

# The product as a resource for the retailer

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## Abstract

Within the industrial network perspective, it has been argued that resources are not only entities that firms attempt to control and access, but that it is also a relative concept. That is, different tangible or intangible, material or symbolic elements can be considered resources when *use* can be made of them. The value of a resource is thus related to its utilization, which can differ depending on the combinations or contexts in which the focal resource is used. When resources are in this sense considered *heterogeneous*, it means that resources need to be evaluated in different constellations and combinations; as *embedded* and not as given elements.

This paper explores the embeddedness of a focal product and the heterogeneity in product value that this gives rise to. The paper focuses on interfaces between the focal product and other resource items in the retail context and seeks to answer the question in which ways retailers can make use of the heterogeneity of the product and utilise it as a resource. The empirical material in the paper is part of a larger case study and includes also findings from mystery shopping observations.

**Keywords:** resources, products, retailer, heterogeneity

## Introduction

Recent studies by e.g. Håkansson & Waluszewski (2002) on the resource dimension in business networks have proposed a categorization of resources into four types of entities; products, facilities, business units and business relationships. In this paper, the focus is on the first entity out of these four, *products*, and their interaction with the surrounding network context.

Resources are said to have a double-faced nature, implying that they have both a provision side and a utilization side (Håkansson & Snehota 1995). This paper examines a focal product from both these angles; firstly, how resource interaction affects the features of the product, and on the other hand, how the product is used by different actors. The emphasis here is however particularly on the utilization side and it is discussed in which ways a focal product affects the network and can serve as a resource for retail actors.

The empirical material that forms the basis for discussion in this paper is part of a larger forthcoming case study. The case examines the development and utilization of the properties of a focal product (a private label bed collection) within a network. The discussion in this paper is delimited to the product's interplay with resources in the retail context. That is, how the product "fits" and adapts to the features of the business units, facilities, business relationships and other products that it is affected by in the distribution environment and in which ways the retailers make use of the product as a resource. This is discussed in the light of findings from personal interviews with managers of furniture stores and product managers of the chain that these stores are a part of.

In the analysis, particular attention is given to immaterial resource dimensions. In assessing how such features of a resource interact with other resources, it becomes important not only to look at resources as physical objects in themselves, but also as image objects. Therefore, this paper also analyses how *actors* in the distribution context perceive the product's properties and potential to serve as a value-creating resource. These perspectives are contrasted with the views of actors involved in product development and manufacturing as well as some observations of how potential consumers might perceive the product, in order to gain a fuller picture of the heterogeneity of the product and the types of ways in which product properties are being utilized in the network.

## The concept of products as resources

Håkansson & Waluszewski (2004) have suggested a reinterpretation of the classical marketing mix model of the 4P's, drawing attention to the fact that the empirical world is characterised by interaction, interdependencies and dynamics, which are difficult to handle with the traditional models.

When it comes to products, as one the classical "Ps", the authors particularly criticise the underlying assumption of the traditional view of products as *homogeneous* and *given* in nature. This means that their features and value are considered as independent of the producing system and the using system. Its is seen as an output of a production process and an input in the process of use and as independent of these processes.

The "network view" on products (see also Håkansson & Snehota 1995; Håkansson & Waluszewski 2002) however emphasises the embedded and interacted character of products. Their features are considered to develop in interaction, rather than independently of the systems of production and use. This is related to the notion of *resource heterogeneity* and the work of Penrose (1959), who claims that "*Strictly speaking, it is never resources themselves that are the inputs in the production process, but only the services that they can render. The services yielded by resources are a function of the way in which they are used*". This implies that that the same resource can have different value if used for different purposes and in different combinations. And when resources are modified and developed, new "services" emerge as a result. From the notion that resources are heterogeneous, follows that *interaction* is important for the development of the resource and the value that it can provide.

When the product is regarded as non-given and instead affected by the structures in which it is embedded, it can according to Håkansson & Waluszewski (2004:254) be seen as a carrier of both opportunities and restrictions. These are of importance for the way the product can be utilised.

For analysing the interacted and heterogeneous nature of products, this study uses the so called “4R’s” research tool, developed by Håkansson & Waluszewski (2002) and also used in several recent network studies with a resource focus (e.g. Wedin 2001, Forbord, 2003 and Baraldi, 2003). The 4R’s comprise four types of interacting resource entities: 1) Products 2) Business units 3) Facilities and 4) Business relationships. In this study, the point of reference is a focal product and its significant interfaces with other resource entities are examined.

Forbord (2003) points out that a distinction must be made between a resource in itself and the actual use of it. This highlights the role of the actor as the force that sets the resources in motion and is able to discover the potential economic uses of them. It also pinpoints the need to regard the resources as image objects (see Håkansson & Waluszewski 2002:39-40). The resource thus contains in addition to e.g. technical or economic features also an *immaterial image dimension*. Such images are related to how different actors *perceive* the product and thereby also the value (or potential value) that can be drawn from it in different contexts. Lautamäki (2000) has studied the extent to which members in the value chain had shared or differing meanings related to the same product. In a similar vein, this study examines how these perceptual differences or similarities affect the product’s ability to be utilised as a value-creating resource. That is, whether product features are transmitted all the way to users in the way the product developers intended, or whether some features “lost on the way” while new ones emerge.

## **Resource interfaces affecting the focal product in the retail context**

This section offers a description of the focal resource in the case study, the bed collection called Hilding. The embeddedness of this focal product into its surrounding resource network is briefly discussed, with a particular focus on how interfaces between the focal product and other resources in the retail context affect it and the value it can provide.

### ***Description of the focal resource***

The focal product, the Hilding collection, consists of a number of different product items, some of which are complementary and some alternative. The collection comprises different kinds of mattresses (box mattresses, spring mattresses, continental mattresses and motorised elevation beds) of different size and firmness, categorised under three sub-brands (Basic, Zone and Sportif/Status), to reflect the broadness of the collection as comprising alternatives from basic models to medium-priced and also to models for the more demanding customer. In addition, the collection includes different types of top mattresses that can be combined with the selected bed or mattress. There are also different models of bed legs or runners available to choose among.

What makes all these items “one product”, i.e. a collection, is firstly the brand name and secondly the external appearance of all the models, which is very similar between one model and another. This is particularly communicated through the fabric used on all the products; the actual differences between models are mostly found “on the inside”.

The components of the product that most significantly contribute to the physical properties of the product and thereby the degree of comfort that users experience, are the springs, the fabric, the foam plastic and in some products, latex. Other important parts are the wooden base boards and legs. Many of these components are not specially adapted, but can also be found in other products, while for instance the fabric is exclusively designed with this collection in mind; with the Hilding logo woven into it. In order for the product to communicate its more hidden features to users, the product concept also includes the manner in which the product is displayed in the stores. Uniform appearance of the pillows, pillowcases and other fabrics, as well as an oak laminate floor, is thought to provide a suitable contrast to the blue and white coloured beds. Brochures and posters also contribute to the concept of how the collection is presented. In addition, training is also provided for sales staff in order to transmit knowledge about the product features and their effect on physiological well-being and

comfort. With such information it is thought that the sales staff will be better equipped to sell the products successfully.

The original “philosophy” behind the product concept, stemming from the Swedish business unit (Hilding AB) in which the product was initially developed, has been to offer beds for consumers who want value for their money; a good bed without it costing too much and without the label of “vanity” which other products on the market may carry.

Actors involved with manufacturing and selling the product in the Finnish context have adopted this definition and also emphasise the product’s good ratio between price and quality and also between price and appearance. For the Finnish context, valuable product features were also the fact that Hilding is a ready concept, i.e. the local actors do not need to invest in the creation of the features (including promotional materials). Moreover, there are some factors that become differently highlighted in the Finnish context and that offer a different type of value than compared to the original Swedish product (in Sweden), i.e. where coupling to a new context creates a new type of value for the product. Examples include the fact that manufacturing (assembly) takes place in a business unit in Finland (Oy Unituli Ab), which allows for the utilization of the “Finnishness” argument as attached to the product. Secondly, some technical as well as appearance related features (detachability and colour of fabric) were novel to the Finnish market, which allowed their utilization to another extent, e.g. as a means of differentiation. We will discuss retailers’ utilization of the product more in a later section of the paper.

### ***Resources in the retail context***

The **business units** responsible for retailing the Hilding collection are furniture stores belonging to the furniture chain Stemma. This chain has exclusive right to sell the Hilding collection in Finland and it comprises 55 independent furniture stores, with joint purchasing and marketing operations. Presently, the Hilding collection is sold in all Stemma stores and its share of the total sales of mattresses in Stemma is estimated to nearly 50 %. For the manufacturer Unituli, the Stemma relationship accounts for approximately 15 % of the sales.

As the Stemma stores are run by individual entrepreneurs, without strict chain management, the stores differ remarkably from one to another with respect to size, appearance, style of advertising etc. providing very heterogeneous environments for the Hilding collection to be sold in. The key account manager of the manufacturer (with a personal background in the Stemma organization) characterised the stores as *ordinary people’s furniture stores*; as not very exclusive but at best *nice-looking and pleasant*, although there also are less well-managed ones.

A significant way in which the business unit affects the product is through its sales personnel. As referred to above, the product in itself has many hidden features, what need to be communicated to consumers either through written or visual means of communication or through the sales person. This highlights the importance of the interface between the product and the sales person; when he/she knows about the product, what they tell customers about it and in which way. The “effectiveness” of this interface can be enhanced through product (and sales) training, but an equally important aspect is to reinforce this interface is to ensure commitment and motivation, not only knowledge, to present the focal product as an alternative.

A second noteworthy factor through which the retailer business unit affects the product, is through its image and identity. The latter is related to what the business unit is and thus what kind of marketing objectives it has e.g. in terms of target groups and profilation. Image and perception of the store e.g. in terms of a positively or negatively loaded aesthetic appearance can also create its imprints on the image of an individual brand in the store. Such effects have been studied e.g. by Richardson, Jain & Dick (1996).

Concerning interfaces with **facilities**, the store environment is perhaps the most obvious one influencing the product. Turley and Chebat (2002) draw a parallel between the retail environment and a product’s package, in that both surround the products which are for sale. They put forward that the atmosphere of a store can serve as an important differential or competitive advantage in e.g. attracting particular segments of shoppers.

As the Stemma stores differ from one another with respect to appearance, layout and atmosphere, this provides very heterogeneous settings for the focal product to be surrounded by. The extent to which individual stores make use of the non-core product elements such as the sleeping studio materials also varies. Some have devoted more space to these products than others, and some display them more clearly than others. The way products are placed out and displayed also affects the way consumers approach them and test them, which in turn enables them to access and assess the sensory features of the product. Variations in the conditions for testing the products (e.g. how separated, peaceful or inviting the mattress section of the store appears) can affect the ways in which the product manages to convey its characteristics to potential users. The retail environment could be said to affect the product both on store level (atmosphere and layout of the store as a whole) and on the product category level (how the products in question are displayed and possibilities provided for testing).

Other **products** also affect the focal product significantly. Items that belong to the focal collection can create trade-offs or complementarities in relation to each other. Also, other products that the manufacturer makes can have linkages to the focal product in terms of the origin of technical solutions or access to suppliers of certain components. In the retail environment the focal product appears particularly in relation to other products and brands in the store's assortment, also these either of competing or complementary character, for instance other mattress brands or other pieces of furniture or interior decoration items, which may be used in quite direct connection to the focal product (e.g. bedside tables or bedding). Also the amount and characteristics of such complementary products can set its trace on the value of the focal resource in a broader sense, i.e. augment the core product in different ways, resulting in a heterogeneous outcome of what the product is.

Observations from different stores also point at the fact that there may be trade-offs between which type of resources the product is "coupled" with. For instance some stores have opted for displaying mattresses in an "information focused" manner, with extensive use of stands, posters and other graphic material, others have chosen to replace the promotional stands between each bed model with different models of night tables, in order to display the product in a more "ambience focused" way.

Typically, the assortments of the stores include two or three (sometimes even more) other major brands in addition to Hilding. At the lower end of the product category, they offer a private label brand named Stemma Special (manufactured by the same business unit as Hilding), whereas products that are positioned above Hilding are the Jensen and Progress collections. Not only consumers as such evaluate the trade-offs between these alternatives, but also the sales staff are in a critical position in the situations when and how they demonstrate and argument for each of these products. Willingness of an individual sales person to sell a certain brand and the ability to see its potential as matching with user needs becomes critical for the value the product can provide for the retailer.

The case has shown that during the life cycle of the Hilding collection, it has continuously adapted in relation to other products, and also vice versa. Initially, it was perceived that the higher end of the Hilding collection had some overlap with the Jensen collection. Retailers were then not able to utilize the high end features of Hilding, as they appeared to think that Jensen was a better choice if for the more demanding customers. To overcome this overlap, the prices of the two collections were both adjusted, Jensen upwards and Hilding downwards in order to increase the perceived difference between them. Recently also the higher end of the Hilding collection in Finland has received new physical features. A new top mattress material (a foam that adjusts according to body temperature) has been included. This origin of this solution is in another competing product and the foam component for the top mattress is in fact bought from this competing manufacturer.

The last example describes both how another product affect the features of a focal one, but simultaneously also how the product is embedded into other **business relationships** that may indirectly affect it. In the case of Hilding and the relationship between manufacturer and the Stemma chain, it could be said that the relationship forms a continuous and committed platform for joint development work in the ongoing process of adapting the product to its retail context, of which the adjustments in price and components are a few examples.

## **Retailer perceptions of significant resource features**

When assessing which features are significant in the focal product on the whole, largely similar characteristics are highlighted by actors in the retail context as those involved with the product's development and manufacturing. In the interviews, physical and construction related features were mentioned, such as the type of springs used, quality and durability of materials as well as the fact that the fabric is detachable and thus washable, better maintainable and hygienic. Physical product features also further affect sensory and thus more individually perceived properties, such as comfort. The broadness of the collection was in this respect highlighted as a significant characteristic, as it offers a range of different alternatives (related to firmness/softness) to match the variety of user definitions of what is comfortable.

Characteristics related to the appearance of the product were also highlighted. The appearance was described as appealing and youthful and attention was also drawn to the colour of the fabric. The colour had been a significant feature particularly at the time when the collection was introduced, since this product was said to have been the first dark blue mattress on the market. Initially this characteristic was used not only in terms of differentiation or though the fact that a new looking product is more "fresh" and interesting for sales people to sell, but also as an argument for customers in the form of a claim that *"Other (manufacturer)s are also heading in this direction (with fabric colours), but these are the first to have it."* In other words, fashions and trends play a role in the assessment of the product's appearance, possibly trickling down also to product or company image, for instance as being perceived (or at least portrayed) as some kind of trendsetter or forerunner. It highlights the fact that the **utilisation value of product features is time dependent and relative to the features of other products.**

A much stressed product characteristic among all interviewees was the fact that it was perceived as "good value for the money". Both the physical as well as aesthetic properties were perceived valuable in relation to the price of the product. The consumer may be told for instance that *"You get this for the price of a regular mattress"*, which can be interpreted as a perception of the features as something "more than regular".

Related to the product's price, the store owners/managers also made reference to the producer and the group behind it. They pointed out that outside the core of the product, important underlying aspects were the production technologies and cost structures of the manufacturer and their qualities as a supplier.

Other significant features that were mentioned, were issues related to place. On one hand, it was emphasized that the product is manufactured in Finland, but on the other hand the collection's origin as Swedish or "from Europe's biggest manufacturer" were also aspects that some interviewees found significant, possibly in terms of some kind of embedded competence. Moreover, the blue and white colour of the product also received a new symbolic meaning in the Finnish context.

## **Product knowledge among consumers**

Even though there was some variation between different stores in the way the focal product was seen, it could still be said that the product knowledge of these actors was largely shared. The question however arises whether this product knowledge is also transmitted all the way to the final consumer?

Some insight into this issue has been gained though the use of a small scale *mystery shopping* inquiry, i.e. use of researchers acting as potential customers to monitor the processes and procedures used in the delivery of a service (Wilson 1998). In this technique of disguised observation, the role of the researcher is minimized, as those who are studied are unaware of the true purpose of the observer and treat him/her as a natural member of the group (Grönfors 1982:104), or in this case, as a real customer, whereby information is gained about how product features become transmitted to consumers e.g. through sales argumentation.

The number of observations concerning the focal product and its retail context is quite small (6 observations, of which some were made individually, some by couples or pairs) and most of them were done in the same store, which implies that the findings cannot be generalized. Nevertheless, they do provide some interesting illustrations of the interface between the focal product and its

potential final user and the role of the retail context in connecting these and serve as an illustration of a possibly extreme or unique case.

The observers were instructed to go to one of the stores of the furniture chain in question, looking to buy a box or spring mattress of good quality for a reasonable price. The observers were specifically asked to pretend being particularly interested in the Hilding collection and pay attention to how the sales people would argue about it.

As a conclusion of the mystery shopping findings it could be said that the inquiry failed somewhat in validating the picture of the product presented by the other actors. On the other hand, it raised some new issues of interest. The most striking and surprising finding was that despite these guidelines and the “attempts” of the shoppers to (pretend to) buy the focal product, only one mystery shopper was clearly offered one. This would imply that product features and value did not reach to final customer at all and its value remained quite unexploited. Instead, for most of the shoppers the sales persons tried to convince that another product (a cheaper brand or a special offer of a more expensive brand) was the best choice for them and seemed reluctant to demonstrate other alternatives, including Hilding. The shoppers even felt that the sales people did not let them look sufficiently at other alternatives. This was reinforced by the fact that different mattress brands were displayed in different parts of the store, some (the cheapest special offers) even on another floor, making comparisons more difficult than if all alternatives had been in the same section of the store. This store layout thus requires the sales person to be more involved in the customer’s process of finding what they want and appears to assign them more “power” to steer the purchase in a specific direction. Different stores however have different layouts, why these findings only should be interpreted as examples of heterogeneity, rather a general rule.

The fact that the observers were primarily offered other products than Hilding is likely to be linked to how the sales people *categorized the shoppers*. Instead of creating individual sales strategies to every customer, creating typologies of customers helps the sales people to organize and structure the sales process and form appropriate sales strategies for different customer categories (Mäki 2003). Retail customer typologisation has been studied from the point of view of how customers see themselves (e.g. Sharma & Levy 1995; Reynolds & Beatty 1999) and by Mäki (2003) from the point of view of how sales people describe and characterise customers. In his study, criteria that formed the basis for categorization were e.g. the appearance, behaviour, mood and demographic features of the customer (Mäki 2003: 148).

In the mystery shopping case, the sales persons seem to have drawn their conclusions based on such features of the shoppers (e.g. young age) and adopted a certain sales strategy in accordance with this categorization. This implied focusing particularly on price and special offers and thereby on other products than Hilding.

The mystery shoppers thus received much of their product knowledge of Hilding through other means than from the sales person. Promotional materials such as product labels, posters, brochures and promotional stands, pillowcases etc. made the product distinguishable in the store and provided information of its features. Likewise some observers had visited the furniture store’s website to learn more about the focal product.

The mystery shopping experience also highlighted the question of store image and the significance of the store environment overall; many shoppers commented on this issue in the discussion of their visits and compared their impressions with those from other stores where they might “normally” shop. A striking example of how already a single product can create an imprint on store image is a quote from a pair of shoppers, who had observed a sofa that was not quite their taste in the front window and thought “*Oh no, where are we going?*” as they entered the store. Variation in store appearance also among stores within the same chain thus couples the product to quite differing image contexts.

## **Forms of utilising the product as a resource**

Earlier it has been referred to that products are carriers of both restrictions and opportunities. Such opportunities can be taken advantage of, missed (as illustrated by the mystery shopping case) or new ones created when combined in a new way. Different actors, such as managers of different stores,

can also utilize the opportunities somewhat differently. That is, the product exhibits different value when coupled to different contexts. The product can thus be used to provide value, i.e. function as a resource for different actors, in different ways. In this section we shall look closer at the utilization side, at which features retailers appear use in this case and in which way.

Earlier it was referred to that one of the features characterizing the product is its **spatial dimension**. Different actors seem to view this dimension differently, which also provides different ways of utilizing this dimension. On one hand, it can be emphasized that the product is domestically manufactured, which in fact is highlighted by many actors and also e.g. in the promotional materials in the form of the Finnish flag symbolizing this. Simultaneously, the product can also be viewed as Swedish to its origin and also through its brand name. This feature again can be used both as implying something exotic or something appealing, depending e.g. on whether the product features are communicated to a consumer in western or central Finland, i.e. depending on the cultural distance to Sweden and how this is expected to affect how consumers react to "swedishness" as a product attribute. Other actors in turn may choose to downplay the Swedish origin altogether.

The issue of "place" manifests itself in the product also through the fact that the business units that are involved in developing and manufacturing the product, possess certain **competencies** and capabilities which actors in the retail context see as assets which they may **indirectly access**. This shows e.g. in the form of utilisation of logistical strengths as well as product development work elsewhere in the company, which can potentially be utilized also for the benefit of this relationship.

### ***The product as a building block in an assortment***

In a classical sense the purpose of a retailer can be seen as to connect supply and demand and this connection could be said to physically manifest itself in the product. Thus, when looking at how retailers manage to utilize the value of (heterogeneous) products, this can be looked upon in terms of how the actor manages to connect relevant product properties with the needs, wants and preferences of the target customers.

Some differences prevailed in the way different retailers defined the target group(s) of the focal product. Certain variation existed also in the retailers' views on how the focal product was positioned in relation to other brands in the assortment. However, on the whole, Hilding was seen as a way covering the medium price segment well. In this way, it could be said the retailers utilize the product as a means of supplementing their assortment with products that have features that are attractive for target customers. These features can be differently emphasized depending on what type of features each customer is thought to be interested in, ranging from technical features to hygiene, durability, easy care, comfort, appearance etc.

It also appears as if many of the interviewed retailers have adopted a highly price focused strategy, judging for instance by the type of advertising they carry out. Hilding seems to perform also as a means in this strategy, as an element in the retailers special offer based marketing activities and a typical product which is featuring in the retailers' newspaper advertisements to "pull" customers to the stores. However, as the mystery shopping findings indicated, the assortment may also include other products which can offer better potential as means of reaching the price sensitive consumer. On the other hand, Hilding as a brand is not considered to possess the same amount of "pull" appeal as better recognised brands. In this sense, it fills the gap in the assortment between the cheapest and the most exclusive brands reinforcing the image of the retailer as a provider of a wide variety of furniture for "ordinary people" to use the characterization provided by one of the interviewees.

### ***Product as a means of offering reliability***

It was mentioned earlier that the product is said to contain an element of reliability in terms of both product features as well as prompt and reliable deliveries. In a way, the reliability aspect can be passed on or "duplicated" from product to retailer level so that the retailer can utilize this strength factor itself. An example of this is the fact that when the collection was first introduced, it was portrayed in the form that "We now have mattresses from Europe's biggest manufacturer". The linkages to the competence and reputation of the supplier were thus explicitly used as an argument that also says something about the retailer.

### ***The product as a source of differentiation***

An important characteristic of the product from the retailer's point of view is the fact that the product is exclusively sold in this furniture chain. Therefore it offers the retail actors the possibility to provide its customers with an offering that is distinct and different from those of other retailers in terms of appearance (colour), brand and certain physical features, such as the detachability of fabric and its implications as a sales argument.

### ***The product as an enhancer of the store environment***

The product concept of the focal product includes specifications of how products should be displayed and materials that can be used for this purpose. In the best case, the Hilding sections should resemble shop-in-shop type of sleeping studios. The extent to which these elements have been utilized varies among the stores. However, the sleeping studio can potentially be used as an enhancer of the retail environment. Some of the other brands have perhaps devoted more effort and succeeded better in this respect, while for others, this has remained less utilised.

### ***The product as a motivator***

The focal product was characterized as easy to sell and argument about, due to being "good value for the money" and including more room for argumentation and more alternatives than only being a matter of taste. It was even said that the product could be presented as having "this kind of features for the price of an ordinary mattress" (in contrast to some more expensive competing products in some cases) Sales staff were said to *like* to tell customers about these products, or mattresses in general, and particularly want to provide service. They were sometimes said to become even frustrated if the customer wants to look alone as they have so much to tell about the products. Product related training which is provided also increases the sales people's knowledge about the products and reinforces their expert role, which they can demonstrate in the service situation.

### ***The product as an economic resource***

Perhaps the most obvious way in which a product functions as a resource for a retailer, is through the economic value that its sales provide. In the case of the focal product, a particularly significant aspect is that it provides good sales in relation to the floor space devoted to it.

### ***The product as a platform for relationship development***

Related to the aforementioned issue of accessing competencies on the supply side, it could also be seen that the retailer can utilize the product as a platform or point of reference for further development and long term business relationships with the supplier. It was mentioned as a strength of the product that its supplier does not only offer a core product to be distributed, but a source of continuous, regular, clear and good business and that they are able to keep up with both product and price developments.

## **Final comments**

These empirical observations appear to support the reinterpreted view of products (as one of the classical four P's) as non-given presented by Håkansson & Waluszewski (2004: 253-254). In the case, both the physical/technical, as well as immaterial features of the focal products are significantly affected by the buyer (retailer). The retail context can be seen to leave its imprints on the product for instance in terms of fully adapted components or specific combinations of standard components. It may also create adaptation towards coherence with its own corporate identity and resource structure by emphasising certain product features while downplaying others. Adaptation can also be noticed in relation to other products in the context; the focal product and other e.g. competing brands are dynamically repositioned and the focal product may show different features depending on what other products it is "mirrored against". The retail context can also affect product properties by augmenting the core product "in its own manner" though e.g. its own promotional activities, personal selling, argumentation and additional services provided, as well as through the retail environment itself (product display etc). So far, it would appear that though such means, the distributor could be able to

*utilise the product as a resource* to serve its own strategic purposes, which could be of either renewing or reinforcing character.

When discussing the ability of actors to make use of a resource, given the context in which it is embedded, the question is largely about how actors *perceive* the resources and their value potential. The term “framing” has also been used as describing the connections between actor and resource layers (Torvatn 2004). Other terms which might be useful for describing the process how actors manage to make use of resources could be *assimilation and accommodation*, originating in Piaget’s theory of cognitive development. Assimilation refers to the process by which a novel object is comprehended in terms of a pre-existing schema, and accommodation to the process of modifying the pre-existing schema in order to include a novel object or event (Atkinson et al. 1996: 685). This could be seen as actors’, e.g. a store manager’s or sales person’s way of either assimilating the product into his/her schema and thus being able to use it to reinforce current practices and managerial objectives or accommodating the existing schema and establishing some type of renewal in the system through the new resource.

Based on the findings, factors that lie behind the type and extent of contextual influence appears on one hand to be related to the way distribution is organised, that is, the extent of chain management. On the other hand, as earlier studies (among others Torvatn 2001, Rosenbröijer 2001 and Håkansson & Waluszewski 2002) indicate, resource history matters and utilisation of resources can be path-dependent and inertial.

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