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Exploring the role of mobilization in a value co-creation context

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Abstract

Mobilization is a key concept in network research because it allows new elements to be introduced into the existing relational structure that give impetus to the survival and prosperity of firms and organizations. Despite its importance, mobilization has received quite limited attention in research, not only in the IMP research stream but value co-creation literature. Thus, this research aims to deepen the understanding of mobilization in networks by addressing two research questions: 1) how does mobilization take place in a value co-creation context? And, 2) what is the underlying mechanism of such a mobilization process? The questions were tackled by a single case study that looked at an agricultural enterprise's value co-creation process, within which particular attention is paid to how mobilization actually took place in this process. Implications were then drawn from the empirical investigation.

Keywords: Mobilization; Value co-creation; Resources; Relationships; Case study

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Introduction

Mobilization is a central concept in network development through which firms and organizations gain impetus to their survival and prosperity (Håkansson and Snehota, 1995; Lundgren, 1992; Mouzas and Naudé, 2007). Mobilization aims at gathering actors and their resources and activities to solve a particular problem through collective and aligned actions across organizational boundaries, including radical innovation (Chou, 2016; Möller, 2010), social issues (Hermes and Mainela, 2014; Ritvala and Salmi, 2011) or a complex project (Lutz and Ellegaard, 2015). In other words, inter-organizational or interfirm relationships play a central role in mobilization in a network setting because they provide the access to others' resources (Rusanen et al., 2014). To influence or attract other parties, mobilization has to be built on interactive relationships, within which change influences are exerted and could act upon counterparts (Halinen et al., 1999; Lundgren, 1992; Möller and Svahn, 2009). Through mobilization new elements are introduced into the existing relational structure, consequently resulting in network change to some extent (Chou, 2016; Ritvala and Salmi, 2010).

Extent literature points to the importance of relationships in mobilization. However, how mobilization actually takes place in these relational linkages remains under-explored. In particular, the characteristics of relationships are less taken into account in the mobilization research; these include the connected and interactive natures of relationships. From the IMP (Industrial Marketing and Purchasing) perspective, a relationship is not isolated from but interconnected with other relationships (Anderson et al., 1994; Håkansson et al., 2009), allowing change influences to flow within and between direct and indirect linkages (Chou and Zolkiewski, 2012a; Halinen et al., 1999). But these network influences travelling within relationships are little investigated in the studies of mobilization. Besides, the IMP perspective also indicates that relationships could interact with other entities, such as products, facilities and organizational units (Baraldi et al., 2012); and their interaction may result in solutions (e.g. innovations) that the mobilization is attempt to achieve (Chou and Zolkiewski, 2012b; Håkansson and Waluszewski, 2002). But in the mobilization research, few efforts are made to advance our understanding of mobilization by exploring the interactive nature of relationships.

Additionally, more attention needs to be paid to mobilization in the contexts of value co-creation. Value co-creation has emerged as an important topic in research (Grönroos,

2012; Kohtamäki and Rajala, 2016; Payne et al., 2008; Prahalad and Ramaswamy, 2004; Vargo et al., 2008). The prefix “co-” of co-creation suggests that value is jointly created through the integration of resources contributed by, at least, two actors (Saarijärvi et al., 2013). As the service-dominant (S-D) logic contends, value is co-created when an actor is able to integrate the resources (e.g. service) provided by other actors into its own context (Vargo and Lusch, 2004, 2008). This service-grounded perspective is in line with the IMP’s central notion that the resources of a firm have no value unless they can be combined and used in relation to other resources within and across organizational boundaries (Baraldi et al., 2012; Ford, 2011). However, the extant co-creation literature tends to emphasize the combination or integration of resources (Grönroos and Voima, 2013; Kohtamäki and Rajala, 2016; Vargo et al., 2008), rather than the mobilization of actors and the resources in their ownership. The prefix “co-” does not mean that two interacting parties would automatically form a relationship to work together to create value; instead, one party has to be influenced or attracted by the other to perceive good intention or potential benefits from the interaction (Möller, 2010; Ritvala and Salmi, 2011). It is reasonable to argue that the emergence of an ecosystem (Maglio and Spohrer, 2008; Vargo and Lusch, 2011), which is underpinned by co-creation efforts among connected actors, has to be complemented by a process of mobilization. As a result, it is necessary to explore the role of mobilization in value co-creation research.

The overarching purpose of this research is to deepen the understanding of mobilization in networks. To achieve this goal, the research attempts to address the following two questions: 1) how does mobilization take place in a value co-creation context? And, 2) what is the underlying mechanism of such a mobilization process? These two research questions are tackled by a single case study which aims at gaining a rich description of mobilization in the interested context (Halinen and Törnroos, 2005; Yin, 2009). We purposefully select KKY (the real name is not revealed) as the focal actor, which was an agricultural enterprise and the largest sweet potato provider in Taiwan. With the investigation of KKY’s developmental process, we are permitted to analyze how KKY kept mobilizing farmers for contracting sweet potato production so that the enterprise was able to attract other stakeholders, including its business customer FamilyMart (FM), the second largest convenience retailing company who runs nearly 3000 stores in Taiwan. We are then permitted to investigate how mobilization occurred in the process of KKY’s value co-creation with its key stakeholders.

The contribution of this research is two-fold. In the first place, this research expands the knowledge of mobilization in the IMP research stream (Chou, 2016; Lundgren, 1992; Möller, 2010; Mouzas and Naudé, 2007). This contribution is achieved by paying

particular attention on the connected and interactive characteristics of relationships in the investigation of mobilization. Second, this research contributes to value co-creation literature by examining the role of mobilization. Although it is commonly accepted that resource integration spanning organizational boundaries is fundamental to value co-creation (Grönroos and Voima, 2013; Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2011), we complement this view by evidencing that value co-creation requires an adequate mobilization of actors so that the mobilized actors are able to contribute their resources in the co-creation process.

This paper continues as follows. The paper firstly provides the theoretical foundation of mobilization. Secondly, it explains how the empirical investigation of this research was performed. The paper then presents the case findings elicited from the study of an agricultural enterprise's business development through joint efforts with its key stakeholders. Prior to concluding the paper, theoretical implications as well as managerial suggestions are discussed.

Theoretical foundation

Mobilization is a central driving force for network development. As Lundgren (1992) points out, mobilization is a process of moving crowds, groups and organizations that are tied through interactive relationships to work together for a collective goal, such as a new product or service development. Lundgren (1992) also distinguishes network integrative mobilization and network changing mobilization. While a network integrative mobilization refers to "the process of expanding or extending the network in accordance with existing activity cycles", a network changing mobilization is concerned with "the process of establishing new activity cycles or the breaking of old ones or the combining of two or more previously unrelated activity cycles" (Lundgren, 1992, p. 160). This view suggests that mobilization could take place within existing relationships or new relationships, both of which are sources of network dynamics that affect a firm's position in the network (Håkansson et al., 2009; Halinen et al., 1999).

Mobilization aims not only at moving actors (Möller and Svahn, 2009; Mouzas and Naudé, 2007; Ritvala and Salmi, 2011), but also at accessing or acquiring the resources of these actors (Chou, 2016; Lutz and Ellegaard, 2015). For instance, the work by Chou (2016) has shown that mobilization is required for a firm in the face of technological change to access to complementary technologies so that the firm is then able to combine these technologies with its own in order to make a successful technological migration. Similarly, Story et al. (2009) stress that the role of resource mobilization needs to be

explored in the introduction of radical product innovations. Additionally, Lutz and Ellegaard (2015) indicate that for effectively managing a complex project that spans organizational boundaries, the buying firm has to influence its suppliers so as to prioritize their resource flows. The extant studies on mobilization reveal that although resource combination and integration is crucially important to joint creation of value in a network (Gadde and Håkansson, 2008), this exploitation of network resources is facilitated by a mobilization process.

Mobilization has been seen as an important strategy for firms operating in a network-like environment. In line with a network perspective (Axelsson and Johanson, 1992; Johanson and Mattsson, 1992), mobilization is the attempt for a firm to influence other actors to favor its network position. Mouzas and Naudé (2007, p. 62) further point out that network mobilisation is “the outcome of utilizing their relationships to move other organizations such as customers, suppliers, agencies, partners or even competitors to work within their own plans”. They also note that managers being engaged in a mobilization process need to pay close attention on five challenges: developing network insight; introducing new business propositions; concluding the deal; developing the social contract; and achieving sustained mobilisation. It seems that sustained mobilization is necessary to keep an initiative or innovation moving forward, such as building a technological standard or platform (Gawer and Cusumano, 2002); however, we have quite limited understanding of what sustained mobilization is and how it unfolds over time.

Due to its emphasis on influencing and attracting actors to co-work and align with the firm’s strategic actions, mobilization has been regarded as important type of networking capabilities (Möller and Rajala, 2007; Möller and Svahn, 2009; Thornton et al., 2014). From a strategic or value net perspective (Möller and Rajala, 2007), successful mobilization enables a focal firm to form an interdependency and relational structure with which the firm is permitted to utilize the combined resources and connected activities across organizational boundaries to pursue its strategic goal. Based on Chou and Zolkiewski (2012b), the formation of such a value net following network mobilization can be illustrated by bundles of technologies, in terms of product, process and marketing technologies. Recently, Thornton et al. (2014) conceptualize organizational networking by introducing four interrelated dimensions: information acquisition, opportunity enabling, strong-tie resource mobilization and weak-tie resource mobilization. Their result responds to net classifications along a value continuum by Möller and Rajala (2007) that the strong-tie resource mobilization could enhance the stability and exploitation of resources within the existing net, while the

weak-tie resource mobilization facilitates a firm's migration to a new business net. Despite these insights into mobilization, the role of mobilization is less studied in a value co-creation context.

Sharing with a resource heterogeneity perspective (Penrose, 1959) and being consistent with the IMP's emphasis on boundary-spanning interaction (Håkansson et al., 2009), the phenomena of value co-creation has received increased attention among researchers and practitioners (Payne et al., 2008; Prahalad and Ramaswamy, 2004; Ramaswamy and Gouillart, 2010; Vargo et al., 2008). Within this emerging research stream, the school of service-dominant logic has exerted significant influences. According to (Vargo and Lusch, 2004, 2008), the underpinning mechanism for value to be co-created lies in integration of resources spanning organizational boundaries. This view on value co-creation is similar to the IMP's combination of complementary resources or technologies (Ford, 2011), on which collective actions rest. However, the extant literature of value co-creation tends to concentrate on resource integration but ignores the importance of resource mobilization. In particular, the literature has indicated that the process of boundary-spanning resource integration could lead to the emergence of an ecosystem which is self-containing and self-adaptive (Vargo and Lusch, 2011). But, we still lack understanding how sustained mobilization contributes to the emergence of such an ecosystem.

Methodology

Due to the focus on the processual nature of mobilization in a network or system setting, this research employed a qualitative, case-based research for empirical investigation (Halinen and Törnroos, 2005). This case study method was particularly suitable for dealing with how or why research questions (Yin, 2009). In addition, this method allowed us to explore the phenomenon of mobilization in a value co-creation context within a certain case boundary, so as to gain a deep understanding towards the research topic.

We purposefully selected KKY, an agricultural enterprise and the largest sweet potato provider in Taiwan, as the focal actor, and the case under study was KKY's development of its ecosystem over a time period of more than 20 years. The case was chosen because of the following considerations. Firstly, the case represented a value co-creation context. With the hindsight, KKY's ecosystem was consisted of several sub-value-systems that were formed with its key stakeholders (Maglio and Spohrer, 2008; Vargo and Lusch, 2011), including contracting farmers and agricultural production

groups, Japan-based business customers, consumers and FamilyMart (FM), the second largest convenience retailing company in Taiwan. Secondly, KKY's ecosystem served as a good case study of how and why KKY was able to mobilize its stakeholders (Mouzas and Naudé, 2007), particularly its contracting framers and agricultural production groups that helped KKY to further expand its production capacity.

To build the case for analytical generalization and theory development, we collected, organized and analyzed data from on-site observations, in-depth interviews and archival sources, including company website, Facebook and industry news. In our analysis, we developed codes and themes and conducted theoretical comparisons in order to gain new insights.

This is a work-in-progress paper. We are still in the process of data analysis. And, hopefully, we are able to provide a more complete paper by the due of submitting the final corrected paper in June.

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