

## Value co-creation through resource integration: The Role of the ‘Institutional Solution Space’

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**Purpose** – Introducing the concept of the *institutional solution space*; offering a deepened understanding of how institutional dimensions (i.e., rules, norms, and cultural-cognitive aspects) both enable and delimit the potential value co-creation of solutions (through resource integration) in service ecosystems.

**Design approach** –Synthesizing extant service-dominant (S-D) logic literature with innovation literature, elaborating the conceptualization of the institutional solution space. The institutional solution space is contextualized by two case studies (of distinctively different contexts). This illustrates the impact the three institutional dimensions regarding the role of actors and the resource integrating activities, constituting value co-creation in markets-as-service ecosystems.

**Findings** – The institutional solution space is, partly, related to the interplay between the institutional dimensions – what is perceived as ‘allowed’, ‘prescribed’, what actors ‘think’, ‘feel’ and ‘know’ – and partly to the actors’ experienced solutions (service provision) derived from integrating resources. The structural position and, hence, functional identity of the different actors in the service ecosystem and their value proposing role (in terms of the relevance of resources and activities) continuously evolve. These changes vary on the magnitude and the effect (controlling/enabling) of the institutional dimensions. As illustrated by the cases, institutionally derived change (be it, regulative, normative or cognitive) in the service ecosystem results in changes of the established institutional arrangements. This affects actor-activity-resource constellations and configurations. Acknowledging the impact of the institutional solution space consequently offers an increased conceptual and business practice understanding of the institutional dimensions’ enabling and delimiting impact on resource integration activities and the role of social and economic actors.

**Research limitations** – The institutional solution space brings the issue of actors’ activities of resource integration and the impact of institutional arrangements towards midrange theory development and managerial implementation. The mainly illustrative nature of the cases limit empirical generalizations, why further empirical studies are needed.

**Practical business implications** – The institutional solution space bridges theory on institutional dimensions with mid-range theory on resource integration, actor engagement, and value co-creation, allowing enterprises to better identify their value proposing role. This can enable enterprises to focus on creating and acting upon ‘opportunity market spaces,’ rather than (as traditionally) focusing on sustaining or gaining ‘market shares’. Engaging in institutional work to reposition their resource facilitating role in the service ecosystem may serve to uphold market positions or even spark market shaping activities.

**Originality/value** – Offers a S-D logic perspective of market opportunities that transcends traditional marketing management’s focus on market shares. Supports further S-D logic midrange theory developments and managerial understanding regarding the contextually and institutionally bounded aspects of value co-creation, from a markets-as-service ecosystems view.

**Keywords** – Resource integration, value co-creation, value proposition, institutional arrangements, solution space