Retailers and Media as Resource Intermediaries

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 (Theiingi, 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 operand and operand resources to enact their life goals, projects and roles (Arnould et al., 2006). However, firm-provided resources are only one source of operand resources for achieving these life projects and goals. In fact, consumers’ own operand 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 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, 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

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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 timestyles. 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 consumption 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.](image-url)

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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