POWER, INSTITUTIONS AND SERVICE-DOMINANT LOGIC

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Purpose – Over the last decade, service-dominant (S-D) logic has evolved from its initial refutation of goods-centric thinking to a systematic meta-theoretical perspective to value creation and exchange in markets (e.g., Vargo & Lusch, 2016, 2017). Its systemic and institutional conceptualization, however, has thus far overlooked power as essential element in the exchange and value cocreation among actors (Siltaloppi & Wieland, 2018). To this end, the purpose of this paper is to relate the concept of power to other core concepts and axioms of S-D logic in general, and to highlight the importance of power in value cocreation and institutional processes in service ecosystems in particular.

Design/Methodology/approach – The paper is conceptual in nature and aims to further the theoretical development of S-D logic.

Findings – The paper is organized around three main insights. First, the paper draws on extant literature in sociology and organizational theory to present different dimensions or 'faces' of power (Fleming & Spicer, 2014): coercion, manipulation, domination and subjectification. Second, the paper discusses how the four dimensions of power influence value cocreation among actors, as well as how they shape the institutional processes in service ecosystems. Third, the paper explores a concrete example of power dynamics in service ecosystems by discussing how solutions built around new technology shape markets by changing the relations of power among market actors.

Research implications – By recognizing power as an essential part of actor relations, this paper advocates a shift in S-D logic and marketing literature at large toward increasing awareness and acknowledgement of the differential capacities of actors to contribute to, and appropriate benefits from, collaborative resource integration. Moreover, this paper provides novel grounding for critical examination of various market arrangements in light of questions pertaining to social sustainability, equitability and discrimination, to give but few examples.

Originality/value – The paper is among the first to explicitly unpack the concept of power within S-D logic.

Key words – Institutions, power, service ecosystems, resource integration, value cocreation

Paper type – Conceptual paper

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