# Chapter 18 Actor Engagement in Service Ecosystems: Innovating Value CoCreation in Food Retail

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#### **ABSTRACT**

The actor engagement concept highlights the reciprocal, social, and collective nature of engagement, aimed at enhancing value co-creation processes in service ecosystems. This chapter explores the evolution of the service ecosystem in retailing contexts, with the development of new retail formulas derived from the effective interaction between corporate stances and engaged actors, in particular customers, social movements, and suppliers. In the analysis, the authors focus on two interlinked cases: Eataly, a new venture that emerged from a mutual organizational commitment between corporate power and the Slow Food social movement; FICO-Eataly World, the subsequent evolution of Eataly, which derived from the reshaping of the service ecosystem due to increasing supplier engagement in the retail format. Eataly and FICO represent interesting settings to better understand how forms of resource integration can occur, how and to what extent the community and corporate stances mutually adjust during the value co-creation process, and how a service ecosystem can evolve as a result of actor engagement.

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#### INTRODUCTION

Introduction of the concept of actor engagement has recently broadened the scope of engagement research to focus attention on the role of both individuals and collectives in value co-creation (Storbacka et al., 2016; Alexander et al., 2018; Brodie et al., 2019).

According to service-dominant (S-D) logic, value creation is always a collaborative and interactive process that takes place in the context of a unique set of multiple exchange relationships among various actors in service ecosystems (Vargo & Lusch, 2016).

Service ecosystems are "relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange" (Vargo & Lusch, 2016: p. 10). The definition suggests that service ecosystems reconfigure themselves: They are dynamic and potentially self-adjusting. Service for service exchange and value creation through resource integration affect the nature of the system. This, in turn, determines a change in the context for future value creation processes (Chandler & Vargo, 2011; Edvardsson, Tronvoll, & Gruber, 2011).

The reconfiguring process is mediated by institutions that regulate social interaction by assigning roles to different actors and coordinating the sharing and exchange of resources. Institutions are socially created schemas, norms, and regulations (Scott, 2014) or, in other words, "rules of the game" that allow actors to interact in an organized way and coordinate interactions at various levels since the rules are routinized ways of thinking and acting that are (partially) shared and enable and constrain human behavior.

Norms and rules are not externally imposed; actors generate them to facilitate the value co-creation process. For instance, actors develop types of rules in interaction and then develop signs of those rules which become additional heuristic shortcuts for interacting. By determining reciprocal expectations about the behavior of the actors involved in resource integration, institutions reduce the uncertainty of interaction and consequently the cost of cooperation and collaboration, thus increasing the effectiveness of value co-creation processes.

In this process, actor engagement is essential for activating resource integration and value co-creation in service ecosystems (Storbacka et al., 2016). However, the definition of actor engagement provided by Brodie et al. (2019) highlights that this dynamic and iterative process "reflects actors' dispositions to invest resources in their interactions with other connected actors in a service system" (Brodie et al., 2019: p. 174). Actors' dispositions relate to their inclination to appropriate, reproduce, and potentially innovate upon connections with respect to their personal and collective ideals, interests, and commitments (Emirbayer & Goodwin, 1994) that might question existing institutions.

Another important issue in the engagement process is that corporate initiatives are often challenged by emerging counter-cultural movements, that have adopted critical stances toward corporate power and market ideology. The counter-culture concept refers to a coherent system of norms and values that not only differ from those of the dominant system, but also comprise at least one norm or value that calls for commitment to cultural change——that is, a transformation of the dominant system of norms and values (Desmond et al., 2000). A counter-cultural movement typically involves criticism or rejection of currently powerful institutions, with accompanying hope for a better life or a new society. As new consumption ideologies emerge, extant business initiatives are criticized (Hollenbeck & Zinkhan, 2010); consequently, they are sometimes "transformed" (Kozinets & Handelman, 2004), and new market opportunities are created (Carducci, 2006; Heath & Potter, 2005).

Consumers, who often emerge as members of small and marginal movements (but are well rooted in the history of consumption communities), tend to demand special attention for their ideological values

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