

Strategizing in service ecosystems: A Service-Dominant driven, value-based platform

Katsifaraki Georgia

This theoretical work is about the *development of a synthetic, value-based, strategic platform for modern market transactions under the S-D logic principles*. Motivated by the seminal work of Brandenburger and Stuart (1996) on the *Value-based Business Strategy*, I build on the tools of *cooperative game theory* to propose a model platform for studying value creation in respect to market interactions, imbued with the axioms and core values of S-D logic. The platform specifically adopts a network, institutionalized view of transactions - *a service ecosystem perspective* (Lusch et al. 2010; Chandler and Lusch 2015; Vargo and Lusch 2016), viewing transactions at a micro, as well as a macro (market) level. Existent literature on the analysis of the value creation process is currently dominated by “myopic” views that do not consider the macro-effects of the wider ecosystem on co-creation and vice-versa (e.g. Grönroos 2011; Grönroos and Voima 2013). Exception is the theoretical work of Chandler and Lusch (2015), who propose a conceptual alternative of the market as a broader, dynamic service ecosystem, and theoretically discuss the value-creation processes taking place within. Building upon their work and the wider S-D literature, I hereby propose a value-based platform that analyzes actors’ dynamics, considering the effect of the macro environment upon the value co-creation process (and vice-versa). The platform helps addressing a number of emerging questions, such as: (i) how actors offering concrete value propositions interact with actors bearing unique value dispositions within a service ecosystem, and (ii) how actors position themselves favorably, in order to attain strategic benefit in ecosystems. The proposed platform aims to be utilized as a strategist’s tool for holistic value-creation analysis taking place within service ecosystems. This work notably responds to the call of Vega-Vazquez et al. (2013) for “*a new reference framework for value creation, centered on the co-creation process*”, as well as the call of Vargo and Lusch (2017) for *the development of strategic conceptual platforms on the basis of the S-D narrative*, and specifically contributes to the literature in these two directions. Emphasis is further laid on the empirical implications of co-creation: using the value-based platform, four co-creation strategies are identified, with the intent to help managers form successful strategies that can lead to a significant strategic benefit. A thorough literature review, game theoretic cooperative and hybrid models, and a relevant case study are used for the development and demonstration of the proposed model platform and strategies.

Keywords: value co-creation, strategy, Service-Dominant logic, value propositions, cooperative game theory