource heterogeneity, resources acquire their qualities and value through being combined – through the interaction with other resources. Hence, the value of a resource is not a given, but dependent on which other resources it interacts with (Håkansson and Snehota, 1995; Håkansson and Waluszewski, 2002a; Baraldi, 2003; Gressetvold, 2004). The resources of a single firm thus carry traces of its relationships and previous interactions, and create a need for the firm to seek stability and economise on investments made previously (Håkansson and Waluszewski, 2002b), this indicates that there is inertia encapsulated in the resource. Håkansson and Waluszewski (2002b) simultaneously point out that there are also reasons to try to develop the resource, but that must at least partly use existing resources. An inert resource could in this sense also be seen as not only causing stagnation, but as a starting point for change.

Håkansson and Waluszewski (2002a) propose a model for understanding resource interaction and embeddedness. The framework was subsequently (c.f. Baraldi, 2003; Gressetvold, 2004) christened the four resource (4R) entities model. It distinguishes between four types of interacting resources:

1   products, referring to the artefacts exchanged between firms

2   facilities, the artefacts related to transformation, production and use of products or information

3   business units, the immaterial resources within companies such as image, personnel, competence

4   business relationships, the result of interaction between business units, which can thus be seen as a resource in its own right.

Inertia can cement itself in these resource entities as a result of interaction, and when the firm attempts to break away from existing path dependencies and combine resources in new ways, the latent inertia becomes exposed.

2.3   The sources of inertia

The definitions presented in the section above reveal several sources of inertia. According to Gresov et al. (1993), resistance to change is inherent in organisational design, where existing organisational arrangements create and maintain stability, and control or inhibit change. Conversely, forces that promote change are considered primarily external (Gresov et al., 1993; Huff and Huff, 2000). According Hannan and Freeman (1977), internal inertia arises from an organisation's investments, the constraints on the information received by the organisational decision makers, internal political constraints, and constraints generated by their own history. Inertia increases through established routines, institutionalisation, and increasing commitment to current ways of doing things [Huff et al., (1992), p.57]. This perspective could also be extended from the single firm to the relationship level. Routinisation and commitment are characteristic of business relationships (Håkansson and Snehota, 1995; Ford et al., 2003), and so inertia could accumulate in the interactions between firms too, not only within individual organisations.

In addition, organisations are assumed to become more inert as they grow and age, and as their complexity increases [Huff et al., (1992) p.57]. As duration and complexity also affect business relationships (Håkansson and Snehota, 1995; Ford et al., 2003) it could be that relationships create inertia in a similar manner.

From a cognitive or mental point of view, Huff and Huff (2000) argue that resistance to change at the level of individual cognitive processes is the primary source of inertia in organisations, and further that inertia "results not from any external force but rather from properties inherent to the use of knowledge structures. The very properties that make schema useful sense making structures (i.e., efficiency, expectancy) also stand in the way of change" [Huff and Huff, (2000), p.46]. Within the business networks approach, the notion of *framing* has been used (e.g., by Torvatn, 2004), to describe how actors view resources and how their perceptions of them affect the extent to which they (are able to) make use of them in combination with resources from other actors.

Mental models, historical experience and organisational capabilities are all related to internal sources of inertia (Wong-MingJi and Millette, 2002; Senge, 1994) According to Miller and Chen (1994) actors' incentives to act and their awareness of alternatives are sources of competitive inertia. Incentives to act are related to previous performance, where past success is in general linked to resistance to change and reinforcement of former ways of acting, whereas failure is more commonly seen as a trigger of change (Miller and Chen, 1994). In this sense, a successful past can cause a competence trap and an illusion of continuous success.

The actors' awareness of alternatives is also partly dependent on the previous and current ways of acting. Organisations competing with many different rivals or for a wide variety of customers can learn much about the demands and opportunities of their environments and are thus more aware of new opportunities. Organisations that compete in a narrow market against similar competitors, or that have only one type of customer, face a more sterile and homogeneous environment, one that may foster inertia (Miller and Chen, 1994). Similarly, Håkansson et al. (1999) have also shown that the more the actors

in a network are connected, the more learning takes place, which would imply that actors with fewer relationships would be in a less favourable position regarding e.g., identification of new opportunities. Managers' past experience in taking action also determines their managerial knowledge base, thereby influencing how they perceive their environments (Miller and Chen, 1994).

2.4   Positive and negative aspects of inertia

Earlier research has dealt with both positive and negative effects of inertia. Especially in the strategic field, inertia is often seen in a negative light because it makes firms unadaptive, and in this sense it may impair performance or even survival. Additionally, the structural inertia model assumes that the past is inert until exogenous forces impel change, overcoming a sluggish past. In this sense, the past is seen as a constraint that organisations need to overcome [Fear, (2001), p.163].

However, inertia and path dependency are not just restrictive characteristics of a firm; they can also be the stock of accumulated knowledge and resources [Fear, (2001), p.163]. They may give managers time to think about their actions and to choose them more judiciously, or stabilise product offerings so that customers will not be alienated by unpleasant surprises. Moreover, parsimony in the number of competitive actions allows organisations to learn efficiently to concentrate on and exploit what they do best. It also reduces the chances of error that come with making changes, especially major ones (Wong-MingJi and Millette, 2002; Huff et al., 1992; Miller and Chen, 1994).

Even if the resource structure of the firm is inert as a result of relation-specific investments, this need not only be a restriction. The resources and competencies developed in one relationship can also be useful when combined in a new way, as the resource interaction model by Håkansson and Waluszewski (2002a) suggests.

2.5   Manifestation of inertia

Previous studies have tried to recognise the inertial factors in organisations. Structural inertia is discussed on two organisational levels, core and peripheral, and they are classified according to their bearing on resource mobilisation (Hannan and Freeman, 1984). The core structure includes stated goals, forms of authority, core technology, and marketing strategy. Peripheral structures include horizontal and market-extension mergers, joint ventures, and interlocking directorates, and they protect an organisation's core from uncertainty by buffering it and by broadening the organisation's connections to its environment. The changes are assumed to be easier to manage in peripheral features, thus the inertia in core features is supposed to be stronger than in the peripheral features (Kelly and Amburghey, 1991; Hannan and Freeman, 1984).

Also strategy and adaptation studies often analyse adaptation and inertia in a hierarchical way (i.e., core features, strategic, competitive, and operative levels), where the core features are seen as more prone to inertia, and changes are more common at the operative or competitive levels and in actions (Vesalainen, 1995). Miles and Snow (1978), in turn, see adaptation taking place in a firm's administrative, technological and product-market areas, which view includes, to some extent, the same elements as the categorisation by Hannan and Freeman. In the cognitive field, it has been concluded that changes in a firm's identity, mental models and belief systems are not common, and inertia is relatively high.

In its empirical section below, the study combines the insights from the different perspectives outlined above to gain a broader and more detailed picture of the concept of inertia in the context of a business relationship. Our discussion will focus on the following aspects:

1   Cumulative inertia – embeddedness and path dependence. It is often argued that history has a strong effect on firms' actions, and at the same time inertia accumulates in different structures of organisations. The first empirical phase concerns path dependence as an antecedent of inertia. This is in the IMP perspective related to the notions of embeddedness, adaptation and mutual orientation.

2   Perception. Furthermore, we want to address the importance of perception when evaluating inertia – do the actors perceive resources as something inert or as a source of innovation? – and how the actors recognise and utilise the crossings in path-dependent structures and the opportunities presented by new resource combinations. We also address the issue of time in assessing inertia; how a structure or resource may seem bound by inertia and cemented at one point, but when exposed to new forces or interfaces, becomes easier to change.

3   The nature of inertia. As stated earlier, inertia is a broad concept, and it manifests itself at different levels, and in different structures and functions. It also seems to have both positive and negative consequences for a firm's later actions. Empirically, this study particularly examines the mental and structural aspects of inertia, the ways in which inertia manifests itself, and its positive and negative aspects.

For the purposes of this study, path dependence can be described as a firm's historical development, (including both past-reinforcing and past-breaking paths) that provides a basis for inertia to accumulate. Inertia, in turn, can be described as a multidimensional and latent phenomenon, which develops and accumulates in the different functions and structures of a firm, as a result of the interaction in its relationships. Inertia becomes explicit when internal and external forces challenge the status quo, and in the crossings where actors are confronted with new challenges and opportunities, relationships and ways of utilising existing resources in combination with new ones.

In the case description below, the concept of inertia is reflected against and analysed with reference to the firm's 'core path', which results from its historical development. Our aim is thus not to establish whether the firm is stifled by inertia, but to discuss in which sense and where inertia exists, and which positive and negative forms of expression it takes.

3   Methodology

Our empirical analysis is based on a case study of a furniture producer. The case study method was chosen in order to gain an understanding of the studied phenomenon in relation to its context (Yin, 1994) as we are interested in the degree of inertia observable in the firm in relation to its business relationships.

The case was selected from a pre-existing database of structured telephone interviews of 60 companies, gathered longitudinally from 1986 to 2000. The case firm was selected for two reasons. Firstly, it exhibits a strong dependence on a single business relationship, which has significantly affected its history, so a clear development path was identifiable.

Secondly, the firm has at various points in the past attempted to simultaneously pursue other complementary business activities. It is hoped that this case will illuminate how a dominant relationship could cause inertia that could hinder or facilitate engagements in other relationships and business activities.

The aforementioned longitudinal data provided a background and a starting point for understanding the firm's development over time in terms of size, investments, products and relationships. Additionally, a semi-structured personal interview with the managing director of the company (the same informant as in the earlier interviews) was carried out in May 2005. This interview stage gave an update of the firm's more recent activities, but also helped explore the focal issue of inertia in more depth. Both authors of the article were present during the interview, which later facilitated the discussion and analysis of the data. The same researchers also visited the production facilities and observed the production processes, which further helped enhance understanding of the firm and its resources. Furthermore, secondary data such as product brochures, company web pages and annual reports were also used as sources of evidence to triangulate the findings.

The case report was based on the more structured, longitudinal data, fully transcribed personal interview data and field notes and discussions between the two researchers. A timeline, depicting when the development of the dominant, path-dependent business relationship was challenged by other strategic endeavours and relationships and related resources was drawn (see Figure 1); the timeline assists in the identification and analysis of the facets of the concept of inertia in the case.

4 Case: HKT Korhonen

This section presents a case study as an illustration of where and how inertia can occur, and the positive and negative implications it can have.

We begin by providing a general description of the case company and then examine its *core path*, which is largely defined by the firm's most significant customer relationship. Finally, we explore certain *crossings* (c.f. Håkansson and Waluszewski, 2002a, 2002b) or change points, where the core path is challenged as it intersects with other paths and reveals latent inertia.

4.1 Background

The focal firm, HKT Korhonen Oy, is a Finnish furniture manufacturer. It could be classified as a medium-sized firm, with 75 employees and a 4.4 million euro turnover.

According to the company history (available on http://www.hkt-korhonen.fi) the entrepreneur/carpenter Otto Korhonen began in the late 1920s to collaborate with the internationally renowned Finnish architect Alvar Aalto in developing the production techniques for Aalto's innovative, functionalistic furniture designs. Ever since, the manufacture of Aalto furniture has been the backbone of Korhonen's business. During the last decade, the share of the Aalto collection of the firm's turnover has ranged between 75 and 95%, indicating a very high dependence.

Korhonen's role in the supply network of Aalto products has been, and still is, to be nothing but a producer. The marketing of the products has been the responsibility of a firm called Artek Oy, which was set up in the 1930s (by among others Alvar Aalto himself) to market Aalto's furniture, lamps and textiles, particularly internationally.

Artek has showrooms in the biggest cities in Finland, as well as a national and international network of distributors (http://www.artek.fi).

Alongside the production of Aalto furniture, sold through Artek, Korhonen has periodically engaged in supplementary business activities. These activities have ranged from subcontract manufacturing for office furniture producers and caravan manufacturers to more recent investments in its own new product development ventures. At the time of data collection, Korhonen's own products accounted for about 10% of turnover, while subcontracting and projects accounted for around 5%.

4.2   Path dependencies from the Artek relationship

The history and development of Korhonen has been closely intertwined with that of its main customer, Artek, and it is clear that 70 years of cooperation between these businesses has left its mark on the parties, and created paths which can be difficult to diverge from. This study identifies how the relationship with Artek has affected Korhonen and how the path dependencies of the relationship affect the firm's ability to engage in business activities other than those directly resulting from the Artek relationship. We have chosen to call the Artek-related path dependencies the company's *core path*.

Drawing on Håkansson and Waluszewski (2002a) this study distinguishes four ways that history can affect a company's resources (in terms of either hindering or facilitating them). That is, it highlights effects on facilities, products, business relationships and on the business unit itself. In line with our earlier discussion on the two sides of inertia – structural and mental – we also stress that history leaves its mark on a company's resources not only in a physical sense, but also mentally in the actor's *perceptions* of those physical or social resources.

The fact that the focal firm has been the manufacturer of Alvar Aalto's designs since its inception and that this production has persistently dominated the activities of the firm, implies that the facilities have developed concurrently with developments within Artek. Artek's products have defined what kinds of production facilities are needed and production has been organised with those products in mind.

Also developments related to the *amount* of facilities are linked to the Artek relationship. Investments in machines and premises have followed Artek's expansion in sales and the number of products offered, as the collection has been extended by renewing and re-issuing original Aalto designs. Correspondingly, Artek's expansion can also be seen as dependent on Korhonen's production capacity.

The Artek relationship has also created a certain *inheritance* related to products. The Aalto collection's products are primarily made of massive birch, birch veneer and plywood, resulting in the accumulation of material-specific competence. Also the firm's orientation towards high-quality and durable products stems from experience with the classic Aalto/Artek products. Nevertheless, when they were introduced Aalto products were considered quite radical and the managing director was keen to stress that Korhonen remains open to producing innovative and radical designs: "we attempt to make products in the spirit of Aalto…That is what is most characteristic of us".

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4.2.1 Business unit/strategic level

As stated above, the manufacturing of Aalto furniture has provided the firm with a specific set of production facilities suited to manufacturing Aalto furniture. On the business unit level, this has also been coupled with the development of certain skills and competencies, related for instance to specific technical manufacturing solutions, which distinguish the products from their imitators. Korhonen's strategy is to produce products '*in a proper way*' as the informant put it. This also defines the business that the firm is in, and how it positions itself; namely as a custom producer – focusing on superior competence in the production of timeless, design-intensive, quality furniture – rather than a mass producer.

The Aalto/Artek relationship has had a significant effect on Korhonen's organisational structure. Due to the connection with Aalto, the designer, and Artek, the product marketer, Korhonen has clearly remained a production-oriented firm with limited in-house resources for marketing, product development or design.

However, being used to accessing such resources externally, may have contributed to a general preparedness to deal with external actors, and also provided the experience necessary to do so. It could be argued that Korhonen might thereby be better equipped than many other firms to for instance 'speak the same language as a designer', something which is often considered a challenge to cross-functional interaction.

On the business relationship level, the Artek relationship has created a strong mutual dependence between the two firms. As the managing director stated, they '*operate hand in hand*', much like the production and marketing departments of a single firm.

When the time came to explore activities beyond those related to the Aalto collection, Korhonen was able to utilise its relationship with Artek to source domestic and international distributor contacts, and so the relationship provided a commercial reference to help establish new business relationships.

4.3 Examples of the manifestations of inertia

It appears the relationship with Artek and its structural and mental impact has defined a certain path forming the core of Korhonen's business activities. This path has been gradually reinforced by the status quo or small, incremental changes, accumulating latent inertia.

This inertia is activated and exposed at crossings between different paths and when internal or external change challenges the core path. Next, we shall examine some selected intersection points, revealing either negative or positive inertia effects. The different crossings/changes are summarised in Figure 1, and described chronologically below.

The external change force underlying both the first and the second crossing is the economic recession of the early 1990s that caused sales of Artek-furniture to plummet, in stark contrast to the previous decades of stable demand. The economic situation forced Korhonen to actively consider other business opportunities alongside the sales to Artek, i.e., it prompted entrepreneurial alertness and made the firm challenge the inertia brought about by the competency trap (c.f. Heffernan, 2003; Booth, 2003).

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Figure 1 Korhonen's core path and its crossings (see online version for colours)
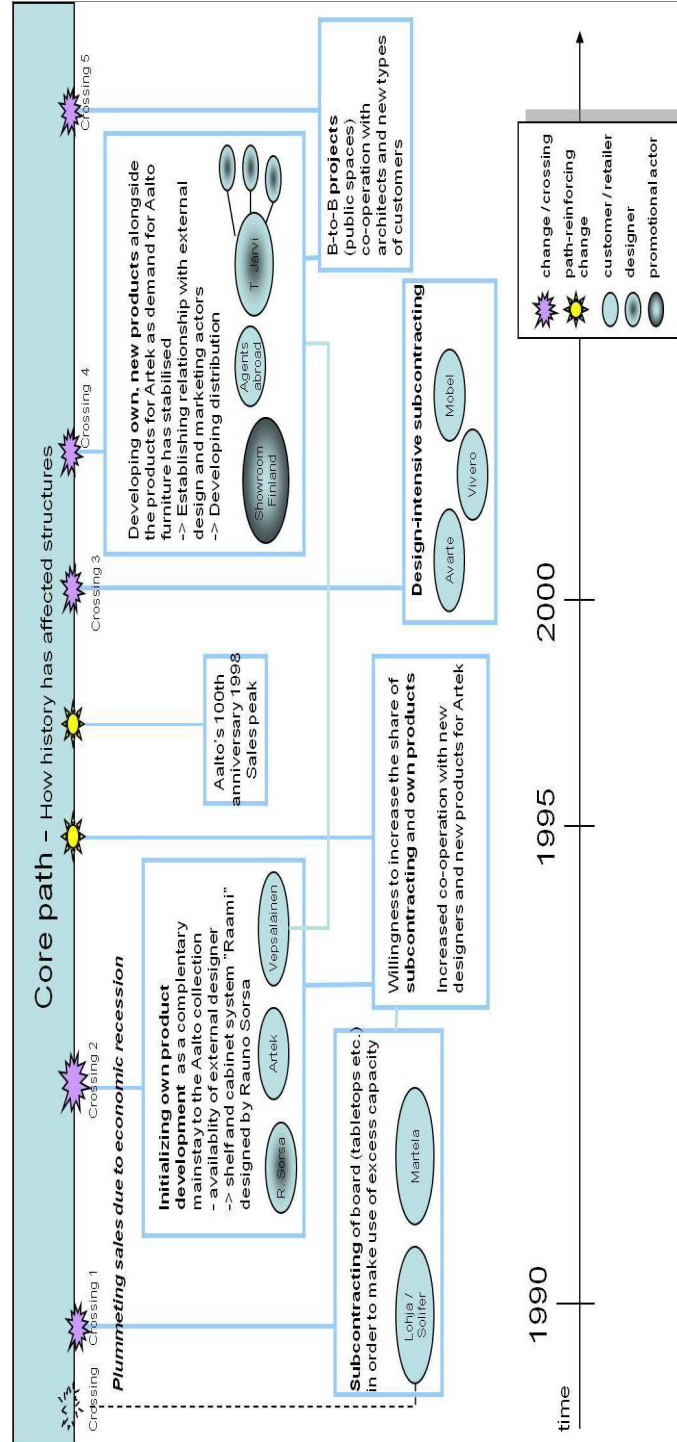
Crossing 1   Subcontracting

The first crossing identified is between the Artek-related core path and Korhonen's decision to start subcontracting for other manufacturers.

In our interpretation, the economic crisis referred to above contributed to, if not impelled, the initiative to establish a relationship with office furniture manufacturer Martela, for whom Korhonen started supplying certain product components like tabletops. In addition to Martela, Korhonen had also been involved in a similar subcontracting relationship with the caravan manufacturer Lohja/Solifer, but in that case the relationship predated the recession.

The decision to produce as subcontractors, instead of manufacturing complete, designer brand products, is an illustration of how a firm can challenge mental inertia, by repositioning the company in relation to new actors in the network. It also illustrates a crossing of paths, the Artek-related core path and the subcontracting path. At this intersection, Korhonen made use of excess production capacity in a situation when the revenues generated by the core path decreased. Korhonen thus appears to have been able to utilise the existing (Artek-related) facility structure for new purposes. Also the fact that the other customers were business market actors bears a resemblance to the existing path, that is, the new activities did not require investments in developing competence to market the products to consumers, as this was (as in the Artek relationship) the customer's task.

This crossing implied a new path in terms of new products and a new customer, but still also reinforced the core path by relying on similarities in the activity structure. It also utilised the core path's free capacity, thus not leading to development of different resources within the firm, but only combining existing facilities with new products and customers.

Crossing 2   Own-product development

In addition to the *subcontracting path* depicted above, the recession and the decreased demand for Artek furniture also triggered Korhonen to begin to develop its own products. This is referred to here as the own-product development path.

According to the informant, Korhonen's first own-product development effort was the result of coincidence. Firstly, Korhonen and Artek had discussed that the Aalto collection lacked a shelf system. Secondly, a suitable designer was also seeking work and available for this project. The recession thus pushed Korhonen to seize upon this opportunity, and the combination of these factors eventually resulted in the development of Korhonen's first own product, a shelf and cabinet system. This product was sold both via Artek and other furniture retailers, and complemented the Aalto collection, both in terms of raw material (massive birch) and in its aesthetics and quality.

We argue that this product is an illustration of positive inertia, where strengths in the core path are utilised in the development of something new. The new own-products path required combining existing resources with new ones, both externally e.g., (designers, customers, marketing actors) as well as internally (product development and marketing competence development within the business unit) As Korhonen also used Artek in the distribution of their new product, this crossing can also be seen as a reinforcement of the Korhonen-Artek relationship and strengthening the core path, even as a new one was developing.

When the recession had passed in the mid-1990s, it was noticeable that the two new paths, the subcontracting and the own-product development activities, were strengthened. This reflects the firm's willingness to increase the relative importance of these activities for the firm and in a sense also reduce its dependence and sensitivity to fluctuations in the Artek relationship. It can in other words, be seen as a mental change which reinforced the developments in the two earlier crossings.

At this point cooperation with new designers as well as other furniture manufacturers increased, but new products were also developed for Artek. 1998 brought the one hundredth anniversary of Alvar Aalto's birth, and a surge in sales of Aalto furniture – reinforcing the core path again.

Crossing 3   *Design-intensive subcontracting*

Early in 2000, Korhonen again sought opportunities to supplement its existing paths, and chose to explore what is here called a design-intensive subcontracting path. That involves adopting a component supplier position in a network related to other designer furniture brands, particularly for public spaces. An underlying factor behind the establishment of these new relationships, involving yet more new products, was the personal relationships between the actors involved (referred to as 'a design family' by the informant), which facilitated the process.

The engagement in this activity illustrates positive inertia and the utilisation of path crossings. The facility and competence resources of the Artek-based path could be further utilised, likewise the bonds between its actors that had not previously been directly related to exchange relationships. The new customers were similar to Artek in the sense that the customer's customers were more often business than domestic buyers, and that the products and business units were associated with a design image. In this sense, this path is more aligned with the core path than was the subcontract manufacturing of components (Crossing 1), as it reinforces the corporate identity of the firm as an actor in the designer furniture network; a relationship heritage developed from its interactions with Artek.

In this sense, this crossing unleashed positive inertia in terms of clear strategic direction and corporate identity.

Crossing 4   *Second wave of own-product development*

The saturated demand for Aalto/Artek products in the 2000s further continued to spur Korhonen to seek supplementary opportunities provided by other paths. The experience gained from the firm's own-product development (Crossing 2) encouraged Korhonen to continue in that direction. It established relationships with new partners, and thus access to new competencies. The resulting co-operation has been with both marketing organisations and external designers, and has resulted in new products and customer relationships.

Although Korhonen's own products have been developed largely with external design resources, they have implied a shift in the orientation within Korhonen, from a purely production focus, towards a more product-development orientation, thus appearing to decrease its inertia and lock-in into the dominant relationship.

Interestingly, several of the new product development initiatives were proposed by freelance designers. Presumably, Korhonen's image and association with respected actors

on its paths have contributed to attracting new actors (designers) – surely an example of positive inertia.

Apart from instilling a product development orientation and co-operation with external designers, the new product ventures have also led to an in-house marketing competence. In the distribution of the own new products, the previous paths are still used to offer new products to existing customers before seeking new distribution channels, so exemplifying supplier inertia in the form of preference for convivial contacts (c.f. Ford et al., 2003, p.52).

Crossing 5   New business customers

In 2005, at the end of the period studied, Korhonen was also seeking new opportunities in business-to-business projects furnishing public spaces, reflecting another type of crossing with the core path. Characteristic of these activities is the co-operation with architects and new types of customers. Such interaction would again appear to be a way of tapping into the design-focused core path and an example of utilising the accumulated, Artek-related, experience gained from furnishing public buildings to exploit new relationships and resources.

5   Discussion and conclusions

In the empirical section, using the resource entity categorisation by Håkansson and Waluszweski (2002a) as an analytical tool, this study analysed how the dominant business relationship accumulated inertia in the focal firm by marking the different resource entities with the traces of past interaction. Thereafter, we pinpointed events during the development of the firm, where the core path was confronted by a new one. In several of these cases, the inertia that these crossings revealed was in fact of a positive type.

Our empirical illustration of the accumulation and expression of inertia has highlighted its *mental/perceptional dimension*. For instance, in times when production capacity was fully absorbed by the existing relationships, the firm could be interpreted as being in a competence trap, and not particularly observant or interested in new avenues. On the other hand, when pressure from external forces (the economic situation) activated entrepreneurial alertness, the firm pursued new activities that made use of the firm's core path in terms of capacity and strategic orientation. Moreover, the firm's first successful experiences with in-house product development decreased the mental inertia and led the company to instigate new projects with new partners.

With regard to *core level inertia*, a well-defined idea of the firm's mission and identity indicates an apparently positive inertia. This core mission influences the firm's willingness to develop its own products and establish relationships with external actors – or more precisely, the kinds of products made and who they are made with and for whom.

At the core level, Korhonen has, despite its product development efforts, remained fairly faithful to its production-oriented path. This might be explained by mental inertia (its corporate identity as a producer) or path dependency in the sense that resources and competencies have not been developed within the firm itself.

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The sources of inertia can also be external, such as the 'designer' label that marks the firm's image and reputation, and thus affects how other actors perceive it and what they expect of it. Korhonen's design-oriented image is not only related to Aalto/Artek, but is also reinforced by strongly emphasising the role of contemporary designers it has affiliated itself with more recently.

On the technological/operative level, again we can see inertia accumulating over time into a clear path, both in terms of technical investments and learning. As stressed before, it seems the degree of inertia related to production is also linked to perception. The technological structure can be a restriction or a facilitator, also depending on what the firm can or cannot imagine doing, given its resources. Despite, and thanks to, the core path, Korhonen has supplied other customers with products that clearly differ from its mainstay, but which still to some extent make use of the core path.

On the restriction side, the existing structure does not easily allow the firm to take on orders from large volume customers for instance. Furthermore, as the core technologies are primarily focused on the processing of certain raw materials, activities related to other materials would be likely to be restricted by inertia.

At the strategic level we have identified positive inertia in the form of utilising existing customer relationships for the firm's own new products. On the other hand, the own-product development ventures have also raised totally new issues for the firm, such as building new competences.

Competitive inertia is in some respects quite highly developed in this case. The firm follows the established path, instead of frequently altering its pricing, advertising approach and products. As it is largely bound by its core path to the production of expensive, high-quality designer furniture, it seeks opportunities mainly from within these boundaries. Furthermore, long-term relationships and a preference for dealing with convivial contacts are characteristic of this firm. The subcontracting path, however, is an example of a highly competitive setting where Korhonen's strengths related to its core path remained relatively underutilised due to the generic nature of the product supplied, and the pressure on price.

This study contributes to existing literature by offering a cross-disciplinary and comprehensive theoretical treatment of the notion of inertia. Through its in-depth review of the literature, the article demonstrates the theoretical versatility of the concept, as well as addressing the importance to carefully specify and define the type of inertia referred to in future research. The paper presents empirical examples of types and levels of inertia and discusses how business relationships both create it and become affected by it. The longitudinal orientation of the case study made it possible to take the dynamic nature of inertia into account. Methodologically, we consider the identification of a core path to be a useful analytical tool, as it offers a good reflection surface, against which the manifestations and effects of inertia can be analysed.

The article has highlighted inertia as not only a phenomenon that inhibits resource use and actions in relationships, but as a concept that may also bring positive consequences – even for other relationships. As the case illustrates, even a very dominant relationship which accumulates inertia can be seen as a springboard for the development of new resources and new relationships.

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7 SYMBOLICALLY VALUABLE FOR THE CUSTOMER? A LONGITUDINAL ANALYSIS OF THE INTERLINKAGES BETWEEN THE BRAND AND RELATIONSHIP DEVELOPMENT ACTIVITIES OF A FURNITURE MANUFACTURER

Anu Norrgrann

Abstract

This paper addresses the symbolic dimension of providing resources for value (co-)creation in business relationships. Prior research on resources in business relationships has predominantly examined their connectedness and embeddedness from more technical, economical and organisational perspectives, while discussion on the immaterial and symbolic aspects of resources has been sparse. To fill this gap in the existing network literature, we draw on frameworks developed within the service-dominant logic, where brands and symbols as resources have recently begun to receive more attention in terms of the significant role they play in the value co-creation process. This paper improves knowledge of the role of the symbolic dimensions of the firm's offering for the acquisition, development and retention of customer relationships. A longitudinal case study on a furniture manufacturer is used to empirically illustrate the role of symbolic resource development manifested in design and branding efforts, and its interlinkages with customer relationship development.

Key words: symbolic value, brands, customer relationship management

1. Introduction

Within the marketing discipline, the acknowledgement of symbols and intangibles as a fundamental part of exchange goes back many decades. As far back as 1959, Sidney Levy emphasised that sellers of goods are, wilfully or not, engaged in selling symbols, and Theodore Levitt (1981), in a similar vein, drew attention to the intangibility inherent in all products, whether being a good or service. He pinpointed the difficulty of assessing, experiencing or pre-testing not only services, but even physical products in advance. When the buyer cannot fully do that, metaphorical surrogates for tangibility are emphasised. Levitt (1981:97) stated that 'the less tangible the product, the more powerfully and per-

sistently the judgment about it gets shaped by the packaging – how it's presented, who presents it and what is implied by metaphor, simile, symbol and other metaphors for reality'.

The vast literature on brands and meanings, which has followed along these footsteps, has mainly had a consumer marketing focus, while branding research in B2B settings has been sparse (Ballantyne & Aitken, 2007). The nature of business markets does indeed differ from consumer markets in many respects, for instance with regard to the number of individual buyers and the degree and depth of interaction between buyer and seller (see for instance Ford et al., 1998). But even though the brand literature is mostly interested in the final customer and business marketing in the relationships between companies, it does not mean that the symbolic aspects of exchange would not be of relevance also in business-to-business interaction. The intermediate actors, such as retailers and resellers, do also act as customers who evaluate the offerings of their suppliers. Business network scholars Håkansson & Waluszewski (2002) and Håkansson et al. (2009) for instance point out that when actors are making decisions about physical resources (such as products) it is not only the resource in itself that is considered, but also the image of it. This means that the actors evaluate the business partners' resources also on an intangible level, based on perceptions, assumptions, knowledge and representations.

Discussions on the roles of these intangible and symbolic aspects – and empirical studies examining them – have been particularly limited in the business network research tradition. For such discussions, we can turn to another theoretical stream that shares a similar perspective on the interconnected nature of business exchange and focuses on the interaction (although usually labelled 'integration') of resources for joint value creation (or 'co-creation'): the service-dominant (S-D) logic of marketing (see Vargo & Lusch, 2006, for the principles of S-D L, and Ford, 2010, for a comparison with the business network approach). Within this theoretical stream, there has recently been increasing interest towards brands, meanings and symbols as a significant part of the value co-creation process (see e.g. Peñaloza & Venkatesh, 2012; Flint, 2006; Ballantyne & Aitken, 2007; Brodie, Glynn & Little, 2006; Brodie, 2009). Some of the S-D L based studies, such as Fyrberg & Jüriado (2008) and Akaka, Corsaro, Kelleher, Maglio, Seo, Lusch & Vargo (2014) even focus more explicitly on the network level, aligning the discussion even closer to the starting point of this research. Even though Akaka et al. (2014) use the term *service ecosystem* (see Lusch & Vargo, 2014) rather than *network*, they still refer to market interactions at a network level, involving multiple firms, suppliers and customers, which in our opinion resonates well with our business networks viewpoint.

Akaka et al. (2014) call for more empirical studies on the role of symbols in value co-creation, as they state that researchers 'only have begun to scratch the surface for understanding the particular processes by which symbols guide the coordination, communication, integration and evaluation in service ecosystems'. This provides an indication of the significance of the topic of our study, also from the perspective of the service-dominant logic.

Even more importantly, our aim is to fill the gap in the business network literature's discussion of resources concerning the role of symbolic resource aspects. To do this, we draw on the aforementioned S-D L based conceptualisations in order to explore how brands and other signs are used as symbolic resources that firms provide for their (retail) customers and their value proposition to final users. We delimit our perspective by focusing particularly on the provision side of resources, i.e. the selling firm's perspective. To this end, we examine how the selling firm attempts to relate its offerings to its various customers (business relationship level), thereby indirectly helping the customers provide value propositions for consumers.

After presenting the theoretical standpoints of the paper in the next section, we continue with an empirical account of a case study from the furniture industry. The case, which comprises longitudinal data from a period of 15 years, illustrates how brand and product design provide symbolic resources for business relationships. In the analysis, we examine the dynamics and interlinkages between the development of symbolic resources and customer relationships, and we conclude with a discussion on the role of symbolic resources in providing value to the customer.

2. Theoretical background

The concept of resources

Our conceptual starting point is the notion of resources. We apply the business network research tradition's (IMP) broad view of resources as *anything that has known use*, be it a product, facility, organisational unit or a relationship (Håkansson & Snehota, 1995; Håkansson & Waluszewski, 2002). The IMP view on resources has particularly emphasised the interconnectedness and embeddedness of resources, i.e. that the value of a resource is dependent on which other resources it is combined with. Therefore, it is argued that resources are best understood from an interaction perspective, as a relative phenomenon, rather than regarding them as 'given' assets of an organisation. In the context of this paper, this approach to understanding resources draws attention to the way in which the focal company attempts to align the resources it offers (the focal resource here being the product it sells) with the resources of the customer, e.g. its assortment, that it in turn offers to the final customer. This reflects the dual nature of re-

sources discussed by Håkansson & Snehota (1995): resources have both a provision side and a user side, with the resource provided by the selling firm being used as a resource by the buying firm. From the management point of view, the question is thus how to provide resources that are as useful as possible for one's business partners.

The service-dominant logic (see Vargo & Lusch, 2006) basically adheres to the same notion, although with more emphasis on the outcome of resource use, i.e. value (see Ford, 2010) and how it is co-created. The S-D L literature also approaches resources from a more networked perspective, with the semantic distinction that scholars in this field use the term 'resource integration' to correspond to IMP's 'resource interaction'. The service literature, being more concerned with value realisation for the final user than the IMP perspective, uses in our perspective the useful concept of *value proposition* (see Vargo & Lusch, 2006) for dealing with the interface between resource provision and resource utilisation to describe the selling firm's aims of providing valuable resources, without fully knowing if and how value will actually become realised for the customer. Service scholars (see e.g. Grönroos, 2008) refer to the notion of value-in-use, i.e. value is not delivered by the supplier, but is instead something that takes place in the customer's sphere. Grönroos (2008) argues that the role of the supplier is thus to be a *value facilitator* in the process of value creation. In this paper, we will not delve into the value discussion, but remain focused on resources, seeing them from the focal firm's point of view as value propositions for its B2B customers and, eventually, the final users.

Symbolic resources

As noted in the introduction, the IMP discussion on resources has not dealt particularly with the symbolic aspects that are in the focus of this paper. Also within the service literature, Brodie, Glynn & Little (2006) criticised the lack of attention to branding in the original S-D L article by Lusch & Vargo (2004). Subsequent work within S-D L has to some extent begun to address these aspects as well, even though Akaka et al. (2014) still call for more empirical studies to arrive at a deeper understanding of the role of symbols.

Symbols can be seen as institutions that influence resource integration and exchange (Vargo & Lusch, 2011). Levy (1959:119) defines them as 'instances where experience is mediated, rather than direct; where an object, action, word or picture, or complex behavior is understood to mean not only itself but also some other ideas or feelings'. A way to study symbols and signs is through semiotics, which suggests that actors assign meanings to signs, which then become symbols, according to particular 'rules' of interpretation that define their social world (Peirce, 1932 in Akaka et al., 2014). Symbolic interactionism explores how individuals attach meaning to interactions within a social context,

which is largely facilitated by symbols. (Akaka et al., 2014). Meaning is not seen as inherent in objects, but as emerging from social interaction, with humans as active interpreters and modifiers of meanings (Flint, 2006). An interactive perspective to meanings is also proposed by Peñaloza & Venkatesh (2006), who suggest that the S-D L value discussion should be expanded to include the exchange and use of meanings in order to better capture the nature of exchange relations. Venkatesh et al. (2006) even propose the idea of a sign economy, consisting of more nuanced, interactive, enacted markets, which are jointly produced by consumers, marketers and other culturally constituted forces in the economic system as they engage in exchanges according to mutually negotiated systems of language and meanings.

Extending the more interactive co-creation perspective to comprise meanings, however, raises a question similar to that which Grönroos (2008) addresses with value, i.e. is it a question of co-creation, with multiple actors as active participants in the creation of symbols (Akaka et al., 2014), or something that happens in the customer's sphere – images formed in actors' minds – like value-in-use? To what extent are the meanings actually shared, or do symbolic meanings emerge that are different from the ones the supplying firm intended to propose?

At the network level, Akaka et al. (2014) propose that symbols guide actors in the enactment of practices that enable the co-creation of meanings. In this way, symbols help actors coordinate interaction, communicate information, integrate resources and evaluate value. They further argue that the interpretation of symbols is important for the overlapping and integration of institutional logics; symbols become reinterpreted in new social contexts and new symbolic meanings emerge, possibly varying across the micro, meso and macro levels of analysis. According to Akaka et al. (2014) the notion of shared understanding does not mean that symbols have exactly the same meaning for different actors, as they all have their own, unique socio-historical backgrounds, but rather that shared understandings occur when actors with varying viewpoints interact. In other words, even if the phenomenological value of symbols may vary from one actor to another, for interaction to occur, there must be overlap in the meanings of value for particular resources. Critical for this process is that the potential value (value proposition) is articulated and communicated, and symbols constitute a central tool for doing so.

Brands as resources for customer relationships

Brands have been a much-researched marketing topic for several decades and have been defined in a variety of ways. For instance the AMA definition (2004) sees a brand as 'a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers'. Brands have been approached from multiple perspectives, such as a consumer angle, focusing on identity, image and similar issues; from an organisational perspective stressing issues such as positioning; a financial viewpoint focusing on equity, for instance; or a relational perspective, which examines commitment, experience and other such matters. Some of the definitions regard the brand as an entity, whereas broader perspectives also consider brands as processes. (Brodie, 2009.) According to such a process perspective, Brodie et al. (2006) see service brands as facilitating and mediating the marketing processes used to realise experiences that drive the co-creation of value. Brands provide sign systems that symbolise meaning in the marketing network and hence function as fundamental resources.

Brodie et al. (2006) base this definition on the foundation of the promises framework or value triangle, initially presented by Calonius (1986) and elaborated by Bitner (1995) and Grönroos (2006). The value framework focuses on the marketing processes of *making* promises (by the organisation to customers), *enabling and facilitating* promises (internal marketing within the network) and *keeping and supporting* promises (interaction between the organisation's representatives and the customer). (Brodie et al., 2006.)

In empirical studies where this perspective has been extended to include intermediate actors in the supply network (see e.g. Glynn & Brodie, 2004 on manufacturer-reseller relationships) brands were identified to act as facilitators of relations in channels, creating meaning and experience for the resellers. Glynn & Brodie's (2004) study revealed three types of value provided by brands to resellers: (1) non-financial benefits such as advertising benefits, (2) customer brand equity and (3) benefits for the reseller's customers. Brands thus create value not only in the end customer relationship, but also within other marketing relationships (Brodie et al., 2006).

Fyrberg & Jüriado (2009) extend the aforementioned value triangle through a closer investigation of its network aspects. They conceptualise the key actors in the co-creation process as (1) brand governor, (2) providers and (3) customers, which comprise the three corners of the brand relationship value triangle. The link between governor and providers deals with internal interaction in the network and an exchange of meanings and experiences; the interface between providers and customers in turn represents the co-creation of meanings, while the

brand governor-customer axis involves the reciprocal development of a value proposition suggested by customers. (Fyrberg & Jüriado, 2009.)

3. Methodology

The empirical basis of the paper is a longitudinal case study on a furniture manufacturer. The case firm, Junet, was chosen because it is a company whose development the researcher has had an opportunity to follow during a 15-year time period, from 1999 to the present. This provides a unique possibility to identify the process nature of symbolic resource development, including the launch of new collections, designs and designer co-operations, as well as other brand development efforts, and the parallel processes of how the firm has developed its network of customer relationships. Against the conceptual notion of resource value changing over time (Håkansson & Snehota, 1995), a longitudinal time perspective is of particular advantage for understanding the dynamics and longer-term effects of investments made in resources and their implications at the network level.

The case study method enables the investigation of a focal phenomenon within its real-life context, where the boundaries between phenomenon and context are not clearly evident (Yin, 1989). As Johnston, Leech & Liu (1999) state, the case study method does not attempt to isolate the phenomenon from its context, but, on the contrary, sees the phenomenon as being of interest precisely because of its context. In this paper, we adopt a focal firm perspective (see Halinen & Törnroos, 2005) where the main units of analysis are the symbolic dimensions of the resources that the case firm is providing and their manifestations in brands, designs and semiotics in communication. These resources are mirrored against the context of the events, changes and developments that the focal company faces, particularly with regard to the processes of customer relationship development. It also takes into account developments in the network context of the focal company, which affect the aforementioned processes. Such network effects are considered both at the meso level, i.e. relating to the most central partners on the supply side, as well as more macro level developments, which affect the product-market decisions of the focal firm.

One of the strengths of case study research is the ability to draw on several different types of data and triangulate them to provide a holistic picture of the studied phenomenon (Yin, 1994; Johnston et al., 1999). In this research, the construction of the case study report relies above all on qualitative personal interview data from repeated occasions within the study period, in the form of thematic interviews as well as 'situation update' discussions in connection with the managing director's recurring guest lectures/company presentations. The empirical material consists of five personal interviews/discussions with the managing director (a new person took up this position in 2013), one with the firm's brand agency repre-

sentative (responsible for measures such as a brand investigation carried out among retailer sales staff) and a telephone interview with a reseller. Most interviews were fully transcribed. In other instances, interview notes were taken and used for case description write-up. The interviews took place in 1999, 2000, 2010, 2012, 2013 and 2014. The earlier stage findings related to product and network design have been discussed in an article by Baraldi, Bocconcelli & Söderlund (2001).

In addition to interview data, the researcher was able to utilise observation as a technique for triangulation, since several of the interviews took place on the premises of the focal firm. This, in addition to observations from retail settings, allowed for instance a concrete examination of the firm's products and the ways in which they are displayed, as the office and production facilities at the beginning of the study period also functioned as a showroom for the company. Furthermore, various printed and electronic documents, such as company presentation materials, brochures, catalogues, price lists, company web pages and social media profiles have also been used as sources of case evidence. A content analysis of this material contributed in particular to the interpretations of the symbolic and semiotic aspects of the value proposition of the firm.

In the longitudinal analysis, the snapshots of reality gained during the different interview occasions as well as the informants' reflections on developments over time are analytically used to make interpretations of continuity and gain a holistic understanding, rather than making comparisons of the different cross-sectional points in time in a linear and objective manner (see Hassett & Paavilainen-Mäntymäki, eds., 2013).

4. Symbolic resources and customer relationships in practice: case Junet

Case firm description

The focal firm of the case study is Junet, which is a joint venture founded by five SMEs in 1993. The five original partners were manufacturers of complementary pieces of furniture – one specialised in cabinets, another in upholstered furniture, etc. – who decided to join forces with the aim of creating and selling a new joint furniture collection, initially mainly aimed at export customers. Thanks to the businesses' complementary nature, the founding partners have simultaneously also acted as the main suppliers for Junet, hence the term 'net' in the corporate brand name. The prefix in turn has its origin in the location of the firms in the village of Jurva, Finland, which has historically had a high concentration of carpenters and furniture makers, and is associated in Finland with a tradition of quality and skills in carpentry; Junet has been drawing on this heritage both in terms of concrete competence and as a symbolic element in its communication.

The Junet venture represents only one customer relationship for the partner firms, who alongside this engagement have also continued to sell their own products to other customers under their own company brands. The Junet relationship has varied in importance for the partner firms. For some of the smaller member firms, the Junet relationship has been of great significance in their portfolio, while for others, it has played a more minor role. Also, the significance of the Junet involvement for each partner firm has varied over time, depending on developments in their other customer relationships and also on the furniture items that the Junet collection has featured at different points in time.

The focal firm (Junet) and its resources are thus significantly characterised by the joint venture member firms/suppliers. The freelance designers that the firm has used have represented additional, externally sourced resource contributors. In this manufacturing sector, companies are differentiated partly based on the design(er) intensity of their products and Junet opted from the very beginning for an approach that emphasises product aesthetics and a distinct style, as illustrated by the following brochure excerpts: *'The design and form is essentially Finnish country style, with modern elements added where appropriate … All Junet furniture has consistently been based on these elements and that is why we can now call it the Junet style'* (Junet brochure, 1999). It is also characteristic of its designer focus that the designers' names and biographies have been prominently featured in marketing communications, both printed and online.

Analysis of symbolic resources and customer relationships

A summary of the longitudinal case analysis is presented as a table in Appendix 1. When examining the case from a longitudinal time perspective based on the developments of both the symbolic resources and the customer relationships, four distinct phases were distinguished. The phases illustrate shifts in brand-related and market decisions and new directions regarding product design and form, resulting from strategic choices, as well as change forces in the network outside the firm. The phases are mostly chronologically sequential, but some of them overlap in time.

The first phase, which took place in the 1990s, is here termed the **Landhausstil phase.** This involves the initial formation of the Junet venture and the creation of its first joint collection between the partner firms. The aim was to overcome the severe domestic recession by joining forces and exporting to the European market, which was at the time beginning to open up to free trade. The collection of products developed for this purpose was *'based on traditional Finnish carpentry skills and craftsmanship, combined with the technology used in modern furniture production'* (1990s Junet brochure). Furthermore, in the communications materials it was stressed that *'the colour scheme is based on historic styles … adapted to match present day's needs'* and that *'all pieces have been designed to be fully compatible, giving the customer a wide choice of furniture and upholstery'*. The products were/are also made to order, enabling customers to choose their own colours and fabrics. When Junet started building up brand awareness among customers, it emphasised the quality of its raw materials as *'ecologically sound… pine and birch from renewable Finnish forests'* as well as its superior craftsmanship, including the wax treatment of product surfaces, which was not only a production-related novelty for the firm, but also a feature that distinguished the early collection aesthetically and haptically. As the main customers during this phase were in Germany, the term 'Landhausstil' (country house style) was used as a characterisation.

At the peak of its operations in this phase, Junet had up to a hundred resellers, the most significant of which was a German furniture chain known for its environmentally friendly products. As Junet was a small Nordic company providing a full spectrum of high-quality, massive wood products made of sustainable materials, it was well aligned with this retailer.

Towards the end of the 90s sales on the German market dropped radically due to the general economic situation as well as the entry of Eastern European competitors. The availability of similar looking, but cheaper alternatives revealed that the Junet brand itself appeared not to hold sufficient content for customers in such an economically depressed and competitive setting. The next phase was therefore marked by a gradual withdrawal from exports and refocusing on the domestic market, here termed the **Nezz phase**. The Junet brand was

not unknown in Finland in the 90s, even though its customers had mostly been international at that point. The export joint venture had received a fair share of attention in the industry due to its novel way of organising itself, and the existing domestic retailers of the partner firms were curious about the Junet collection. Junet's brand-building efforts targeting export customers as well as the existing parallel customer relationships of its partner firms thus paved the way for its domestic brand building and symbolic valuableness. For the domestic market, Junet launched both its existing collection of traditional furniture and a new collection in a more contemporary style, featuring straight lines, new materials and metal details. As their appearance differed from the earlier products, the modern collection received its own sub-brand name, 'Nezz'.

The name itself also differed from the previous collection names such as Viena or Wiljami, which were more associated with tradition and folklore. This phase was characterised by increased brand awareness building that also targeted consumers through print advertising and presence at furniture fairs.

Approximately a decade later, the brand was reassessed and refined, leading into the **Feels like Sunday phase**, named after a slogan coined by Junet's new advertising agency. Somewhat prior to this, the customer portfolio also underwent reorganisation. Distribution had thus far been very scattered and the number of retailers high. According to the managing director, the retailers had too little time to devote to all customers to ensure proper product display, for instance. Junet chose to enter an exclusive retail distribution agreement with the chain Vepsäläinen, which is well-known as a brand furniture retailer, with for instance Artek, Fritz Hansen, Vitra and similar high-end brands in its assortment. Thereby, Junet was able to achieve a tighter focus in its relationship management activities. The Vepsäläinen context however demanded ever-increasing brand building investments and also efforts to clarify Junet's position among the brands in the retailer's assortment, which was done through an investigation of sales staff's product/brand perceptions. As a managerial consequence, the company logo was redesigned, the product naming policies unified and new products by new designers introduced. The new products reflected the new brand strategy emphasising warmth and cosiness, marking a clearer distinction from other, more clinically modern design brands in the retail setting in question. The new slogan 'feels like Sunday' promised a stress-free, enjoyable Sunday morning – evoking and reflecting the relaxed and genuine, yet high-quality nature of the brand. The form language of the new products was also softer and rounder, the colours were still mostly light and 'Nordic', and the products were given names in Finnish, with meanings such as 'joy' (Ilo) and 'for you' (Sinulle).

The branding efforts and focused distribution were initially successful, and at best, Junet was even chosen as supplier of the year at Vepsäläinen.

However, the general downturn in the economy in the 2010s had a severe impact on the furniture sector and caused Junet to reconsider both its offerings and relationships. At the retailer's suggestion, the firm launched a cheaper collection of products, but even this did not compensate for the loss of sales. The economic pressures mounted when one of the Junet partners (which was also its biggest supplier) filed for bankruptcy in 2013. In 2014, the exclusive distribution agreement with Vepsäläinen was terminated and a second chain, Kruunukaluste, was introduced as an additional retailer in the hope of generating more sales. In August 2014, sales to furniture chains were down to 18% of turnover, marking a clear shift away from retail customers towards direct sales to consumers and project customers.

The fourth phase, **the project track** is a public space furnishing path that runs through the entire history of the firm, parallel with its retail relationships. Its relative role has varied over time, but it has gained particular strategic importance over the last years. In the 90s, Junet utilised the design of its new collection and its flexible and versatile production possibilities in its value propositions for project customers, such as in hotel and holiday housing construction projects in Germany. In such projects, the country style appearance and durability of the products were valuable characteristics for the customers, coupled with the capacity of the firm to offer customised solutions. Junet was involved in similar types of projects in its domestic market as well. One of the advantages was that even though the projects varied, the customer interface often remained the same. Junet was thus in closer and more continuous business relationships with the purchasing side architects, compared to the more 'market mechanism' nature of its numerous retailer relationships of the time. In the late 2000s Junet began tapping into a new sector, which has become increasingly important, namely furnishings for elderly care. Such project customers include private firms running elderly homes. The symbolic resources that Junet proposes make use of for instance its durable and sturdy product quality, natural materials, domestic origin and warm and cosy imagery along the lines of the latest brand renewal.

Junet believes that its consumer branding efforts have also been useful for building recognition among senior housing decision makers. Therefore Junet chose to introduce *'Junet seniori'* as a sub-brand for this project market, along with a web shop for these products. Even if brand recognition spins off positively from consumer products to the senior market, as suggested by the managing director in the 2014 interview, it remains to be seen if there will be image effects – possibly also negative ones – the other way around.

On the whole, the time span that has been analysed shows a number of general-level developments. The first is the shift from more arm's length customer relationships, first abroad but then also to some extent in Finland, towards a

greater concentration on fewer significant customers, where the value proposition of the firm and the profile of the customer are more aligned. This tendency is illustrated by, for instance, Junet's reasons for entering specific projects and its choice to focus on Vepsäläinen as an exclusive distributor in the first decade of the 2000s. Another, more general observation is the role of the brand and its gradual evolution from being merely a trademark or a name for a new venture into an actual brand with a symbolic content, one that customers and consumers recognise and associate with meanings. This process has taken time and required investments in visibility, for example regular advertising in the leading interior decoration magazines, using advertorials, social media, being present at fairs and introducing new products at a steady pace to 'stay on the agenda', in the minds of consumers and industry actors.

When looking at the study period on an aggregated level, what can be said about the role of the symbolic resources in the firm's efforts to be valuable, i.e. to provide a lucrative value proposition for its customers? Our interpretation is that on the one hand, the process of brand development and the underlying strategic orientation of attempting to make high-quality, well-designed products in a flexible and adaptable manner has been guiding the firm's activities all along, although somewhat different product styles and communicative choices have been used to this end at different times.This brand building can be seen as an incremental development process. Particularly with respect to project customers and retail buyers, the symbolic resources appear to relate to the capabilities of Junet as a supplier and a brand holder, rather than to its individual products. The craftsmanship tradition is a similar example of an undercurrent that branding has tapped into in a variety of ways at different times.

On the other hand, the study period with its economic ups and downs and the consequent shifts in product-market strategies show that the Junet brand has not only followed a linear path of becoming gradually stronger and imprinted with meaning, but has also had to repeatedly reassess and refine its way and means of relating to its customers. Here, the roles of the material vs. symbolic dimensions of the offering are particularly interesting. In situations where the firm faces lesser competitive pressures, it appears that the tangible features can already be sufficient for the value proposition (e.g. in the early, more successful phases of exporting and selling to domestic retailers), while when other, strong resources compete for the customer's attention (e.g. in the Vepsäläinen environment or the later years on the German market), the role of the immaterial/symbolic characteristics becomes emphasised. In our interpretation, the Junet brand faced such higher-pressure situations when it was not able to provide sufficient symbolic resources to remain interesting enough for its customers once the physical or economical features of the offering were no longer to the firm's advantage. This would support the notion proposed by Hellén & Gummerus (2013) that a prod-

uct's tangibility/intangibility is a rather ambiguous concept, and should be assessed in terms of (consumer) perceptions rather than seen as an inherent feature of the offering. Therefore, instead of claiming that branded furniture would by nature be something 'very symbolic', the role played by the symbolic aspects in the assessment of the offering might better be framed as varying according to the perceptions of actors. Seen from a network point of view, these perceptions are again linked to the actors' perceptions of other resources, such as the competing products. Thus, at a certain point in time, with a certain network of resources surrounding it, the product may be judged more on its tangible properties, whereas in other situations, the symbolic ones may become more emphasised.

5. Concluding discussion

In this paper, we set out to shed more light on the resource dimension in business interaction by examining how brands serve as symbolic resources for business relationships. We drew on discussions based on the S-D logic of marketing on symbols and brands and applied them to a business relationship management context.

Based on our findings, we agree with Brodie (2009) and Brodie et al. (2006) in regarding brands not only as entities, but also as processes that facilitate and mediate in the marketing processes used to realise experiences driving value co-creation. Brands provide sign systems that symbolise meaning for different actors in the marketing network and hence function as fundamental resources. Our empirical account shows that in order for a firm to survive on the market, it must continuously be able to provide resources that its customers perceive as valuable. On the brand management level, this draws attention to the dynamics of the brand and the need to evaluate it against the firm's network of marketing relationships and the changes occurring in them. Our findings thus indicate that the role of the symbolic content of brands is a dynamic concept, where the valuableness of the resource varies depending on the resource constellation around it, as network theory (see Håkansson & Snehota, 1995) suggests. That is, when the focal brand is in the customer context challenged by other brands offering competing symbolic, utilitarian or economic benefits (e.g. acknowledged design or a lower price), this puts pressure on resource management to ensure better alignment with customer resources.

In addition to addressing the identified research gap concerning symbolic resources in network literature, we believe that our findings offer valuable empirical insight into the understanding of the interactive nature of brands and symbols also from a S-D L point of view. The paper makes a methodological contribution through the use of longitudinal and semiotic analysis, which we consider

to be useful tools for an increased understanding of the dynamics of symbolism, when mirrored against changing customer relationships over a longer time perspective.

Particularly from a network theoretical point of view, a limitation of the study is the focus on the brand governor and the provision side of resources. Extending the perspective to cover selected customers' viewpoints would be recommended in further research on the topic.

Figure 1: Junet products illustrating the four analytical pha

The 'Landhausstil' phase (1990's)

The 'Nezz' phase (early 2000's)

The 'Feels like Sunday' phase (2010's)

The project path (elderly care, 2014)

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Appendix 1: Longitudinal analysis of Junet

MAIN UNITS OF ANALYSIS

	1993	2000	2009	2014
Products	New collection, massive, waxed wood 'Landhausstil' / Customised colors, sizes	contemporary designs / heat-treated materials	new, contemporary products by new designers introduced at a faster pace	
Brand	Junet (corporate and product)	Junet / Nezz (the modern collection)	Junet, new logo and slogan "Feels like Sunday" renaming Nezz products / Junet / Junet seniori	
Customers	International retail / International projects	Numerous domestic retailers / Hotel & holiday housing projects	Exclusive retail (Vepsäläinen) Subcontracting / Elderly care housing projects / Vepsäläinen + Kruunukaluste	

CONTEXTUAL FACTORS

	1993	2000	2009	2014
Managerial focus	Organizing the net / Internationalizing	establishing position on the domestic market	key customers and projects / brand management	
Developments in the network context (macro/meso)	Export promotion / EU-membership / Ikea's market entry / RECESSION	Competitive pressure, plagiarism / Increased imports	new designers / new advertising agency / member bankruptcy / RECESSION	

ANALYTICAL TRAJECTORIES

From trademark to brand (and sub-brands)

From markets to relationships

From international to domestics

From home furniture market to increasing focus on projects

TIME → 1993 — 2000 — 2009 — 2014
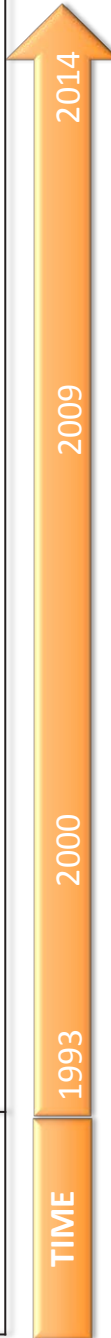
8   DISCUSSION AND CONCLUSIONS

In this final chapter, we provide a summary of the study and its essays, followed by an integrated discussion of the empirical findings of the separate case studies. Thereafter, we discuss the theoretical conclusions and implications of these findings for the understanding of symbolic embeddedness. After presenting the managerial implications of the study, we conclude with a discussion of the limitations of the study, and suggest potential avenues for further research.

8.1   Summary of the study

This research has identified and addressed a research gap in the understanding of resource embeddedness, and explored how resources, specifically products as a resource category, can be understood as *symbolically embedded*. In doing this, we have extended the focus from our conceptual starting point in business networks and the 4R framework, by bringing in complementary viewpoints from consumer culture theory related to products as symbolic, cultural resources, and from the service dominant logic of marketing regarding co-creation and integration of resources, in order to enrich the understanding of resource embeddedness on the distribution side of the network – a context, which is in itself laden with symbolic meanings and representations, directed at providing value propositions for consumers.

We approached our aim of providing an understanding of symbolic embeddedness through a set of more specific objectives, each of which was addressed in the form of a separate essay/article. **Essay 1** (chapter 4) addressed the connections between a focal product and a retailer's resource environment. It examined on the one hand, how a retailer affects the symbolic properties of a product, and, on the other hand, how the retailer itself uses the product as a symbolic resource. Essay 1 also extended the analytical horizon towards consumers, by contrasting the perceptions held of the focal resource and its value providing features by the different business actors in the network, with the perspectives of consumers. This latter angle was enabled though the use of mystery shopping as a complementary data collection method to interviews, observations and documents as case study material.

In this essay, the 4R framework was applied in order to gain a detailed understanding of the symbolic resource interfaces between a focal product and other resources in its context that it was significantly marked by. We found that the symbolic level connections between a focal product and *other products,* was re-

lated to managerial level marketing decisions such as positioning and assortment building. Through such processes, the focal resource is handled in relation to other products, as e.g. alternative, complementary, supporting or competing of attention, and at the symbolic level, the focal product's features become mirrored against the other products. A focal product's symbolic level interfaces with *facilities* were largely found to be related to symbolically extending the presentation of the product with marketing and display materials and other promotional and atmospheric facilities in the retail context that facilitate in selling the product. The symbolic presentation of products towards consumers is ultimately in the hands of the retailer, and in this empirical case, the outcomes of how different stores handled this "stagesetting", showed a great deal of variation. Hence, the same resource presented itself in different ways, depending on the couplings to the reseller's promotional facility resources.

Similar symbolic interfaces could also be identified on the product – *business unit* axis. Symbolic level business unit characteristics like the retailer's corporate image and its personnel and their level of knowledge, involvement and motivation related to the focal product had a significant effect on the product's presentation and value proposition to consumers. The product was connected to *business relationships* in terms of being the concrete object or topic of business interaction. Relationship history and traces of events within the relationship were identified to have an effect.

When it comes to the utilisation side, the essay identified a number of ways in which retailers assessed the product as a means of providing useful value propositions for their customers, but also in relation to their own utilisation of it. This included the usefulness of the product as a building block in the retailer's assortment, a means of differentiation, as enhancer of the store environment, as sales staff motivator and offering services such as reliability. The product could also be seen as an economic resource and as a platform and point of reference for continuous relationship development between retailer and manufacturer.

Essay 2 (chapter 5) elaborated on the themes of Essay 1 by focusing on the special role of the retailer at the interface between the business network and the consumer sphere. The essay also drew parallels between retailers and media as resource mediators. This essay contributed with a theoretical discussion of the notion of resources from the conceptual standpoints of the network approach, service dominant logic and consumer culture theory, and provided a conceptualization of the retailer as an intermediary of symbolic resources, with a role in developing and mediating a resource, but also in using it as a resource its own strategic purposes. In the essay, we discussed the intermediary's role in the process of

symbolic resource formation, as the focal product is mediated through the symbolic resource context of the intermediary towards the goals and life projects where consumers finally use it as resource. We concluded, that a focal product's ability to function as a valuable symbolic resource could be affected by the intermediary in positive, negative or neutral ways. The intermediary, with its own set of symbolic resources and its role as an actor who exercises *control* over the ultimate presentation of the product to consumers, can either a) convey the firm-provided value propositions and channel the meanings imbued upstream in the manufacturer sphere; b) improve them through connecting the original symbolic resource with such symbolic resources of the retailer that make it more valuable for final uses; c) change the meanings by emphasising other symbolic aspects, such as sales arguments, that are different from the ones highlighted by upstream actors; or d) even negating/destroying them and thus making the product fail in its purpose to communicate its potential value to users.

From the point of view of product management, this paper highlighted the importance of the interaction points between manufacturer, retailer and consumer spheres, and the need for actors to communicate and become aware of the broader network in which the product is embedded, and of the factors in these contexts that can affect the product's ability to provide value.

Essay 3 (chapter 6) drew attention to symbolic resource management across business relationships. It addressed a central resource feature, inertia, which we regarded as a result of resource path-dependencies and lock-in. To examine the role of inertia and path-dependence for the development and utilisation of symbolic resources, this article contributed with a very particular empirical case of a long lasting and dominant business relationship (constituting what we called the focal firm's *core path*) and the inertia that this relationship had accumulated in the resource structure. We examined this inertness in the resources in relation to the firm's efforts and abilities to engage with new customers and products, i.e. new types of resource combinations, and found that inertia could, in contrast to the perspective in many other studies of inertia, also be seen as a positive phenomenon. That is, even inert resources could be made use of in new resource combinations of new business ventures. The valuableness of the resource investments stemming from the "core" relationship, were not limited to e.g. excess capacity utilisation or economization on accumulated competence, but strongly related also to symbolic resource use. Path-dependencies had in the case firm of this essay accumulated inertia e.g. in the form of a clear and stable corporate identity and reputation, that the firm did not want to deviate from in its new ventures, but which became utilised in new ways in the other relationships. This article contributed to the whole of the thesis also through providing symbolically rich empir-

ical setting, featuring focal products, which could be characterised as iconic designs from a renowned and widely recognised architect. The case products in this essay were in other words strong in symbolic meanings.

While Essay 3 offered a unique setting to examine design as a symbolic resource, **Essay 4** (chapter 7) brought more specifically forth how brands and signs function as symbolic resources in business relationships. The case in this essay contributed with providing a more interacted view of the brand: as a resource that is exposed to major adaptation and "fit-seeking" in the network, illustrating how closely intertwined processes relationship development and brand development processes in fact may be. This essay comprised, similarly as the preceding one, a longitudinal study. It examined temporal phases in the case firm's involvement in different markets and customer relationships, and compared these developments with the efforts and decisions related to product development, brand management decisions and the meanings and symbols used to communicate about it. As a conclusion, we emphasised the interacted and dynamic nature of the brand: that the value of the brand as a symbolic resource needs to be understood in relation to the network of marketing relationships and the changes occurring in them.

8.2   Integrated discussion of the empirical findings

The cases depicted in the essays above illustrate a variety of ways in which resources can be seen as symbolically embedded. This chapter provides a discussion of these findings on an aggregated level.

Referring back to the methodological discussion in Chapter 3, it was stated that the intent with the three separate case studies is to utilise them in a complementary manner to shed light on our conceptual issues of interest, rather than aim at providing a cross-case analysis according to a replication logic. The integrative discussion of the case findings thus focuses on the heterogeneity that the cases exhibit, and takes into account the contextual conditions under which the focal phenomenon of symbolic embeddedness takes different forms of expression.

Table 2 below illuminates these differences between the empirical findings along the dimensions of type of embeddedness, origin of symbolic resourcing, type of governance, and the ways in which symbols are managed. In the next, the two different sub-units of analysis (two different collections, offered to two different customer chains) within the bed manufacturer case are analytically separated.

Table 2.   Case integration

	Type of product embeddedness	Origin of symb. resourcing	Governance	Type of use / management
Bed manufacturer - Retail chain A	interacted	Retailer BU	Closely networked	Coherent
Bed manufacturer – Retail chain B	Providing interaction possibilities	Manufacturer retailer	Loosely networked	Flexible, varied, risky
Junet	Symbolically semi-given	Designer Marketer Customer/ consumer	From market towards relationships	Match-seeking
Korhonen	Strongly imprinted upstream	Designer Resource history	Strategic relationships	Exploitation of established resources

The bed manufacturer case contains two sub-units of analysis in the form of customer relationships with furniture chains A and B. The products sold to both these customers are adapted collections of beds, with features that make the collections identifiable as products of specifically the customer chain in question. This is enabled e.g. though a specifically adapted, unique product appearance and a brand that is exclusive to the retailer. The products can be seen as co-created through the close interaction processes taking place between seller and buyer, particularly at the operative level of the key account manager - product manager dyad, but with connections also at other levels and functions between the firms. Co-creation refers in this context both to an interactive process of developing, negotiating and agreeing on the physical composition of the products or the amount and types of product varieties, and a co-creation of symbolic resource features through means such as advertising, product display or product information to support personal selling.

Of the two sub-units of analysis in this case, the relationship to customer chain A involves a focal resource, which is strongly symbolically imprinted by both customer (chain) and provider (manufacturer) through a close, interactive relationship. The selling counterpart contributes to the product with tangible, as well intangible resource features, of which the latter could be seen as relating to the experiential and interpretive aspects of the tangible product or the business-to-business offering in broader terms (see Ford et al. 2011) e.g. in the form of prod-

uct comfort or supplier reliability, which were symbolic features that the retailer was able to put to use also further on in its interactions with consumers. The customer (retail chain)'s contribution in its turn was strong at the imagery level, as the brand, under which the collection is sold, is the retail chain's own, well-established bed brand, i.e. the retailer is the brand governor (c.f. Fyrberg & Jüri-ado 2009). The retailer furthermore contributes symbolically through its own resources in e.g. the design and visual management of store environments. This case can thus be seen as an example of a situation where the product's symbolic imprints originate strongly from the customer, also reflected along the dimension of the degree of *meaning management*. In this case, the ultimate presentation of the product in the different retail settings, the contact surfaces between the intermediary and the consumers, are symbolically fairly coherent, as also the mystery shopping observations confirmed regarding this sub-case. We believe this to be due to the higher degree of chain management and control; the different stores belonging to the same company are managed to have a similar and recognizable appearance, and the same assortment of products and marketing communications. However, even this case of a retailer's private label product exhibits a relationship mechanism of close buyer-seller co-operation as a context for resource management. Therefore, even in such as case when the product is more clearly the property of the retailer, the resource can be seen as interacted in nature. It is this not only the retailer-dominated outward presentation of what the product symbolically contains, but also the manufacturer-provided underlying substance of the immaterial meanings that constitute the symbolism in the product in this case. In a closely tied relationship setting such as this, the product is approached as a jointly managed and developed resource, rather than the question being of contract manufacturing where the supplier would only passively respond to the specifications given by the customer.

The second sub-case in the bed manufacturer study, the relationship to the furniture chain B (discussed in more detail in Essay 1) has in contrast a more loosely networked relationship context. This indicates the existence of a relationship mechanism, but its role is most clearly visible at the level of the manufacturer - chain management dyad (also in this sub-case largely between the seller's key account manager and the buyer's product manager), while at the retail actor level, this case demonstrates a broader heterogeneity of the ways in which the focal resource is embedded. That is, the resource endowments of the individual selling environments, as well as the extent and way in which the focal resource is able to provide value propositions to consumers in them, vary from one store to the other. As this case context is constituted by a retail chain that is, compared to the previous sub-case, less governed by chain management (i.e. the stores are run by individual entrepreneurs as individual businesses, only loosely co-operating in pur-

chasing and marketing), the case suggests in comparison with the other sub-case, that the symbolic outcomes of resources, when distributed through such settings, become highly heterogeneous. In Essay 2 we discussed the roles of the intermediary from the point of view of symbolic resources. This sub-case provides empirical illustrations of different retail resource contexts conveying, improving, changing and even negating (or destroying, in S-D L terminology) the value proposition of the product and thus significantly affecting the ability of the product to be used as a symbolic resource.

The Junet case offers a different viewpoint from the others, in the sense that is has partly been operating in what could somewhat more be characterized as a market than a network context, when it comes to relationships on the distribution side. The longitudinal perspective however reveals the dynamics in the firm's efforts of shifting from being involved in numerous arm's length relationships, towards fewer, more involved and committed customer relationships. The firm's intertwined processes of developing products and their symbolic content in the form of brands and signs, has paralleled its efforts in matching these resources with suitable customers. In this case, the origin of the symbolic resources are to a relatively high degree designer and marketer generated, but managed to match with user resources, that utilize the firm provided symbolic imprints in differing ways, such as on the one hand, being a domestic quality and design brand in the assortment of a selective design retailer, or, on the other hand, as a product in an elderly housing (project market) context, which utilises the aesthetic and qualitative resource aspects of the focal products in an environment where issues such as ergonomics, functionality and atmosphere receive a completely different type of emphasis. The case mirrors the more recent multiple-stakeholder perspective on brands (see Merz, He & Vargo 2009): that brands are a matter of interaction between different actors in the network.

The Korhonen(-Artek) case in turn exemplifies a setting where the symbolic imprints clearly originate upstream (from designer) and are exposed to less negotiation and modification in the network, like we pointed out in the summary. We relate this conceptually to the notion of inertness of resources, which has in prior studies been examined in relation to technological or organisational path-dependencies at structural or mental levels. While much of the previous research has approached inertia from a negative point of view, as inability to change resulting from lock-in; in this case, we drew attention also to the positive aspects of inertia along the symbolic resource dimensions. We saw how the dominant business relationship between Korhonen and Artek, including the pivotal role of the design actor (Alvar Aalto), strongly defined the physical product and facility resources of the focal firm, but also manifested itself symbolically in for instance

the business unit's corporate identity or acknowledged role as a "design actor" on the market. This is illustrated for instance in the form of the reference value of the dominant relationship when establishing new distribution channels for new products, and also in the firm's attractiveness (a spontaneous "pull") as a potential partner for designers seeking manufacturers to commercialise their prototypes. The term image heritage (Rindell 2013) has been suggested to address the temporal aspects of image formation. Regarding the Korhonen case, a kind of image heritage can even be seen in an inter-relationship context, symbolic resources developed in one relationship context becoming activated in also new relationships involving products that are seemingly unattached to the preceding/parallel relationship, as discussed in Essay 3.

To summarize, the cases examined have offered empirical complementarities in understanding cross-sectional as well as longitudinal settings, settings of a differing intensity if relationship mechanisms as business context and focused on resource development and management both in on-going and developing relationships and networks as well as examined the tension between resource investments from old/existing relationships and attempts to establish new ones, where the resource could be put to use and provide value.

8.3   Theoretical implications - towards an understanding of symbolic embeddedness

This section addresses the theoretical implications and contribution of the study. Based on the empirical findings that we have summarised above, we discuss the concept of symbolic embeddedness, its forms of expression and underlying factors that influence a product's ability to function as a symbolic resource. In the discussion, we present four propositions to help conceptually clarify our conclusions. Moreover, we return to the theoretical framework presented in chapter 2, and discuss the ways in which the theoretical approaches of IMP, S-D L and CCT each contribute to the understanding of symbolic embeddedness.

8.3.1.   *Characteristics of symbolic embeddedness based on the empirical cases*

In this section, we shall return to aspects of symbolic embeddedness raised by the aggregated level analysis of the empirical findings. These correspond to the columns of Table 2, in sub-chapter 8.2. That is, the type and origin of symbolic re-

sources, the underlying governance mechanism and the type of resource use and management.

8.3.1.1   Type of symbolic embeddedness

The case studies illustrated a variety in terms of the type and extent of symbolic embeddedness of the products. With this, we mean how, and how strongly, the products are affected and imprinted in a symbolic sense by interfaces with and dependencies of other resources in its network context, for example the marketing resources of the retailer.

Proposition 1: *The degree, to which products are symbolically embedded, can vary from symbolically more given, to open and heterogeneous.*

The resource discussion within IMP has stressed the "openness" of resources and their reinterpretation in new resource combinations. (Håkansson & Waluszewski 2004) When it comes to the symbolic dimension of resources, our findings suggest a continuum of symbolic resources from open and interacted to products that have at some point been so strongly imprinted with symbolic meanings that they are less influenced by connections to other resources. This latter end of the continuum is in the empirical material exemplified by the Artek products, which feature a strong and iconic brand and a highly design-intensive, well-recognised identity, and physical products with a status as "classics": an appearance that has remained more or less unchanged through decades. In this sense, the product "stands for itself" and is less influenced by other symbolic resources around it.

At the other end of the spectrum are the products from the bed manufacturer. These products are both to their physical and communicative properties developed as a process of interaction, receiving significant symbolic imprints from the retail context and being more open for negotiation than products in the two other cases. In the retailer A relationship, the brand is the property of the retailer, whereas in the retail chain B setting, the product concept, including the brand, originates from the manufacturer's sister company and has been adapted to the requirements of the Finnish customer. However, as the different retail environments of the customer vary considerably to their appearance, product assortment, communications etc., the imprints left on the product in these environments are heterogeneous.

From the Korhonen example it could be assumed that a symbolically given product would be a result of strong brand building and/or design. To a certain extent this is plausible; with investments in a resource, their heaviness is increased (Håkansson & Waluszewski 2002). However, the Junet case also exhibits prod-

ucts that are positioned as design(er) brands, but which do not quite have the symbolic strength or manifested design history to draw on as Korhonen. Instead, the products have developed through faster changing and adapting processes, as negotiation between designer inputs, brand identity considerations, customer relationship management efforts and reactions to the changing business environment. These products might thus be placed more to the middle of the continuum, as symbolically semi-given, in the sense that the designs, product aesthetics and symbolism in the brand and communications have reflected a certain identity defined by the brand governor, but changed in nature over time and affected by product-market decisions.

A further conceptual observation regarding the degree of symbolical embeddedness, is the ambiguity of the concept of materiality/immateriality of an offering, referred to Hellén & Gummerus (2013) and discussed in Essay 4. That is, instead of strictly categorising products as material or immaterial by nature, and following to this logic, branded furniture as something "very symbolic" in itself, focus should rather be on different actors' *perceptions* of the product, which may or may not stress the symbolic aspects of it.

8.3.1.2   *Origin of symbolic resourcing*

A characteristic of symbolic embeddedness, which is closely linked to the discussion of its type and degree, is the origin of the symbolic imprints.

Proposition 2*: Symbolic imprints can originate from different levels of the supply/distribution network.*

The empirical cases illustrate a variety in the origin of symbolic resourcing, the examples range from designers (the Korhonen case), to designer/brand governor combinations (Junet) and manufacturer-retailer interactions (bed case), sometimes with a clear retailer emphasis (bed case, customer chain B). These examples illustrate that even symbolic resources such as brands, can be formed in more complex and interacted ways than the traditional one-directional and managerial branding literature suggests, and in this sense, our findings are more in line with the perspectives of the multiple-stakeholder approach (see Merz et al 2009).

Put another way, it can be asked *whose* the product is perceived to be in the network. For instance in the case of the Alvar Aalto designed products for Artek, Korhonen as the manufacturing business unit remains an invisible background actor to the consumer; the identity presented is that of the product's designer and retailer, which are also interconnected by the fact that Alvar Aalto himself was one of the founders of Artek. Interestingly though, the strength of the symbolic

content of the Aalto/Artek association has proven to be a symbolically usable resource for Korhonen in new ventures; despite its symbolic "invisibility" in the Artek products' network.

Junet's products have adapted to individual customers more on the level of customisation of physical product features and by finding project customers where it can make use of the symbolic character of its prior/parallel products (e.g. warmth, cosiness, eco-friendliness) in "symbolically fitting" settings such as in the furnishing of holiday homes or elderly housing. In this sense, this case illustrates a combination of symbolic resources from several sources: designer, manufacturer, retailer or other type of business customer.

The bed case provides examples of one product that is branded by a retailer, but otherwise developed in interaction, and another product, where an existing brand has been transferred from another market, and adapted for a domestic retailer. Both these cases are rich in interaction, implying that even though the retailer might imprint the presentation of the product towards consumers most strongly, the resources also further upstream in the network have their influence through the underlying relationships in which products and their presentations are interactively managed.

Proposition 3*: Resources can be symbolically path dependent and inert*

Håkansson et al (2009: 70) proposed that *"a resource changes and develops characteristic over time."* As an elaboration of this proposition, we claim that the path-dependencies that accumulate inertia in resources can also concern the resource's symbolic features. Conceptually, also the notion of image heritage (Rindell 2013) addresses a similar tendency. The role of resource history is illustrated in an exceptional way by the Korhonen case and discussed in depth in Essay 3, but also the other empirical cases provided support for the role of prior symbolic resource developments, for subsequent symbolic resource management efforts. An aspect worth highlighting regarding the role of prior resource investments, is that this creates both possibilities and restrictions (Håkansson et al 2009: 70). Investments in brand building or a reputation of designer collaborations can later provide new possibilities and advantages in the form of e.g. reference value or a strengthened corporate identity and image. At the same time, it can limit the available options to engage in other types of symbolic resource combinations. However, in Essay 3 (Norrgrann & Luokkanen-Rabetino 2011) we discussed also the positive effects of such lock-in, and mental and competitive inertia (Dickson 1992; Miller & Chen 1994). Inertia relates not only to the inability to change, but it can be a question of deliberate unwillingness to do break from path-

dependencies; to stabilise product offerings and enable a firm to strategically concentrate on what it does best, thereby also strengthening its core identity.

8.3.1.3 *Governance and the management of symbolic resources*

In the analysis of our cases, we also wanted to examine the type of interaction and mechanisms behind the management of product. At this level, the following conclusion can be drawn:

Proposition 4: *The underlying the governance mechanism influences how symbolic resources are used and managed.*

In the cases, we could identify both close forms of interaction and co-operation, defined by the informants as partnerships, and more loose, market-like relationships between manufacturer and customer; complexity of interaction seeming generally to work as a mechanism to create coherence in the symbolic presentation of the products, and an increased mutual commitment to regarding the product as a value providing resource of mutual interest to the parties.

In cases of close co-operation and interaction, the joint resource presents itself in a fairy coherent manner from one retail setting to another, while if the degree of product management and control is lesser, the symbolic characteristics remain more varied; at best usable in new, flexible ways (e.g. adapting well to individual selling situations), but with the inherent risk of 'losing' meanings on the way. The way that retail chains in themselves were governed, also appeared, in our interpretation, to influence the way in which symbols and meanings are produced, connected and utilised. A higher degree of chain management and control implied that the contact surfaces to consumers provided by the individual stores of a chain were more uniform and recognizable, and similar to one another regarding symbolic retail resources such as other products and marketing communications. This constitutes managerially a more stable and predictable context for the product to become embedded into, compared to a chain that is more loosely connected, where the different stores control the "stagesetting" of the product more individually. It is hardly unexpected that a variation in these selling contexts, with differing store sizes, locations, product assortments, marketing strategies etc. provides rather varying resource contexts for the focal product both when it comes to symbolic alignment and economic performance.

The cases of products that were symbolically imprinted further upstream (Junet and Korhonen) than through interaction with the customer, demonstrated resource management and utilisation of symbolic imprints through a process of match-seeking between the existing, and new potential uses for those resources. The

Junet case provides an illustration of a tendency to strive from more of a market mechanism towards strategically significant relationships. This is also coupled with the aim to find customers where the already established symbolic resources of the firm (brand, product aesthetics and symbolism) would fit and be useful.

Korhonen's Artek relationship, on the other hand, shows an example of a governance mechanism that could be characterised as a kind of a symbiosis between manufacturer and retailer, the firms functioning much alike the production and marketing departments of a single firm. As an epilogue to the case study, it can be mentioned that in a press release from 31. January 2014, Artek announced that it has acquired Korhonen's furniture production '*to ensure the continuity and further development of Aalto products*' (Artek 2014), sealing the long-lasting and close co-operation into full integration.

8.3.2   *Types of symbolic resources in furniture networks*

Conceptually, the empirical cases and the supporting conceptual tools have brought forth particularly the following three important symbolic aspects of resources: design, brands, and value propositions. In the next, we will discuss the ways in which these manifest themselves.

8.3.2.1   *Design as a symbolic resource*

In a product category such as furniture, the meanings that consumers attach to products often relate to product appearance and aesthetic properties. For instance according to Csikszentmihalyi & Rochberg-Halton's (1981) work on meanings related to the most cherished objects in the home, *style* accounted for 12 % of the reasons why a piece of furniture was considered a special and meaningful object in a consumer's home environment, i.e. the context of final use.

In this study, the cases of Junet and Korhonen provide good illustrations of the ways in which design is used as a symbolic resource. The products of these firms are profiled and marketed more or less as design objects, illustrated by e.g. the emphasis on the designer persona in communication, and in the choice to handle distribution through a retailer that has clearly profiled itself as a design brand reseller. In this retail context, other design products and brands become connected with the focal design products, influencing the perceptions of them. In an analogous way to how IMP has dealt with the influence of actor bonds on the identity of a specific actor (Ford et al. 2003), also resource identities are affected by other resources in their context. Other, strong design brands in the same store, or the

design-intensive corporate identity of the retailer, are examples of such effects in the cases of this thesis.

When a resource interaction perspective is applied to the dimension of design, we can also see that design is not only a feature that is added to the product by a designer, but that this imprint is something that can be utilised and economized on as a form of image heritage (see Rindell 2013) manifested in the business unit through experiences, learning, corporate identity or even strategic orientation. The usefulness of this symbolically embedded resource became "exposed" through what could conceptually be referred to as secondary and tertiary combining of resources (Gadde & Håkansson 2008) in new ventures, involving new business relationship and new products, which our longitudinal cases were able to demonstrate.

Drawing on the conclusions from our empirical material, "design-as-symbolic resource" can take different forms of manifestations when it comes to the origin of this symbolic content. Design as a resource can concern highly "given" products, that are so strongly imbued with symbolic meaning from the designer, that it receives fewer imprints from other resources downstream in its selling context. In other instances, product appearances are influenced by a broader varity of actors related to production or marketing, and their resource restrictions and possibilities regarding for instance facilities. Even consumers can participate in the design process through customisation of product appearance and style within a certain scope of alternatives, e.g. being able to affect the size dimensions, colour or material choices of the piece of furniture. Also retail actors may have a co-creating role in design, as all of the studied cased showed, from very concretely interactive negotiation around specific product features, to provision of more general ideas and impulses for product development.

8.3.2.2   *Brands and communication as symbolic resources*

The importance of symbols, signs and other metaphors is firmly established in consumer marketing literature (Levy 1959; Levitt 1981; Solomon 1983; McCracken 1990; Venkatesh, Peñaloza & Firat 2006). In our empirical material, we could particularly see signs and meanings imbued into brands and marketing communications as symbolic resources that the business actors provide, connect and co-create in interaction. These symbolic resources can then be used as representations of the resource's possibilities for the consumer. Brands are embedded resources in the sense that their properties are influenced by those in the network, and brands are also used by network actors for their own strategic purposes, as we illustrated in Essay 1. Furthermore, apart from perceiving brands as entities, or for instance dimensions of a focal product, they can also be regarded as *processes*

(Brodie 2009). Such a perspective 'opens up' the concept to a more interactive view, of the symbolic content of the brand being developed with inputs from the different actors connected to it. Brands also symbolize meanings to any network actor, not only to the final user. Within branding literature, there has recently been an increased interest in understading brands more from such an interacted view-point. The so-called multiple-stakeholder perspective (Merz, He & Vargo 2009; Kornum & Mühlbacher 2013; Vallaster & von Wallpach 2013) differs from the more traditional one-directional, managerial or the primarily consumer-focused approaches by viewing brands as co-created in the interactions between different stakeholders, providing value not only for end customers but also in other market-ing relationships.

The Junet case (Esssay 4) provided a particular illustration of how strongly the brand and its positioning can be influenced by developments and interaction in customer relationships: brand management being a network level issue rather than something the brand governor builds and strategizes about independently. Brands are, in the light of our findings, not "given" entities that are provided for consum-ers, but heterogeneous resources that can be interactively developed. In the same manner, also marketing communication resources, which might be categorised as facilities according to the 4R model, were in our empirical material resources that were to a large extent subject for interaction between network actors. In the same vein, the ultimate presentation of a focal resource can be seen as a result of sym-bolic resource combining, in terms of other communicative elements surrounding the product and influencing its interpretations, from manufacturer's corporate image and communications materials, combined with the chain's or individual store's various promotional resources, store environment, design, layout and other atmospheric elements (c.f. Turley & Chebat 2002; Davies & Ward 2005), as well as communication conveyed in personal selling and service encounters.

8.3.2.3 *Value propositions as symbolic resources*

A third form of symbolic embeddedness we would like to draw attention to, is perhaps the most interactive in nature, compared to designs and brands. That is, the development of the value proposition to be offered further on to consumers, for their resource combining activities and the creation of value-in-use (see Grön-roos 2008). Manufacturers and retail actors in our cases co-operate in develop-ment processes directed at managing the product in such a way, that it corre-sponds to the envisaged final use of the product, in CCT terms, the goals and life projects that the product is a resource for. Examples in the empirical material of product characteristics with such projections into the consumer sphere are for instance eco-friendliness, allergy-friendliness, cosiness or domesticness. In the

development of such symbolic resources that potential consumers can then use in their everyday lifes in their quest for e.g. an ecologically sound life, it was notable how this value proposing process was indeed an interacted effort. In some of the cases, it took the form of interactive development between manufacturer and retail actors in adaptation of physical product properties, or joint development of marketing tactics. In the retail context, an important way in which the focal products value proposition was negotiated because of network embeddedness, was through *positioning*. This was particularly visible in the bed case and the Junet case; the close interaction with customer implied adaptive efforts to make the product and its value proposition 'fit in' with the retailer's assortment of other brands, implying changes in the focal products regarding e.g. price, product names and other imagery, to justify the particular product's usefulness in relation the other products/value propositions in the context.

8.3.3   Symbolic embeddedness and the contexts of supplying, retailing and consumption

In the introduction of the thesis, we formulated the purpose of the study as to gain an understanding of symbolic embeddedness of products, and more specifically, how symbolic embeddedness manifests itself in different contexts in the selling system.

Next, we will provide a discussion related to these contexts that a product is managed through: the supplier context, the distribution and retail context and the consumer context, and relate the contributions of the conceptual approaches of IMP / 4R, S-D L and CCT to them.

Figure 9 offers a visualisation of a focal product's symbolic embeddedness in the different resource contexts, through which it is managed on its way from manufacturing towards the final user. These contexts are here separated into fairly rough analytical categories: the supply resource context, which can be understood in a broad sense as consisting of a resource network of interconnected resource items both within the manufacturing firm and outside it. At this level, a focal resource – in our case, product– can be understood through the business network-based 4R framework as a resource that embedded into the context of other resources that affect its development and use. It receives symbolic properties as an effect of these interfaces, and correspondingly affects other resources that it is connected to also on a symbolic level. The two different "layers" of the focal product refer to the distinction that was made in the theoretical framework (section 2.5.3) between the image level and activated level of resources. This means that the surrounding resources in this context affect the focal product both regard-

ing its actual/physical characteristics (in a similar manner as technological embeddedness would), but also its symbolic characteristics on the image level. For instance the effect of a manufacturer's corporate image (a symbolic dimension of a business unit (BU) - resource) on the product's image (symbolic dimension of a product (P) resource) can be seen as a *symbolic interface*, i.e. a connection between the image dimensions of two resources.
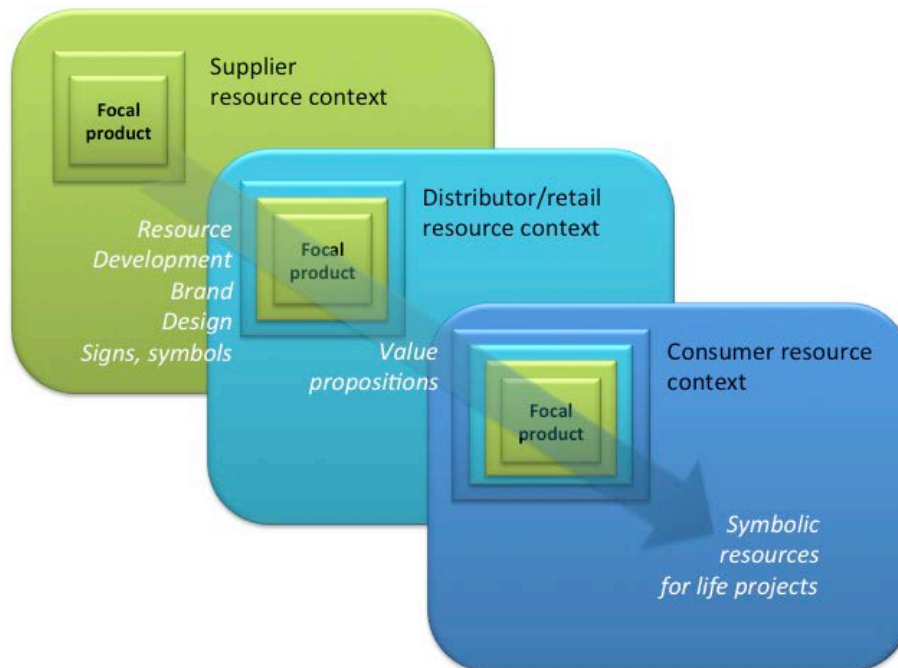
Figure 9.   Symbolic embeddedness in different resource contexts

The supplier resource context is here depicted as a rough and simplified visualisation. In reality, the various resources in this context are, like we mentioned, located within a broader and more complex network, not only limited to the manufacturing business unit. In the empirical cases of the thesis, resources of e.g. partner firms, suppliers, marketing agencies and other significant partners on the business-to-business level form the resource context, which the focal product becomes symbolically imprinted by.

The next broadly defined resource context is the distribution/retail sphere, which can include actors of different type, ranging from individual project customers to extensive distribution networks of retail chains with numerous stores. When the product moves from the supplier context to the distributor/retailer context, it faces new types of resources and new business logics that steer their management and use. Ford et al. (2003: 134) highlight the roles of distribution intermediaries in providing positional resources, i.e. connecting the networks of customers and suppliers, technological resources, which relate to the practical and logistical pro-

cesses. In addition to these, we suggested in Essays 1 and 2 that intermediaries also have a role in providing symbolic resources that interact with the focal product. On one hand, the resources of the retailer, that can be divided into the 4R framework's resource types – other products or business unit characteristics, for instance, can be seen from an image perspective, like in the supply context. The perceptions of other products in a retailer's assortment or the atmosphere experienced when shopping in their facilities connect create symbolic imprints on the focal product.

The 4R tool could thus be used to pinpoint also symbolic interfaces between the focal product and other resources in this context. However, the retail context was found to provide resources also of a type that was not covered in the IMP –based resource conceptualisations, that is, resources for the consumer. In following this lead, we came to broaden our theoretical horizon. Within CCT, Arnould (2005) had also discussed the resources of retailers, however from the perspective of how they function as resource purveyors, packaging cultural resources into a retail mix, through which the retailer could provide cultural resources related to consumers' economic goals (e.g. using pricing as a signal for consumer thriftiness), or providing utopian, ludic or temporal resources through managing the servicescape. Seen from the consumer research perspective (Arnould 2005; Solomon 1983) the retail context is full of symbolic meanings, and the products in it symbolic communication tools.

At the point when the focal product is entering the distribution/retail context and becoming assessed as a resource in it by its intermediate users, the symbolic resource dimension becomes increasingly relevant. In this sense, we *contribute to the prior 4R research by bringing the framework more clearly into the domain of marketing*. The focal product, imbued with traces of its resource interfaces from the supply context, is in the customer context regarded also concerning its symbolic resource features. It carries certain characteristics that are results of resource development upstream, which can be symbolically utilised in this selling/marketing context. Even concrete features like materials or processes, can be symbolically utilised in e.g. sales argumentation or other marketing communication. That is, the intermediaries convey and often ultimately control the presentation of the product further on downstream. As we discussed in the precious section, the strength of the relationship mechanism between supplier and the distribution/retail actors affects the extent to which the product's presentation is more jointly and interactively managed, or whether the retail actors exert more own control over the symbolic resource aspects that are conveyed towards consumers. Whether the brand, design or other communicative elements of the focal product are symbolic resources that originate in the supplier sphere, the retail sphere, or

the interaction between them, is partly linked to the closeness of the relationships between supplier and intermediate customer.

When it comes to the focal product's interfaces with the variety of resources in the retail context, we mentioned that the 4R analytical tool is helpful in pinpointing effects of specific interfaces, and that CCT offers additional contribution by addressing the symbolic meanings in the context and the way they can provide cultural, symbolic resources for consumers. Moreover, the theoretical input from S-D L helps us better address the connection of the focal resource with the customer. The S-D L addresses, in a similar manner as IMP, resources as interesting from an interaction and combination point of view. They however have a stronger focus on *integration* of resources to a combination that is valuable for the customer. We find particularly the notion of *value proposition* useful. In figure 9, we have placed this term in the intersection between the retail and the consumer spheres, illustrating the integration of firm-provided resources, including the imprints on the product from various business actors up to this point into a concrete and symbolic presentation of the offering to consumers. At this point, the focus shifts increasingly from understanding resource embeddedness to understanding resource value. S-D L moreover makes a distinction between operand and operant resources. What is interesting from our perspective is the operant category; intangible resources that provide effects and services. This is closely related to our idea of resources s*ymbolising* their potential usefulness.

As the product, imprinted with symbolic traces now also from the distribution and retail context, enters the consumer sphere (see figure 9) it becomes once again connected with new resources. These resource combinations ultimately determine the product's ability to realize its value proposition. In the consumer sphere, consumers use symbolic resources provided and mediated by the market to provide symbolic services for their own life projects and goals (Arnould 2007). According to the CCT's view of consumers as active and empowered, even they can still transform the symbolic meanings in products, brands, retail environments or communications to their own personal or social circumstances (Arnould 2007; Arnould & Thompson 2004). How the products manage to either convey the meanings and value propositions co-created by network actors, or provide consumers with such symbolic resources that they find it a useful cultural resource, is what ultimately determines the value of the product.

8.4   A note on managing the symbolically embedded product

Referring to the summary of the essays and their conclusions, a common theme that they all raise, is role of relationships for managing products and their symbolic representations.

The bed manufacturer case draws attention to interaction within existing relationships, and highlights the importance of close actors bonds as a prerequisite for an efficient management of products, for the product to function as value-providing resource across the network. Joint resource management of symbolic resource dimensions can imply interaction around for instance agreements on product features, pricing, positioning and sales argumentation, to ensure that the product meets the needs of intermediate and final user needs. A close relationship mechanism can contribute to a better awareness and understanding of the interfaces, restrictions and possibilities of resource use in the spheres outside that of a specific actor, thereby increasing the possibility of developing resources that provide a better match with the resources and uses in contexts, where the actor exerts less direct control and has a more limited awareness of.

Managing the product's interfaces with other products in the manufacturing, distribution and retail contexts, involves the management of complementarities. By that, we mean adjusting and balancing product features against other (competing or supporting) products in the specific context, and the images of them. The empirical cases provided examples of situations where the manufacturer/brand governor made both concrete and symbolic/communicative product adaptations in the form of product renaming, changed design, use of new types of imagery, appeals, textual descriptions, slogans and other means of communication, in order to realign the offering to better match with strategically selected customer contexts. We see the importance of the interaction mechanism in such as setting as significant for enabling a sufficient understanding of the producing/creating, the selling, and the using contexts that the product is embedded in.

In a similar manner, the product's interfaces with symbolic facilities, such as marketing materials, atmospheric cues in the retail environment and other tools to facilitate selling, need to align for the purpose to provide or mediate a desired value proposition. This applies also more generally to product perceptions and knowledge: the actor's views on what is significant and valuable, and thus desirable to communicate, about the product. In a study of product meanings among different members of a marketing channel Lautamäki (2000: 171) examined the connections between the economic performance of products and the degree to

which the different members' product knowledge was shared or overlapping: assuming, based on previous research, that the more meanings different channel members share, the better product performance. Lautamäki's (2000) results showed a difference in the quality of meanings attached to products that sold well vs. less well. Even though meanings assigned to products were strongly influenced by the member role (as manufacturer, retailer or designer), particularly in economically successful products, there was a clearer overlap in the meanings and a shared understanding of the product.

Our findings did not explicitly aim to assess the economic successfulness of the case products, but the study did include a comparative setting between a customer relationships with highly managed and shared meanings across distribution actors, with a relationship where meanings were less steered by chain management and thus more heterogeneous. Even though the advantages of a coherent image throughout the marketing channel are evident against the viewpoints and objectives of integrated marketing communication (c.f. Kitchen & De Pelsmacker 2004) of message consistency and complementarity across channels and shared meanings contributing to a common understanding between marketing channel actors (Lautamäki 2000:189). However, even heterogeneity in meanings may have positive effects, for instance for product innovation (Lautamäki 2000: 205).

Based on our empirical findings, it can be stated that in instances when the focal resource and its symbolic presentation is less controlled by hierarchical (chain management) or close relationship mechanisms, e.g. through sales argumentation at sales encounters, the product is, figuratively speaking, "left to its own devices", open for reinterpretation in connection to the heterogeneous resources it becomes connect with. At best, this can allow new, significant context-specifically adapted meanings to emerge, which were even unforeseeable at previous resource management levels. A case in point this is meanings related to product colour of one of the case products; the "blue-and-whiteness" of the product received a particular significance in the Finnish retail context as a symbolic consumer resource related to preference for domestic production. As the product concept was originally developed by a Swedish company for other markets, this feature only received its particular meaning once coupled to this specific sales context. The other side of the coin of this openness of the value proposition is that resource characteristics that actors have invested efforts in developing, may remain under- or unutilised when the sufficient interaction does not take place to communicate of such resource combination possibilities.

The longitudinal cases of the thesis exposed how products symbolically embedded in existing customer relationship contexts are challenged when the firm seeks

new ventures in the form of new products and customers. In such a setting, the firm may be experiencing inertia and lock-in, finding it challenging to break from the resource investments into ventures requiring new types of resource combinations and investments. Our cases however highlight not only the negative, restricting aspects of resource path dependencies (in the form of primary resource combinations in Gadde & Håkansson's (2008) terms), but also the possibilities provided by such interdependence, not least when it comes to the symbolic level. For instance, facility structures, production capacity, knowledge, corporate identity and brand symbolism, that could be seen as a result from a previous primary resource combination, were aspects the case firms managed to utilise in new ways in new relationships, either symbolically, economically or technically. Managerially, this draws attention to for instance the advantages in sustaining and nurturing a coherent corporate or brand identity linked to certain symbolic and/or activated resources, such as high quality production competence, use of ecological materials or a reputation as a "high design" actor, to name a few of the empirical examples. Such symbolic and communicative resources, which are rooted in actual resource investments, can form a credible foundation for relating to new customers through new products in parallel or future relationships.

Managing the symbolic interfaces between a focal product and the social resource entities, business units and business relationships, relates to questions such as utilising brands and images, identities, reputations and connections that the business units and relationships in the resource context can provide. Also along these interfaces, the findings of the study pinpointed the advantages of close relationships. For instance keeping marketing actors and e.g. sales staff well-informed and knowledgeable about the products and engaging them to sell through sales promotion activities directed at retailers, can function as a way to increase the strength of the business relationship and the bonds between actors in the business units. The empirical results showed clearly the role of the sales person as a gatekeeper for if and how the product actually meets the customer in the retail context and provides her/him value. The symbolic interface of what is communicated and how in this interface, represents a critical point for resource management.

8.5   Limitations and avenues for further research

In this study, we have introduced the notion of *symbolic embeddedness* and illuminated some of its characteristics and forms of expression, based on three case studies. The delimitations we have made regarding types of unit of analysis (focal

resource item and type of products), and the nature, depth and extent of the empirical material gathered, affect the conclusions that can be drawn. In the next, we present some directions that future studies could examine closer than what was done within the scope of this thesis.

When it comes to the empirical choices, a shortcoming of the Junet and Korhonen cases is their focal actor focus. Even if our analytical interest was on the relationscape (Strandvik & Törnroos 1997) the cases still represent the voice of only one relationship counterpart. These two cases were, nevertheless, longitudinal studies, which enabled an identification of relationship dynamics, but extending these cases empirically to comprise the viewpoints of customers, to a dyadic or network setting, would be have enriched the findings through a stronger representation of the customer perspective and the contact surfaces with consumers.

The bed manufacturer case depicts a very broad network, making it challenging to cover empirically to ensure sufficient depth and extent. Also in this case, the resources and activities in the retail environment and the management of the interface with the consumer could have received more emphasis, and to cover these aspects more in this case, could be an avenue for further empirical effort.

For an increased understanding of the concept of this thesis, symbolic embeddedness, we suggest that subsequent work could be carried out in new types of empirical settings than the one studied in this thesis, in order to build a more multifaceted understanding of the characteristics and forms of expression of this concept. In this study, we have highlighted specifically three dimensions of symbolic resources, when the focal resource is a product: design, brands and communication, and the value proposition. These dimensions could be explored in more depth in future studies.

In this thesis, we have used the 4R framework from the IMP field and complemented it with perspectives and selected concepts from the service dominant logic of marketing and consumer culture theory, as the focus of the study has been geared toward the selling, rather than producing part of the network. The intersections between these theoretical approaches offer still many possibilities for further investigation and cross-fertilization, that could be addressed in future studies. For example a closer examination of interfaces in the selling context, concerning role of different actors, such as sales staff, might be an interesting avenue to explore in future research.

In all, in this study, we took a point of departure in resources of a focal firm and its (business) customers and stretched the perspective *toward* the consumer sphere. The intersections between firm-provided symbolic resources and the re-

sources of the customer, and the process of combining them for creation of value for customers is a further, interesting topic, where the focus would be more *in* the consumer/customer sphere and thus perhaps more suitably positioned within the domain of S-DL/CCT. If the resource interface framework would take in consumers as actors, and study the consumption context in more empirical detail, we could also gain new understanding of the types of symbolic interfaces. The possibility of extending the area of application of the 4R framework to be used as an analytical tool for understanding how different firm-provided resources interact with *consumers' resources*, could also be a potential future task. Could even consumer resources be categorised into the four types of resource entities? For instance, with furniture as a focal product, an investigation of its symbolic embeddedness to the resource structure of consumption might involve examining interactions with other *products* such as other pieces of furniture, objects and décor elements; the *facilities* might be framed as elements in the space (home, or other environment of use) that serve a specific function or purpose. The business unit resource type could perhaps be translated into *consuming unit*, involving e.g. the economic resources as well as knowledge and competence that are needed for the combining and utilising operant resources. Business relationships as the final resource type could in a consumer context be seen as the *social relationships and contexts* where meanings are culturally produced and used. Future studies could explore if such a categorisation is plausible in the consumer sphere, which would in fact increasingly deepen the connections between IMP (resource embeddedness), S-D L (integrated, operant resources) and CCT (culturally produced meanings).

Another similar conceptual intersection worth exploring could also be to consider the linkages between business network, actor-network (ANT) and CCT angles in the understanding of the relationships between the actor and resource layers, the roles that products and other objects play, and the formation of symbolic value for consumers. If the aforementioned 4R categorisation were applied to consumer resources, the distinction between a product and a facility might need additional clarification: when is a product a product, and when does it perform some sort of facilitating services? Here, exploring the notion of object *agency* might be useful as a concept in addressing this distinction.

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APPENDICES

Appendix 1a   List of interviews in the bed manufacturer case

Interviews marked with * provided sources of **observational data** from company premises (e.g. production and storage, physical products, store appearance). Unless indicated otherwise, all interviews were personal interviews.

Managing director (LW), Case firm, 5.4.2002

Managing director (LW), Case firm 18.3.2003 *

Key account manager (SK), Case firm, 9.5.2003

Key account manager (JJ) Case firm 22.4.2003

Product manager (LK) Retail chain A, head office, 14.5.2003

Area manager, product manager at time of product launch (RJ) Retail chain A, head office, 5.8.2003

Product manager (TL), Retail chain B, head office, 16.6.2003

Production manager (JH) Case firm, 9.5.2003*

Purchasing manager (NB), Case firm, 22.4.2003

Marketing and product development manager (OC) Sister company, 8.12. 2003 (telephone interview)

Store manager (HS), Store of retail chain B, Pirkkala, 5.11.2004*

Sales person (AP), Store of retail chain B, Jyväskylä, 10.11.04*

Store owner/manager (JR), Store of retail chain B, Jyväskylä, 10.11.2004*

Store owner/manager (YN), Store of retail chain B, Vaasa, 19.10.2004*

Store owner/manager (MM), Store of retail chain B, Jakobstad, 16.6.2005*

Store owner/manager (MN), Store of retail chain B, Kristinestad, 17.6.2005*

Appendix 1b   Example of interview themes, key account managers, bed manufacturer case

0. BACKGROUND OF THE INFORMANT

Job description / area of responsibility, (previous) experience
Products and customers that the informant works with

1. PRODUCT CHARACTERISTICS

What does the collection consist of?
What are its most important characteristics? Strengths?

2. PRODUCT DESIGN AND DEVELOPMENT

Description of the product development process?
What is the role/contribution of the parties involved in the process?
Forms of interaction, benefits and problems in co-operation?
Most important knowledge/competencies behind the product?

3. SALES ENVIRONMENT AND MARKETING ACTIVITIES

The key account retail chain as a sales context?
As a co-operation partner?
What do you want to communicate about the product to consumers, and how?

Appendix 1c   Interview themes for retailer interviews, bed manufacturer case

1. Product characteristics (from the retailer's perspective)

- Strengths/weaknesses of the collection (valuable/problematic issues)?
- What makes this a product that you wanted to include into your assortment? (is it "your kind of a product")
- What other brands do you sell in this category? The case collection in relation to them?
- The present collection in relation to the prior one from the supplier?
- In which direction do you think the collection should be developed?

2. Customers

- What kind of customers (segments) buy this?
- Which features do you want to highlight to customers about this collection, what kind of argumentation do you use?
    - Geographical origin
    - Brand
    - Physical / physically experienced features (quality, comfort)
    - Appearance
    - Value for money
    - Usability (washable, allergy friendly..)

- What is important to them when buying a bed?
- Does sales argumentation differ between customer segments?
- Feedback from customers?
- Sales volumes (in relation to other brands in the product group)?

3. Sales process / customer service

- Customers' prior knowledge of the product?
- Personal selling – how does it proceed, how much service is needed (e.g. compared to other products)
- What kind of information does the customer receive in the sales encounter?
- What is it like to sell this product compared to others?

4. Advertising / promotion

- What kind (media, content, by whom)?
- How often?
- Manufacturer's support?
- Product display?

5. Relationship with the manufacturer

- How would you characterise the supplier and your relationship with them?
- What kind of interaction; around what issues, how often, with whom?
  - Product education
  - Complaint handling
  - Product development ideas

Appendix 2a   Mystery shopping, background information

Visits to stores of retailer A (6)

Time	Observer description
18.2.05 (Friday afternoon)	2 women, age 20's
24.2.05 (Thursday early afternoon)	2 women, age 21 and 24
4.3.05 (Friday early afternoon)	2 men, age 23
5.3.05 (Saturday noon)	Man, age 24
5.3.05 (Saturday early afternoon)	Couple, age 21 and 25
8.3.05 (Tuesday early afternoon)	Woman, age 28

Visits to stores of retailer B (6)

Time	Observer description
25.2.05 (Friday morning)	Woman, age 23
26.2.05 (Saturday afternoon)	Woman, age 23
4.3.05 (Friday noon)	2 women, age 24
7.3.05 (Monday morning)	Couple, age 29
7.3.05 (Monday afternoon)	Man, age 48
15.4.05 (Friday morning)	Woman, age 22

The mystery shoppers were university students with marketing as major or minor subject, participating in the course "The symbolic character of consumption". A few had recently bought, or were currently looking for a similar product for real.

Appendix 2b   Mystery shopping briefing and recall form

Mystery shopping assignment: Buying a bed/mattress

Aim of the assigment:	To clarify which product characteristics are trasmitted to the consumer and how?
The fictive need:	A reasonably priced quality bed that feels good
Product:	A box mattress or spring mattress
Place of purchase:	A store belonging to furniture chain A or B

The observation situation:

Before your visit to the store, familiarize yourself with the themes mentioned in the recall form and try to pay attention to these issues during your visit. Think beforehand about your own, fictive needs and preferences, e.g. in what kind of a space you would place the product, how much you would be prepared to pay, what kind of durability requirements you would have etc. Go to the store as if you were a regular customer interested in buying a bed/mattress. The goal is to let the sales situation advance up to the point where you would actually be prepared to make a purchasing decision. Try to let the sales person demonstrate different alteratives and product features spontaneously, but when needed, ask questions of issues you think are relevant for the situation.

For instance:

- Different product alternatives within the focal collection (″How does this differ from that″) or other brands (″What about this?″)
- Origin of the product?
- Price?
- Delivery time?

In gereral, try to be as natural and neutral as possible.

Write down your observations as soon as possible after the visit; but not while still in the store.

Recall form (fill in afterwards, not in the store)

Background information:

Name and age of mystery shopper(s):

_____

Place and time of observation (date, time of day):

_____

The sales situation:

How quickly were you attended to?

_____

How did the sales person find out what you wanted and were interested in?

_____

_____

What kind of background information did you give of yourself/ yourselves and the use environment of the potential purchase in the service encounter?

_____

_____

_____

_____

Did the sales person encourage you to test the products?

_____

_____

Did the sales person actively offer/promote a certain alternative? Which product(s)_____

_____

_____

What kind of argumentation and appeals did the sales person use?

a)   About the case product

_____

_____

_____

_____

_____

_____

b)   About other products_____

_____

_____

_____

What kind of product information did the sales person provide you with? (springs, softness/hardness, care instructions etc.…)

_____

_____

_____

_____

_____

Did the sales person demonstrate any additional products? (mattress pads, mattres protectors, head boards, nightstands

_____

_____

_____

Other observations from the sales/service situation?

_____

_____

_____

_____

_____

_____

_____

Observations and impressions from the retail environment:

a) as a whole?

_____

_____

_____

b) of the bed/mattress section of the store_____

_____

_____

The display of the focal product _____

_____

_____

_____

The environment/atmosphere for testing the products? _____

_____

_____

_____

How visible or distinguishable were brands in the retail environment?

_____

_____

_____

_____

Other observations or comments?

_____

_____

_____

_____

_____

In addition:

- How did the sales process advance?

What kind of factors did you need to ask the sales person, that he/she did not tell you about spontaneously?

Appendix 3a   List of interviews, the Korhonen case

Managing director Jukka Korhonen 20.5.2005 (personal interview, facility visit)

Managing director Jukka Korhonen 2000 (structured telephone interview)

Managing director Jukka Korhonen 1995 (structured telephone interview)

Managing director Jukka Korhonen 1993 (structured telephone interview)

Managing director Jukka Korhonen 1990 (structured telephone interview)

Managing director Jukka Korhonen 1986 (structured telephone interview)

Appendix 3b   Personal interview themes (Korhonen)

Example 4. Korhonen / Jukka Korhonen interview 20.5.2005

- Basic company information update: changes in turnover, amount and type of personnel, designers used?

- The Artek relationship
  - How has it influenced the firm (competence, investments, role, image)?
  - The content of this relationship, type of interaction?
  - Particular events or phases, challenges in that relationship?
  - Artek products vs other products Korhonen makes?

- Project sales
  - type of customers?
  - relative significance?
  - how are new projects initiated?

- Subcontracting relationships
  - What/for whom, when?
  - Why?

- Own products
  - What kind of development processes behind them?
  - Resellers? Exports?
  - Nature of the own products?

- Korhonen
  - Competencies, technologies (links with partners)?
  - Strategic orientation (production, product development, marketing, design?)

Appendix 4a   List of interviews, the Junet case

Interviews marked with * provided sources of **observational data** from company premises (e.g. production and storage, physical products, display). Unless indicated otherwise, all interviews were personal interviews.

Managing director Jari Hakola, Junet, 18.10.1999 *

Managing director Jari Hakola, Junet, 16.3.2000

Shop owner Maarit Kiiskinen, Stelliina, Turku (reseller), 17.11.2000 (telephone interview)

Brand consultant Maarit Kallio Contium Oy (brand agency), 20.11.2009

Managing director Jari Hakola,. Junet, 24.8.2010 *

Managing director Jari Hakola, Junet, 9.10.2012

Managing director Minja Kivinen, Junet, 23.1.2013

Managing director Minja Kivinen, Junet, 27.2.2014

Appendix 4b   Example of interview themes (Junet)

Junet/Jari Hakola interview 24.8.2010, 10 am

JUNET's BUSINESS RELATIONSHIPS
- Concentration in teh distribution network; what has happened? Why? What has been learned?
- Partner firms: any changes in their roles, commitment?
- Other supplier or other relationships, whhose importance has changed
- Developments in the business environment, competition?

VEPSÄLÄINEN
- Significance of the relationship? (How is Junet and its products valuable for Vepsäläjnen , and vice versa)
- What kind of interaction in practice, around what issues, how closely?
- Role in new product development?

END CUSTOMER
- Different profiles (e.g. what kind of homes do the products end up in), what kind of customer information about them, how?
- What does a piece of Junet furniture give the consumer (how is it valuable for them?)

THE JUNET - BRAND
- What does the Junet brand stand for; why, what is it not
  - Which features are important in it, what do you want to emphasise and bring forth?
- Junet's development as a brand
  - Concrete product changes, communicative changes?
- Relation between single product items and the brand as a whole (continuum)
- Actors behind the brabd, their relationship with it – what kind of contribution do different actors bring?
  - designers
  - owners/partners
  - Contium
  - others?

- How do you communicate the brand; means and channels of communication, appeals, division of responsibilities between the actors involved
  - What do you want to say with the chosen visual and verbal imagery?