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Emergence of value co-destruction in B2B context

**Purpose** – This paper aims to explore the theoretical alternative to co-creation of value-in-use as a result of interactions between service systems in B2B context proposing the notion of value co-destruction.

**Methodology/approach** – This conceptual paper critically reviews the dominance of value co-creation and value-in-use in S-D logic. Noting the relative lack of research in the converse possibility, the study proposes and explores the implications of value co-destruction as a new concept within the framework of S-D logic.

**Findings** – The study proposes a formal definition for the concept of value co-destruction in a B2B context. It shows that value can be co-destroyed through the interactions between different systems, resulting in value destruction-through-misuse of resources or misalignment of processes, be they accidental or intentional.

**Research implications** – This paper is purely conceptual and exploratory. Empirical examination of the theoretical findings regarding value-co-destruction is required. Possible avenues of interest for such empirical research of value co-destruction are suggested.

**Practical implications** – Limiting the occurrence of misuse of resources and misalignment of processes. Recovering from misuse should also be considered.

**Originality/value** – This study is apparently the first to have introduced the notion of value co-destruction into the conceptual framework of S-D logic.

**Key words** (max 5) Value co-destruction - Service Dominant Logic - Service systems – Business-to-business

**Paper type** – Conceptual paper
Introduction

Though the concept of value is not new for scholars and practitioners, formal and explicit academic research on this topic can be regarded as relatively recent (Lindgreen & Wynstra, 2005). For instance, among the 89 papers that include the word “value” in their title published in *Industrial Marketing Management* from its creation in September 1971 to December 2010, 70 were published strictly after 2000 – a proportion of 78.7%! These figures even increase when value is searched in the abstracts rather than in the titles on the same period (41 vs. 155 papers, e.g. 79.1%). This growing and cross-disciplinary interest towards the value concept explains the need for clarification of definitions and for further research about how it can be measured, and how value processes work (Anderson & Narus, 1998; Lindgreen & Wynstra, 2005; Ulaga, 2003).

To that end, a new stream of research considers customers as actual co-creators of experience or value (Edvardsson, Enquist, & Johnston, 2005; Plé, Lecocq, & Angot, 2010; Prahalad & Ramaswamy, 2000, 2002, 2004; Ramaswamy & Gouillart, 2010), and not just as co-producers of the good or service that delivers an experience (Bendapudi & Leone, 2003; Bettencourt, 1997; Bitner, Faranda, Hubbert, & Zeithaml, 1997; Lengnick-Hall, 1996; Thomke & Von Hippel, 2002; Wikström, 1996). This shift has been formalized and studied in depth by Vargo and Lusch in the Service-Dominant (S-D) logic of marketing (Lusch & Vargo, 2006a, 2006b; Lusch, Vargo, & O’Brien, 2007; Vargo & Lusch, 2004, 2008a, 2008b, 2008c; Vargo, Maglio, & Akaka, 2008). S-D logic comprehends value creation as a collaborative process between a supplier and a customer. This perspective has been further refined as a collaborative process between a supplier and his network on the one hand, and a customer and his network on the other hand (Vargo & Lusch, 2010; Vargo, et al., 2008), which Gummesson (2006, 2008, 2010) has labeled “many-to-many marketing”. The implicit premise of this approach is that these relationships between actors
(e.g., supplier or customer, plus their network) inherently co-create. But if value can be co-created, it would seem logical that it can also be co-destroyed through these relationships. So far, though, marketing thought has been short in its understanding of value-related processes (Payne, Storbacka, & Frow, 2008; Vargo, et al., 2008), and this is even clearer as far as their potential negative outcomes are concerned (Woodruff & Flint, 2006). Still, comprehending how value might be co-destroyed is crucial, so that it can be detected, analyzed and remedied.

The aim of this paper is to apply the conceptual framework of S-D logic to build the concept of value co-destruction and explore how it can occur through the actors’ relationships. To begin with, the paper will clarify the concept of value to enable us to be consistent with our chosen framework of S-D logic. Then, it will show that value-related works have but only implicitly mentioned the possibilities of value co-destruction. Drawing on the S-D logic, the next section will enable to define the concept of value co-destruction, and to describe the process by which it occurs. We then show that value can be either accidentally or intentionally co-destroyed. The paper finally discusses the main theoretical contributions of the study, and highlights its implications for practitioners.

1. The notion of value

1.1. The multi-sided definition of “value”

Leszinski and Marn (1997) noticed that the term “value” means different things for different people. Several streams emerge from the literature, linking value definitions either to supplier value or to customer value, or to relationship value. A clarification of the concept will enable us to develop our concept of “value co-destruction”.
Supplier value is related to Good-dominant perspective “Value is determined by the producer. It is embedded in the operand resource” (Vargo and Lusch, 2004). It is mentioned (Möller 2006) as “proprietary value”, e.g. intrinsic value kept by the supplier firm. Two broad definitions of supplier value can be found. Monetary value as revenues minus costs is the first one. Woodall (2003) explains that “value the suppliers get from the customer through a transaction or more and more a relationship” is called “Customer Lifetime Value” (C.L.V.). Literature on C.L.V. enlightens the monetary component of value. C.L.V is linked to contribution to the firm’s margin, and ‘projected financial return’ (Rust, Lemon, Zeithaml, 2004). Moreover, scholars use statistical and mathematical tools to calculate CLV (Ambler and Roberts, 2008; Haenlein et al., 2006; Ryals, 2008; Venkatesan et al., 2007). The second definition refers to value as a global difference between benefits and sacrifices, and compared to Customer Value as “a mirror problem” (Möller Törrönen, 2003).

On the customer side, many definitions are linked to “exchange value”: “the trade-off between benefits and sacrifices” (Möller 2006). Leszinski Marn (1997) also mentioned a similar definition: “Customers […] buy according to customer value, that is, the difference between the benefits a company gives customers and the price it charges.” In his overall typology, Woodall (2003) also describes a Net Value for Customer “a utilitarian balancing of benefits and sacrifices”. Ravald & Grönroos (1996) formulated a definition adding transactional and relational perspectives. Value is based on benefits vs. sacrifices assessment, both in long term and in transactional process, linking value to a time persistence of the positive balance.

Another trend emphasizes the subjectivity of criteria and defines value through the complementary notion of customer perceptions. Gale (1994) defined value as customer perception of quality, related to competitor’s offer: “value is simply quality, however the
customer defines it” and proposed to measure it through market perceived quality and market perceived price. In a very similar way, Holbrook (1994) defined value as "an interactive relativistic preference experience". The customer preference also relates to competition, and interaction occurs between the consumer and the product.

Möller and Törrönen (2003) added a network dimension: Value for the customer is also a potential access to new resources and information, an immaterial component of value. Amongst his eight drivers defined from an empirical research Ulaga (2003) mentioned supplier know-how, and personal interaction. These two dimensions refer to competencies and relationship and are consistent with S-D logic, which is strongly linked to value and value creation. In their 2008 work developing their fundamental premises, Vargo and Lusch commented “Value is idiosyncratic, experiential, contextual and meaning laden”.

Evolving in time, value definitions become more and more linked to relationship and immaterial criteria, which are well-fit in S-D Logic. They keep one constant characteristic: Value is stated positively.

1.2. Value creation in the Service-Dominant Logic framework.

S-D logic is grounded in ten foundational premises (FP) that were first presented and discussed in Vargo & Lusch (2004) and developed in Vargo & Lusch, 2008b (see also Vargo & Akaka, 2009). We will concentrate on the ones relevant to the topic under consideration. FP 6 posits that “the customer is always a co-creator of value” which is “always uniquely and phenomenologically determined by the beneficiary” (FP 10). Consequently, firms “cannot deliver value but only offer value propositions” (FP 7). In other words, products are appliances that serve as alternatives to
the direct provision of service (FP2 and FP3) from which customers and suppliers alike will get \textit{value-in-use} (Vargo & Lusch, 2004).

According to S-D logic, \textit{value creation is then an interactive and collaborative process that occurs through the exchange of service between entities}. Relationship, defined as “interactivity and collaboration [rather than mere] repeat patronage” (Vargo & Lusch, 2008c) is at the heart of the logic. Second, service here is not regarded as the output of a (co)production process, but as “the application of specialized competences (operant resources) though deeds, processes, and performances for the benefit of another entity or the entity itself” (Vargo & Lusch, 2008c). Operant resources are the source of competitive advantage (FP 4), and can act on other kinds of operant or operand e.g. tangible resources (Lusch, Vargo, & Malter, 2006; Vargo & Lusch, 2004)). The nature of entities implicated in the exchange (firms, organizations, states, customers, households, etc.) has matured with the progressive evolution of S-D logic. Cova & Salle (2008) regretted that “the customer network [usually] is not taken into consideration and is [often] underestimated or does not exist in S-D logic”. Noting that “value creation takes place through interaction in complex networks”, Gummesson and Polese (2009) suggest that the network of the customer and the network of the supplier are integrated in S-D logic. Following these remarks, Vargo and Lusch (2010) have incorporated this network dimension more explicitly. The locus of co-creation processes in B2B becomes what is called an ecosystem, where focal actors (e.g. a firm and its customer) exchange service in a context that integrates the networks of resources and resource-providing actors available to these focal actors (Vargo & Lusch, 2010). Considering the relationships between focal actors and their networks is essential, “because these relationships connected to the focal relationship can have a major impact on the operation of the latter” (Cova & Salle, 2008), and also because firms can “make value propositions which potentially have
value for customers or any other party” (Ballantyne, Williams, & Aitken, 2010). These actors and their networks have also been characterized as “service systems”, that is to say “configurations of people, technologies and other resources that interact with other service systems to create mutual value” (Maglio, Vargo, Caswell, & Spohrer, 2009).

2. Overlooked value co-destruction

The review on value definition and S-D logic has emphasized the importance of collaborative value co-creation, reflecting what has been at the heart of S-D logic since the seminal paper of Vargo and Lusch published in the Journal of Marketing in 2004. Yet, the potential counterpart of value co-creation, which we call value co-destruction, has been left aside and remained rather implicit so far, whether it is in the S-D logic literature or in the marketing literature at large.

Plé and Chumpitaz (2010) recently undertook a bibliometric study using keywords in abstracts during an EBSCO electronic search in order to identify papers associated with value creation, creation of value and co-creation. They compared it to the same search relying on such keywords as value destruction, destruction of value and co-destruction. Their results demonstrate that the academic literature in marketing has mainly investigated the possibilities of value co-creation and co-creation so far. More specifically in the B2B literature, it appears that the word “value” essentially comes with inherently positive connotations, as many scholars focus on the measurement of the created value (Cretu & Brodie, 2007; Patterson & Spreng, 1997; Ulaga, 2003). Such a positive bias may be linked to the positive definitions of value, and to the fact that value creation “can be regarded as the raison d’être of collaborative customer–supplier relationships” (Anderson, 1995, p. 349).
A similar assessment can be drawn from the analysis of the specific S-D logic literature, and certainly results from an optimistic perspective on value processes and their outcomes. Thus, Vargo and Lusch (2008c, p. 28) highlight that service means “doing something beneficial”, at “the benefit of another entity or the entity itself”, this benefit being explicitly referred to as value (Vargo & Lusch, 2010). Thus, the definition of value itself in S-D logic also relies on a positive terminology: value is “an improvement in system well-being”, and this improvement is measured in terms of the “system’s adaptiveness or ability to fit in its environment” (Vargo, et al., 2008, p. 149). Yet, if SD logic aims to “inform the practice of marketing” (Vargo & Lusch, 2010, p. 6) and to reflect the complexity of reality (Gummesson, 2008), it has to integrate other realistic alternatives and need to consider that potential errors and failures in service relationships between actors do happen (Dong, Evans, & Zou, 2008; King & Burgess, 2008) and can provoke value co-destruction. Value co-destruction has been underlying in a growing number of S-D logic related publications. Jaworski and Kohli (2006) mention that interactions between actors can result in sub-optimal outcomes for them if these interactions occur under some conditions. Yet, their analysis is limited to the description of the specific circumstances under which the actors should not interact at all, but they do not explain neither how nor to what extent value can be co-destroyed if these interactions happened in such a context. Devaluation processes that can potentially diminish value co-creation have also been suggested, without pushing further in the direction of the potential occurrence of value co-destruction (Woodruff & Flint, 2006). Gummesson (2008, p. 16) has pointed to the possibilities of “negative service”, while Gummesson and Polese (2009, p 341) allude to the risks of value co-creation systems “sluggishness and failure”. In a similar vein, Dong et al. (2008, p. 125) have tackled the subject of “unsuccessful co-created service” and “co-created service failure”, while Nätti and Ojasalo (2008) have shown the existence of illusive successful relationships between actors. Also, some
scholars have noted that many interactions between actors do not generate mutual benefit, even though they originally intended to (Maglio, et al., 2009; Spohrer, 2010). However, they merely point this possibility without explaining how a process of value co-destruction may occur during the relationships between the actors. Eventually, Plé and Chumpitaz (2010) have shed some light on value co-destruction, but their study does not take into consideration the networks of the actors.

3. A definition of value co-destruction

SD-logic defines value co-creation as an improvement in the collaborative actors’ well-being, and measures this improvement in function of the actors’ adaptiveness or ability to fit in their environment (Gummesson, 2010; Vargo, et al., 2008). This led Plé and Chumpitaz (2010) to propose a definition of value co-destruction that is yet narrowed to the interactions of a supplier and a customer. It is not so appropriate to B2B network contexts and needs to be adapted.

Against this backdrop, we suggest to define value co-destruction as a relationship process between focal actors and their networks that results in a decline in at least one of the focal actors and / or their networks’ well-being. These focal actors and their networks can be indifferently organizations, as it is frequently the case in B2B, or individuals. During this process, the focal actors interact either directly (organization-to-organization, person-to-person, etc.) or indirectly by integrating and applying resources. This occurs in the broader context of their interactions with their own network, which will have an impact and will be impacted by the focal relationship. First, since they enable the focal actors to access some resources that may be integrated in the focal relationship, they will have an impact on the latter. Second, future interactions between a focal actor and its network will depend on the nature of the result of the
focal relationship. As an example, this is typical of what happens when a firm designs a customer solution by combining products and services to design an integrated offering that provides customers with customized experiences (Cova & Salle, 2008; Sawhney, 2006).

It is important to notice that not all the actors implicated in a value co-destruction process might be impacted in the same way. We transpose here the idea formulated by Woodruff and Flint (2006) that there can be imbalances between a firm’s level of co-created value and that of its customer. We argue that these imbalances can occur when considering the levels of value co-destruction. Grounding on the lexicon of S-D logic, this means that value co-destruction might impact differently the adaptiveness (that is, the ability to fit in an environment) of the focal actors and of their networks.

While the earlier definition casts some light on the nature of value co-destruction, its process remains blurred: how value is co-destroyed through the interactions between the focal actors and their networks still has to be explained. Such a process is investigated in the next section.

4. **Misuse and misalignment: the two keystones of a co-destruction process**

Given that the conceptual framework of S-D logic recognizes the centrality of the concepts of processes and resources in co-creating value, both are also fundamental in co-destroying value. Accordingly, this section introduces two key concepts to the understanding of value co-destruction: the misuse of resources and the misalignment of processes. We argue that value co-destruction can result of either one of them, or of their combined occurrence. Details about the reasons and conditions of the occurrence of misuse and misalignment are also provided.
4.1. Misuse of resources

We noted above that value-in-use is co-created through the interactions of focal actors that integrate and apply both their own and their networks’ operand and operant resources (Lusch, et al., 2007; Vargo & Lusch, 2004). However, resources that are beneficially mobilized might also be used in a detrimental manner for the focal actors or their networks. (This was suggested by Plé and Chumpitaz (2010), in a B2C context).

Consistent with the terminology of S-D logic, we call misuse the situation in which one actor of a focal relationship has failed to integrate and apply the operand and operant resources of the other focal actor, and/or of the latter’s network, and/or of his own network in a manner that is considered as “appropriate” or “expected” by these other actors. Such a misuse of resources engenders value co-destruction for at least one of the actors involved in the interaction (whether they are the focal actors or their respective networks). It must also be borne in mind that misuse might impact the nature or quality of the relationship between one of the focal actors and his network. This is depicted in our following example. As a consequence, we contend that one corollary of the value-in-use concept that results from a co-creation process should be called value destruction-through-misuse. Another corollary to value-in-use would be linked to a misalignment of the actors’ processes.

4.2. Misalignment of processes

Just as resources, processes are critical in understanding value co-creation (Grönroos, 2006, 2010; Payne, et al., 2008). Indeed, following Hammer (2001), Lambert and Garcia-Dastugue (2006) deem that the integration of the actors’ business processes is primordial since it is where “the real ‘gold’ can be found” (p. 151). Yet, this implicitly means that “gold” can be lost too if
the integration is not appropriate. It is not surprising, so, that processes are crucial in understanding the counterpart of value co-creation, that is to say value co-destruction.

To co-create value, the business processes of the actors at stake must be coordinated and aligned (Flint & Mentzer, 2006; Mele, 2009; Payne, et al., 2008), as illustrated in Grönroos (2010). Still, more than often, these processes are not aligned – they even sometimes diametrically diverged, causing damages for the actors that are concerned. This illuminates the fact that “noncompliance creates opportunities as well as risks” (Spohrer, Maglio, Bailey, & Gruhl, 2007, p. 76). Similar to the previous definition of misuse, we call misalignment of business processes the situation in which one actor of a focal relationship has failed to adapt and coordinate (e.g. align) his processes with the ones of the other focal actor, and/or of the latter’s network, and/or of his own network in a manner that is considered as “appropriate” or “expected” by these other actors. Such a misalignment can have detrimental effects on the focal actors of the relationship, but also on each other’s network, provoking what we call value destruction-through-misalignment.

4.3. Understanding misuse and misalignment

Value co-destruction can result from the occurrence of either misuse or misalignment or both. Also, we emphasized earlier that misuse and misalignment alike could be respectively regarded as the failure by one focal actor to use the resources or to align the processes in a manner that is appropriate or expected by the other actors involved. As the counterpoint of co-creation, co-destruction is the result of institutionalized social interactions between actors (Vargo & Lusch, 2008a, 2010), that are ultimately represented by the interactions between people who stand for these actors. (Czepiel, Solomon, Surprenant, & Gutman, 1985; Ramaswamy, 2010). These people come with and develop specific expectations related to their own role and to the role of the other party(ies) (Bateson, 2002; Solomon, Surprenant, Czepiel, & Gutman, 1985). Therefore, as it is
stated by script theory, the success or failure of their interactions will heavily depend on the capacity of each party to foresee the behavior of the other, in addition to comprehending how to act and to behave himself (Solomon, et al., 1985).

Transposed into the S-D logic framework, a value co-creation process ensues from the respect of such a script through a proper use of resources and an adequate adaptation and coordination of processes. Yet, value co-creation is endangered in case of role perceptions discrepancies between the actors (Hubbert, Sehorn, & Brown, 1995). Consistent with this argument, we contend that interactions between focal actors during which there is an inadequate or unanticipated use of resources or alignment of processes will lead to value co-destruction for at least one of the focal actors and/or their related networks. This is the reason why we mentioned in both definitions of misuse and misalignment that they corresponded to situations in which respectively the use of resources and the alignment of processes did not correspond to “appropriate” or “expected” manners of using those resources or aligning those processes.

5. Intentional vs. accidental value co-destruction

While the occurrence of accidental value co-destruction might not seem so surprising (Christensen, Anthony, Berstell, & Nitterhouse, 2007; Plé & Chumpitaz, 2010), suggesting that it might also be intentional seems counter-intuitive. Yet, this possibility has been more or less explicitly evoked by some scholars (Ackroyd & Thompson, 1999; Harris & Ogbonna, 2002, 2006; Plé & Chumpitaz, 2010). When these two possibilities (intentional vs. accidental) are crossed with the two key concepts of value co-destruction (misalignment and misuse), four potential situations are obtained that provide an analysis of value co-destruction processes. It is important to mention that dealing with intentional misuse and misalignment on the one hand, and
accidental misuse and misalignment on the other hand, does not imply that misuse and misalignment are linked to each other (even though it might happen). The following example will clarify our notions of intentional or accidental misuse and misalignment, and show how all of them lead to value co-destruction (see table 1).

Our example comes from a real situation occurring in a French SME, manufacturing middle/high range sliding doors sold mainly to final customers. Willing to reach a new market, e.g.; real estate building, the S.M.E. created a cheaper sliding door, specially designed for this market. Sales and Marketing Manager and Product Manager decided to use direct marketing (mailing) to advertise the product. Therefore, they choose a small advertising agency offering comprehensive direct marketing services. A Regional Sales Manager has been included in the buyer network, for his unique knowledge of the new market, but he didn’t participate to the supplier selection. His role was to audit the choice of the database.

The customer service systems is composed by three people, the Sales and Marketing Manager with two direct collaborators, the Product Manager and the Regional Sales Manager. The provider service system is composed of the General Manager and a Junior Assistant.

**Table 1: The four situations of value co-destruction resulting from intentional and/or accidental misuse/misalignment**

<table>
<thead>
<tr>
<th>Misalignment of processes</th>
<th>Accidental</th>
<th>Intentional</th>
</tr>
</thead>
<tbody>
<tr>
<td>① <strong>Wrong decision</strong> in the organization of team participation</td>
<td></td>
<td>③ <strong>Lack of control</strong> on the team’s work, both from supplier and customer manager.</td>
</tr>
<tr>
<td>Misuse of resources</td>
<td>② Discrepancies in team’s participant competences and knowledge preventing them to create Interconnected Operant Resources</td>
<td>④ <strong>A posteriori use</strong> of market knowledge, completing the co-destruction of value.</td>
</tr>
</tbody>
</table>
① Accidental misalignment of process

Regional Sales Manager was supposed to intervene only on the specific task of supervising database but his absence at the first meeting made him react by questioning the overall working process organized in his absence. He was reluctant to enter the process, and was very negative about collaborating with the Assistant, who was in charge of the database. This reaction shows a clear misalignment of process. As Sales/Marketing manager and Product Manager usually worked together and with service providers and this operation was a routine one for them. No one, either on the customer or on the supplier side thought of integrating a new team member to get the usual process alignment! This first accidental process misalignment was followed by an accidental misuse of resources.

② Accidental misuse of resources

A few days later, a meeting took place between the Assistant and the Regional Sales Manager to work together on the database. Their complementary operant resources, market knowledge and marketing competence should have given a very efficient result.

Table 2 provides an a posteriori explanation of the failure: Unfortunately, the discrepancies were too big and they failed to integrate their basic operant resources to create an Interrelated Operant Resource Resources (Madhavaram & Hunt 2008).
### Table 2: Operant Resources in the customer and the supplier service systems

<table>
<thead>
<tr>
<th>Function</th>
<th>CUSTOMER</th>
<th>SUPPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regional Sales Manager</td>
<td>Assistant</td>
</tr>
<tr>
<td>Experience, field knowledge</td>
<td>++ More than 30 years, from the bottom of the ladder to a regional sales manager function</td>
<td>-- First job, less than one year experience</td>
</tr>
<tr>
<td>Perception in their own firm</td>
<td>Recognised for his high competence and his irritability</td>
<td>Perceived as “ambitious youngster”, chosen by General Manager</td>
</tr>
<tr>
<td>Age</td>
<td>51</td>
<td>26</td>
</tr>
</tbody>
</table>

③ Intentional misalignment of process

After their first meeting, both the regional sales manager and the assistant pointed the lack of understanding to their respective managers, blaming the other side.

Here occurred what we call an intentional misalignment of process in monitoring and control by the two top managers: The customer top manager refuses to tackle the problem, as it was not on his schedule. The supplier pointed that the root of the problem stem from the regional sales manager and he has no solution. A highly conflicted situation arises, but no common process was set to find a solution. The regional manager refuses to work with the assistant, the supplier general manager refuses to work with the customer regional manager, and the customer top manager refuses to do anything about it. Consequently, database choice was done only by the supplier, and the mailing was send without control, following globally the basic proposal.
④ Intentional misuse of resources

After the first meeting, and without any control, the sales regional manager decided not to share any knowledge with the supplier. The assistant, without any help proceeded to the choice of database, but he had no means to verify it. The operation being completed, the regional sales manager received a list of prospects, and a copy of all addresses from the database. At that time, he checked them, and he noticed that many addresses were unknown or out of the target, the worst mistake being a mailing sent to one of the firm’s competitors. He immediately informed the sales and marketing manager, pointing the inefficiency of the supplier. Here we find an example of intentional misuse of resources: the regional sales manager could have checked the database before the mailing operation, which would have avoided a co-destruction of value, but rather waited to show his point of view was right.

Both customer and supplier service-systems suffered from value co-destruction.

The customer had to face a failure of the advertising campaign for this new product, immediately followed by intern management problems between Sales and Marketing Manager and the sales force in general, and an increased tension between sales and marketing, which lasted more than a year. The provider has to accept a rebate linked to wrong mailing list, lost this client and suffered of a bad image spread by the customer’s Regional Manager.

6. Contributions and implications

6.1. Theoretical implications and further research

This conceptual study aims to contribute to the understanding of value-related processes in B2B contexts under the theoretical framework of S-D logic. Following Plé and Chumpitaz (2010), it
suggests that service relationships or exchanges, as defined in S-D logic, do not necessarily result in value co-creation, but that value co-destruction may occur too. Introducing value co-destruction, it is argued, will enable us “to better emulate the dynamics of ‘real world’ events and processes and can thus provide better normative insights” (Vargo & Lusch, 2010, p. 6). By doing so, we echo the many calls for continuous improvements for S-D logic (Gummesson, 2008; Gummesson & Polese, 2009; Vargo & Lusch, 2004, 2008b, 2008c, 2010). Accordingly, we believe that the concepts of accidental/intentional misuse of resources and accidental/intentional misalignment of business processes developed in this paper may enrich the lexicon of S-D logic.

However, our findings raise many important questions that we leave for further research. We shall identify four possible, though non-exhaustive, directions. First, investigating the potential influence of the actors involved in B2B co-destruction processes, as well as their relative place within the network they are part of. As S-D logic aims to reflect business reality, it seems that such an important matter cannot be left aside. Second, it would be interesting to explore the potential interrelations between misuse of resources and misalignment of business processes. These two dimensions of value co-destruction processes might be connected, as we saw in our example. Finally, the third direction that we would suggest encompasses and exceeds the two others, since it related to the analysis of long-term dynamics of value related processes. We have to contemplate the possibility of differential results over time of value-related decisions, going from intended (and realized) value co-creation to end in value co-destruction. Again, such a long-term dynamic analysis should focus on the whole network of actors involved in these dynamics.

6.2. Managerial implications

In this paper we try to shed light on one of the most important issues emerging the last years in the marketing literature; value in the business-to-business context. Our approach moves away
from the traditional view on value co-creation developed by many researchers in the field, towards a more balanced – according to our opinion – adoption of an alternative possibility of value co-destruction logic concerning service systems and business networks. This logic holds fruitful conclusions for practitioners opening the road for developing valuable tools in an effort to avoid destructing value for business clients.

Thus, from a managerial standpoint, our framework provides new grounds for managers suggesting that value co-destruction is at least equally important as value co-creation. It also puts the emphasis on the fact that managers should also be aware of and pay attention to the risks of potential co-destruction.

Furthermore, our holistic approach demonstrates clearly that in a B2B context all parts of the business relationship network are concerned. Integrating the whole network in the perspective limits the risks that important actors of this network are negatively impacted by some actions or decisions relative to a focal relationship, since in the end this could result in value co-destruction for the focal actor itself. All the same, as tempting as it may be to try and get value imbalances by intentional misuse or misalignment, the odds are high that it backfires on the actor that initiated this move.

From a supplier point of view, it is necessary to carefully examine the aspects that could accidentally lead to value co-destruction and minimize errors. On the one hand, managers need to reassure that the client’s personnel involved in the service system clearly comprehends the nature of existent resources and most importantly make sure that it has the necessary knowledge and competences for the correct use and exploitation of these resources. On the other hand, managers need to carefully design and implement the necessary processes for creating value. Following the
S-D logic, this means that they need not only to train their personnel to follow the service provision processes exactly as designed but also to make sure that the client’s personnel is a part of those processes. Here we have to point out that in B2B, it is vital for suppliers to develop training and educational programs for their clients in order to make sure that the client’s personnel fully and correctly use existing resources.

Also, supplying firms need to establish robust communicational channels with their clients to avoid misalignment concerning the processes underlying service systems of a particular business interaction. This means that departments involved in each part of the business service continuum need to mutually understand and share the same idea of what will be provided and what is expected.

Of course, in case of value co-destruction, managers need to be proactively prepared to overcome any related issues may occur. This practically means not only clear and well communicated – to all parties involved – service provision policies, for every aspect of the supplier-client interaction, but service recovery policies in place as well, ready to seek out any implications causing value co-destruction. This enables to have a clear understanding of the problems, remedy them and eventually engage in actual value co-creation processes.

6.3. Concluding remark

This conceptual paper aims to contribute to the development of a better understanding of actual value-related processes by building the concept of value co-destruction on the ground of S-D logic. It shows that if “the purpose of these interactions [between focal actors and their networks] is value co-creation” (Vargo, 2009, p. 378), in reality the interactions can result either in value co-creation or in value co-destruction processes. Developing our understanding of these
processes will most certainly take time, and will necessitate many iterations between business practice and theory to improve both (Gummesson, 2010).
References


