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Exactly How Do Resources 'Become'?: An Investigation Into The Antecedents Of Resource Integration

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The aim of the paper:

It is fundamental to Service-Dominant (S-D) Logic that “resources are not; they become” (Zimmermann 1933, p3; Chandler & Vargo, 2011; Luch & Vargo, 2014; Peters et al. 2014). This paper responds to Peters et al’s call for “further work on the theory of resource integration” by examining its antecedents. Specifically, we look at the role agency plays in the appraisal of and action upon potential resources which transforms them into realised resources (Lusch & Vargo, 2014).

Background

According to Service-Dominant Logic, value co-creation occurs as a result of resource integration. Peters et al. (2014) described resource integrators as actors with agency (having the ability to make decisions) using operant resources (knowledge and skills) to act on operand resources (such as objects) in the resource-integration process. The view resources as being “highly dynamic functional concepts; that is, *they are not, they become*” (Zimmermann, 1951: 814–815 as quoted in Peters et al., 2014, emphasis in original). It is clear that actors with agency integrate resources once they have “become”. However the focus of S-D Logic has been on resource integration and not the prior “becoming” of resources. Lusch & Vargo (2014) refer to “appraisal and action, which then transforms potential resources into realised resources” but it is unclear by what process this occurs.

Methodology and findings: This is a conceptual paper.

Discussion

Terms like “resourceness” and “realized resources” (Luch & Vargo, 2014) don’t fit naturally into existing S-D Logic lexicon. We propose other words can be used which are more appropriate and support a clarification of what is actually going on. We introduce the term ‘asset’ to mean a potential resource that the resource integrator has access rights to, but has not yet “become” a resource.

We propose that the agency of the resource integrator is applied at three stages in the process:

Stage 1: The appraisal and acceptance of the value proposition of a potential asset, at which point it becomes an asset

Stage 2: Further appraisal and, if necessary, action upon the asset in preparation for integration

Stage 3: The integration of the asset as a resource with other resources.

Conclusion

We have attempted to clarify the process by which value propositions become resources through the application of agency prior to resource integration. We recognise that this is just one point of view and hope to provoke discussion around this topic.