

BALANCED CENTRICITY AND TRIADS: STRATEGIES TO REACH ECOSYSTEM EQUILIBRIUM IN THE ARTS SECTOR

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ABSTRACT

Purpose – The purpose of this paper is to analyze whether triad structures, as the smallest unit of a network, can facilitate or inhibit the evolution into a service ecosystem. According to S-D logic literature, the triad structure and the institutions that dominate the triads determine the evolution into ecosystem, remain as triad or die. “Balanced centricity” is considered a desirable institution that increases the possibility of transforming triads into ecosystems through marketing equilibrium.

Methodology– The authors apply a conceptual approach to develop a framework for deepening understanding about triads structures from the institution’s perspective (balanced centricity). Qualitative case study research was conducted using different methods of data generation including personal interviews and netnography analysis in the arts sector. Three case studies were developed, one for each triad structure: Sotheby’s, Patreon and Vibuk.

Findings –New business models start being a triad and it is a strategic option to evolve into a ecosystem. In this sense, authors argue for considering balanced centricity as an institution that enables the ecosystems to arise. From this perspective, balanced centricity can be considered a strategy that helps to balance and reach positive relationships among actors, enabling the process to become a “balance triad structure”.

Research limitations/implications (if applicable) – The paper is a conceptual work that combines with an empirical approach. The empirical approach considers three success cases on the arts context. Considering other contexts different from arts industry would be useful to add new perspectives to the theory development.

Practical implications – Although sometimes an ecosystem arises in a natural way into markets, it is interesting to be able to design strategies that facilitate the process from the beginning of the business model design. In this sense, balanced centricity can help to configure institutions that result in positive relationships that facilitate the evolution of three actors networks (triad) into ecosystems.

Originality– The present paper defines a new form of triad “balanced triad structure” and identifies categories depending on the way balanced centricity institution is adopted, facilitating or inhibiting the future evolution into a ecosystem. Hitherto, previous papers have not put together these concepts that build on the triads and ecosystems theory to better understand triads management and facilitate the evolution of three-actor networks into ecosystems.

Key words (max 5): Triads, balance triad structure, balanced centricity, Service Dominant Logic, ecosystems, systems of value co-creation.

Paper type –Research paper

Introduction

Service networks are inherently complex (Gummesson and Polese, 2009; Vargo and Lusch, 2011; Verleye et al, 2017). Such complexity requires developing the appropriate approach to be able to generate innovation and continuous improvements to advance in the theory-in-use, as suggested by Gummesson (2014b). B2B literature has traditionally been oriented to a dyadic perspective, but triadic perspective can offer a more complex and comprehensive approach. Gummesson and Polese (2009, p.337) on their article “B2B is not an Island” put forward that “marketing benefits from treating B2B and B2C (business to consumer) as part of the same marketing context and service system (...) Almost all companies serve both organizational customers and consumers”. In order to overcome this conceptual limitation new developments in service have adopted the expression actor-to-actor (A2A). This is probably one of the reasons why contributions related to triads are growing in the literature (Vedel, 2016; Schreiner, 2015; Siltaloppi and Vargo, 2017). Almost simultaneously to the growing interest on triads, the Service Dominant Logic (SDL) approach (Vargo and Lusch 2004; 2008; 2016) points out the networked and interrelated nature of markets and the benefits of becoming an ecosystem. Chandler and Vargo (2011) were pioneers on analyzing the importance of context to frame exchange and identify multi-levels of context (micro, meso and macro). However, hitherto there is a lack of research bringing together both the contexts and the institutions that dominate every context which facilitate or limit the evolution from one level to the next.

This paper aims to improve the understanding of the process of becoming an ecosystem through the analysis of the institutions that facilitate/inhibit such process. Triads are analyzed as “the smallest unit of a network” (Smith and Laage-Hellman, 1992; Wasserman and Faust, 1994) and these theoretical developments will apply to the case of new business models in the arts sector where there is a simultaneous exchange of information (connections/service for service) among actors (providers, consumers and business). In this context, “balanced centrality” (Gummesson, 2008a) is considered an institution that enables the process to become an ecosystem. Adopting this perspective, this study posits that the triad structure determines whether the triad can become an ecosystem or not. In so doing, we propose the model “balance triad structure” that describes positive triadic business relationships that have a potential to evolve into a (three-actor) ecosystem. The model builds on FP11/axiom 5, as balanced centrality is considered an institution that facilitates innovation in new business models (Vargo and Lusch, 2016). More precisely, this work aims to answer the following main research question: When evaluating a triad, does a “balanced triad structure” reflect positive A2A relationships and higher possibilities to evolve into an ecosystem and grow? This research question is further divided into three sub-questions:

RQ1. What is a “Balanced triad structure” (BTS)?

RQ2. Which of the forms of triadic relationships have a potential to be a “balance triad structure”?

RQ3. Do new business models adopt the “BTS structure”?

The paper is structured as follows: first, the concept of triads and ecosystem are analyzed and re-described from the Service Dominant Logic approach. Second, the “balanced centrality” concept is analyzed from the institutions point of view and applied to the triads concept. Third, the ecosystem concept is brought to the triads context and “balance triad structure” is defined. Then follows three case studies of A2A relationships (which include B2B and B2C) illustrating how the triadic relationships unfolds in the empirical context, preceded by a description of the methodology applied in the study. The final section offers a discussion of the scholarly implications of the study and the managerial relevance.

Theorizing the “balance triad structure”

Triads

An increasing number of studies have expanded the perspective from the dyad to the triad level of analysis (Vedel, 2012, 2016; Schreiner, 2015; Harrison et al, 2012; Pardo and Michel, 2015). Most of them start their approach referring to Simmel's seminal work on triads (1950), but the management approach has developed multiplicity of forms of triadic relationships, depending on the author's perspective and the studied industry. Most contributions come from the retail and B2B relationship analysis. Knowing the different forms of triadic relationships allows us to identify structures that facilitate the rise of win-win relationships (Gummesson, 2009) or positive connections among actors (Vedel, 2016), these are: unitary triads (Havilla, 1996; Choi and Wu, 2009a, 2009b; Holma, 2010, 2012), closed triads (Blankeburg and Johanson, 1992, Ritter, 2000, Smith and Laae-Hellmman, 1992), cost-economizing triads (Vedel, 2016) and mediation and coalition triads (Siltaloppi and Vargo, 2017).

Although most of the contributions to B2B come from the retail industry research (Pardo and Michel, 2015), according to the perspective adopted in this paper, new business models do not make such difference, as it is not easy to fit the stakeholders into just one role: buyer – seller - provider. In this sense, the SDL suggests to call them all “actors” (A2A relationships). In this regard Gummesson and Polese (2009) posit “(...) marketing benefits from treating B2B and B2C as part of the same marketing context and service system. B2B demand is derived from consumer markets; suppliers can profit from helping their customer's customers become more competitive”.

Balanced centricity as institution

Balanced centricity is a new concept developed by Gummesson (2008a, p. 17) as an intention to manage the complex reality recognizing that “all the stakeholders have the right to satisfy their needs and wants”. Gummesson (2008b, p. 328) continues the evolution of the concept adding that “It means that long-term relationships and well-functioning markets should build on the needs and wants of many stakeholders: customers, employees, suppliers, intermediaries, the media, governments and more”. Recent literature highlights the role of institutions as a source for innovation into organizations. The concept of institutions has been widely studied in the literature. North (1990, p. 3) defined it in few words as the “rules of the game”. Ostrom (2005, p. 3) provided a broader concept considering that “institutions are the prescriptions that humans use to organize all forms of repetitive and structured interactions including those within families, markets, firms, and governments”. Scott (2014, p. 57) approached the concept of institutions by identifying their central elements, named “rules, norms and cultural-cognitive beliefs”.

From the SDL perspective, institutions have had a changing role, have increased in importance, and should be considered fundamental to processes of value co-creation. Vargo and Lusch (2016, p. 18) refer to an “institution” as “a relatively isolatable, individual 'rule' (e.g., norm, meaning, symbol, law, practice)” and take “institutional arrangements” to refer to “inter-related sets of institutions that together constitute a relatively coherent assemblage that facilitates coordination of activity in value co-creating service ecosystems”. On the 2017 Naples Forum on Service, The Journal of Service Theory and Practice Commended Award was given to Kostela-Huotari and Vargo (2016) for their article “Institutions as a resource context”. Their perspective highlights the role of institutions in order to improve the firm's performance. According to them (2016, p. 169) “institutions represent the 'rules' of resource integration and coordinate actors' efforts to make joint value co-creation possible”. Their contribution is of great interest as they highlight the efforts of actors to break, make, and maintain institutionalized rules of resource integration on multiple levels of the institutional context (micro, meso, and macro). They take an empirical approach and analyze four organizations, identifying direct and indirect effects at every level of the ecosystem. We adopt the SDL perspective to understand institutions as rules or norms that can be established strategically within contexts (the

arts industry) and aim to achieve a specific desired state (i.e., improving the strategic benefit for all the actors involved).

Following Scott (2014) and Bo Edvardsson et al. (2014), three institutional pillars can be identified:

- Regulative pillars comprise all formal rules regulating and consequently enable or constrain the behaviour of actors.
- Normative pillars consist of norms (that specify how certain things should be done), values (what is desired), and standards through which behaviour and structures can be evaluated.
- Cognitive pillars are related to the actors' perceptions of reality. The cultural context determines the actors' way of behaving.

From the triads approach adopted in this paper, we focus on the micro and meso level, and posit that institutions at this stage will determine whether the triad will evolve into an ecosystem or not. The three-actor network (triad) will be considered a BTS if the relationship among actors is based on balanced centricity institution. From this perspective, following Kostela-Huotari and Vargo (2016, p. 169) "in balance triad structures the rules of resource integration are based on balanced centricity and coordinate actor's efforts to make joint value co-creation possible".

From the SDL perspective, balanced centricity can be considered both as an institution and as the basis for developing institutional arrangements. According to Scott (2014) and Edvardsson (2014) balanced centricity can be considered a cognitive pillar, as it is related to actors' perception of reality and requires a cultural context that facilitates actors' way of behaving. According to the perspectives advanced by Lawrence and Suddaby (2006) and Kostela-Huotari et al. (2016), balanced centricity can also be considered as "institutional work", because it can break, make, and maintain institutionalized rules of resource integration on each level of an ecosystem. As Lusch et al. (2016, p. 2959) posit "an institutional narrative helps to increase understanding of the role of institutional arrangement in service ecosystems".

Previous literature on balanced centricity analyze its influence as a facilitator for new formulas of value co-creation in the cultural context; Quero and Ventura (2015) find out that in certain contexts, such as crowd-funding, actors seek system balance as a strategy for success. On the same perspective, Verleye et al (2017) use the medical context to investigate network imbalance; specifically they analyze the negative effects that actions and institutions can have on other actors. Also, Hillebrand et al. (2015, p. 422) challenge, in a similar manner to Gummesson (2008a), the concept of customer centricity in order to develop the "stakeholder marketing perspective", which "holds that customers cannot be viewed separately to the rest of the network of stakeholders and that the value perceptions and interests of other stakeholders may sometimes carry an equal or greater weight". Adopting a triad perspective, Vedel et al. (2012, p. 2) adopt a multi-stage marketing approach, which they define as "the degree to which a firm's marketing activities are targeted at downstream actors other than the firm's direct customers". Such perspective can be linked to Gummesson and Polese (2009, p.337) proposal as a key factor: "supplier's can profit from helping their customer's customers become more competitive".

In BTS, actors make decisions taking into account the influence of their decisions on the other actors, not just their customers. So, B2B and B2C relationships have to be managed simultaneously, being both considered A2A relationships. When relationships among actors (1) co-produce service offering, (2) engage in service provision and (3) co-create value, the three actors network can be considered the smallest size of an ecosystem. Also, if (4) the triad can dynamically adjust its structure and behavior to achieve consonance with its context and thus preserve its stability, the balance triad structure meets the conditions of being three-actor ecosystem (Vargo and Lusch, 2010, p. 176) and a Viable System (2010, p. 29). Table 1 contains the theoretical approaches to the concepts used in the conceptual approach and other parallel concepts such as service system ecology, smart service system and stakeholder marketing perspective.

Take in table 1. Systems and ecosystems concepts.

The present research analyzes bottom up processes at the micro level, identifying institutions (balanced centrality) that can be categorized as strategies as they make possible the evolution into ecosystems, and play an important role as an institutional feature that enables the rules to be broken at the triads in order to facilitate innovation that benefits all the actors involved in the ecosystem. It can form the basis of self-regulation for an ecosystem. Service systems ecology (Maglio and Spohrer, 2008), the viable systems approach (Barile and Polese, 2010), and smart service systems also have a common perspective on the way that institutions ensure that the needs of all participants are satisfied over time. This can be (at least partially) explained by balanced centrality in the sense described by Gummesson (2008a), which eliminates customers from the core of all decisions and places system balance in this core position.

The Balanced Triad Structure

At this point we would define BTS as a *three-agent relationship where actors make prevalent the benefit of the system over the individual benefit, considering that the final outcome of such behavior will result on the benefit of all the actors involved (and their own benefit), facilitating the growth and evolution into an ecosystem and a viable system when the three parts involved decide it is a mutual benefit*. Figure 1 depicts the relationships among actors and their connections based on balanced centrality. Particularly, this figure shows the graphic approach of the BTS for the arts industry: three actors can be identified on the arts context: talent providers (Actor 1), talent demanders (Actor 2) and the platform (actor 3). The way of linking the needs of Actor 1 and Actor 2 generates different triads structures.

Take in Figure 1. Balanced triad structure

From this definition and based on the literature, we suggest the conditions to be met for a three-actor network to be considered a “Balance Triad Structure” (BTS):

- (1) It has to be a mediation or coalition (Siltaloppi and Vargo (2017).
- (2) Relationships built on the needs and wants of all stakeholders Gummesson (2008a, 2008b).
- (3) Co-produce service offering Vargo and Lush (2010).
- (4) Engage in service provision Vargo and Lush (2010).
- (5) Co-create value Vargo and Lush (2010).
- (6) Dynamically adjust its structures and behavior achieve consonance with its context (Barile and Polese, 2010; Polese et al. 2017).

These conditions will be useful in two directions: to evaluate whether a triad is or is not a BTS, and which strategies must be developed in order to be a BTS.

Research design

Methodology

The arts industry and the new business models emerging from the IT and the new markets logic (like crowd exchanges) have specific characteristics that require qualitative analysis:

1. It is a recent phenomenon, in which many organizations with different levels of activity are still appearing. It is important to be able to select those who best represent the reality to be

described. We have chosen the most representative ones within the English-speaking and Spanish-speaking communities, taking as reference the number of actors involved and their fast growth.

2. The information to be collected is complex and requires a methodology that allows the understanding of the new concepts analyzed.

Gummesson (2017, 2014, 2006) highlights the qualitative methodology is superior to quantitative in order to manage complex realities as it is the case of management issues and relationships and is the basis for case theory building. Along similar lines, other authors (Dubois and Gadde, 2002; Yin, 2014) also consider qualitative methods to be the most appropriate for obtaining in-depth information about new phenomena, as is the case of BTS (balance triad structures) and new business models in the arts industry. Thus, we following describe the research protocol of a qualitative multiple case study research.

Data collection analysis

Information was gathered through a variety of sources, with the objective of achieving a complete and complex understanding of the phenomenon, which allowed us to identify triadic relationships models that were representative of the arts industry. The information analyzed included secondary data obtained from a netnographic study of selected forums. Given the complex nature of the object of study: “(...) 'Netnography' or ethnography on the Internet is a new qualitative research methodology that adapts ethnography research techniques to study the cultures and communities that are emerging through computer-mediated communications” (Kozinets, 2002, p.62).

The information obtained from the Internet was analysed using ATLAS.ti software (version 7). The netnographic analysis was important because allowed the researchers to choose those platforms with high social impact. With the Internet approach, new business models do not really have a national frontier, so we decided to choose those platforms with bigger growth taking as reference the idiom that dominates the communication through the actors: Patreon (English) and Vibuck (Spanish). Also we analyzed Sotheby's for its tradition on the arts exchange industry for more than 200 years and its presence in countries all around the world. For Patreon and Vibuck we had several contacts through e-mail and personal conversation with Carla Borsoi (Head of Marketing in Patreon) and Fabio J. Martínez (Digital Marketing Manager in Vibuck).

The studied cases: Sotheby's, Vibuck ang Patreon

In 2013 Youtube musician Jack Conte was looking for a solution to his problem: he had millions of people following his videos, but there was no income that could maintain his work, so he had the idea to create Patreon (www.patreon.com), a new business model that allowed the exchange of talent for income that the arts industry needed. Although it has things in common with crowdfunding, its structure and relationships are structured in a different way. They manage a triad in which three actors (platform, talent demanders and talent providers) interact and it is a new business model born from an existing demand of art consumed in a more collaborative way.

Vibuck (www.vibuck.com) is also born in 2013 in order to increase the visibility and opportunities to work on the performing arts environment. They have the mission to facilitate the contact between art demanders and the talent providers. As they highlight: they are not an agency, they just want to connect the industry. As Antonio Banderas, international movie actor and co-director of the company says: they want to “to make visible the invisible talent”. Breaking with the traditional structure, they want to open the information to all the actors involved and the have developed a mobile app that facilitated communication among them.

Sotheby's (<http://www.sothebys.com>), born in the heart of London, at New bond Street in 1744 and became the first international auction house when it expanded from London to New York (1955). Today, Sotheby's presents auctions in ten different salesrooms, including New York, London, Hong Kong and Paris. They have developed a program called BidNow that allows visitors to view all auctions live on line and place bids from anywhere in the world. Sotheby's has a global network of 80 offices in 40 countries and is the oldest company listed in the New York Stock Exchange. Except for the excellence on applying new technologies to the auction process, the business model buyer – seller – auction house remains to be managed in a similar way.

Discussion of results

The theoretical approach gave answer to the research questions described on the introduction:

RQ 1. What is a “Balanced triad structure”?

RQ 2. Which of the forms of triadic relationships have a potential to be a “balance triad structure”?

RQ 3. Do new business model adopt the “BTS” structure?

The theoretical approach gave answer to RQ 1 and RQ 2 and established the conditions to be met for a business model to be considered a “BTS”. To address RQ 3, the information was gathered based on the six conditions to be a BTS. In all cases we had three parts: art/talent demanders, art/talent provider and a platform/intermediary. The first question to be addressed is how the relationship among the parts (actors – stakeholders) is structured. Following Siltaloppi and Vargo (2017), we can see on table 2 how Sotheby's auction house would be a case of brokerage, Vibuck is actually a case of mediation as, for the information gathered on the netnography and personal interview to the enterprise, they “want to connect both parts, and use new technologies to make easier the process for both: talent demander (A2) and talent provider (A1). Finally, Patreon, not only facilitate contact between A 2 and A3, they want “people to support the creators they love”, “As a platform we provide a series of software tools accessible online to help build a membership program”. On the other hand, the funding process itself is being considered not just a financial process, but, as The European Commission (2014, p. 3) has recently published “crowdfunding is a new financial system with its own particularities (...) Crowdfunding is also about attracting the emotional interest of users, setting up channels of identification with a platform's core values and purposes and exploiting the capabilities of social networks, community and proximity. This brings out new interactions between economic efficiency and democratic practices which are distinctive of the crowd-funding market”. These characteristics make Patreon more a coalition relationship than just a mediation, as the relationship among actors can be defined by “its emphasis on the dynamics of the three actor system as a whole” (Siltaloppi and Vargo, 2017, p. 402).

Take in Table 2. Examples of forms of triadic relationships in the arts industry.

As we can see on Table 2, the first condition for a BTS (“being a mediation or a coalition”) is only met by Vibuck and Patreon. Sotheby's maintains (as we can see on the one of its arts calendars (<https://www.sothebys.com/en/calendar>) absolutely separate entrances for “buyers” and “sellers”. When analyzing condition 2 of BTS (Relationships built on the needs and wants of all stakeholders), in the case of Sotheby's, there is not communication among actors until the moment of the auction. When analyzing information on their web, there is a buyer side, a seller side and Sotheby's helps each one as long as they need anything to make the process an “excellent experience”. The experience is built on the exchange moment. Vibuck has suffered an interesting evolution from brokerage to mediation. In the beginning, they were paid by each part to share information that always had to go through their platform. Now they “are looking for creating spaces where A2 and A3 can meet and have their needs solved”. Not everything has to be supervised by them”. Finally, Patreon explains

how in 2017 there was a strategic shift and rebrand to focus more on this notion of membership. Though this, they made some changes: one is that Patreon focused on creators with established followings so they can turn their fans into patrons. Two, they shifted their product efforts to tools that help facilitate this – whether it was their platform (API) initiative in the fall, expanding their payments infrastructure to provide improved stability and additional services, or additional mobile tools like Lens that foster greater connections with fans. Three, they are investing resources in education for creators to help them look at their creative careers as just that, a career and a business.

From this information, in the case of Sotheby's, we can see how, although with much better and new technologies, the client is still the agent to be satisfied, and everything is designed to make their experience excellent. Sotheby's has developed an excellent service for buyers and sellers separately: they give you all the information and knowledge needed for the "the main moment of truth" which is the auction moment to work perfectly. Vibuck works more on matching needs of A2 and A3 (talent providers and demanders). They say "they work to match the talent with the industry", they are more a mediation formula with one clear aim, which is matching the needs of employers and employees (A 2 and A3) on the arts environment. In the case of Patreon, there is more the idea of being a system of three parts, all related to each other, as they say "we help our clients get their clients satisfied": this is the inseparable B2B – B2C relationship proposed by Gummesson and Polese (2009), what, from the SDL approach would be called A2A or A4A relationship. This idea is more on the idea of Balanced Centricity theory, as they feel all part of the same system, and they work on behalf of the system: there is not the idea of "the client" but the idea of making all the actors improve through the improvement of the system. On Table 3 we can see the answer of the organizations to the question: Which institutions (norms, rules) characterize the behavior of your organization? Netnography approach for Sotheby's and personal interviews for Vibuck and Patreon allowed us to identify them.

Take in Table 3. Institutions characterizing the behaviour of the organization (balanced centricity).

For evaluating conditions 3, 4 and 5 (co-produce service offering, engage in service provision and co-create value), we made a table that allowed us to know in which extent each one took place in every model. On table 4 we can see how the three cases meet or not meet the different conditions. In the case of Sotheby's, it's brokerage structure drives to introduce an unilateral innovation perspective that improves the technical devices of the exchange: how to buy, how to sell, but there is no evidence of co-production in the service offering, engage in the service provision nor any form of value co-creation. Vibuck's perspective is different, as the structure of the service offer is designed by the firm actors (talent providers and demanders) for service provision, and their objective is to keep on improving their relationship Vibuck, on its quite new trajectory, is actually concerned on co-creating value with actors, such as: providing actors A2 (Talent demanders) and A 3 (talent demanders) with formulas of value co-creation like spaced to exchange information, share contents, etc. They know their success depends on involving both (A2 and A3) and, the more they grow, the better for both. In this sense, it has a common perspective with Patreon: they don't respond to the demand of an actor, as they work for the growth of the system. In both cases, the business model has changed in order to better fit the needs of all parts (A1, A2, and A3).

Take in Table 4. Matching conditions 3, 4 and 5 for BTS.

The last condition for BTS is that the model dynamically adjusts its structures and behaviour to achieve consonance with its context. In the personal interviews to Cala Borsoi (Patreon) and Fabio Martínez (Vibuck), we could see how both had a very clear need to continuously change their business model in order to better fit their clients' demands. In fact, both described the need to continuously grow and change structures to adapt to new contexts. It is interesting to observe how both business models are evolving to the same direction: helping through their B2B relationship to develop more satisfactory B2C relationships. On table 5 we can see how Vibuck and Patreon's comments on

business model evolution are moving on the same direction. Sotheby's remains with an exchange auction model that remains quite similar, except for all the innovations that new technologies provides them.

Take in Table 5. Continuous changes on the business model

As we can see, both business models, in their short life have already registered several changes. They know it's an absolute need to be on all the networks (both of them get continuous information from their communities (Facebook, Instagram, their own app users, and they integrate changes when it's necessary).

The joint analysis of theoretical and empirical approach allowed us to identify three different triads profiles (strategies):

(1) Brokerage. On the arts sectors this structure has been used for years. It seems like arts industry, for buying and selling high rated art products (like a Dali or a Picasso) always look for a structure that gives security for both sides (buy and sell). Innovations are developed on new technologies: agents can get all kind of information and specialized advice and just from a personal computer you can develop all the process. But, in essence, the way the process takes place is the same. And there is not space for connection between buyers and sellers before or after the auction: all the process goes through the auction house. Both parts are satisfied, as the context demands the exchange to take place in this traditional way, as it gives confidence to the system (a very important concept when we are trading with such elitist and exclusive products).

(2) Mediation strategy can be designed with very different structures. We have analyzed the case of Vibuk because of it's fast growing process: they started 2013 and already have 262.000 records, 100.000 monthly users and 114.000 followers in Facebook. They still call themselves a "start-up" but their fast growth is already driving to consolidation. They are opening markets in Spain, Mexico, Argentina, Peru and Middle East. They meet the conditions to be a BTS that the manage with the described context:

- It's a mediation triad
- They have a continuous communication with talent demanders (A2, agencies in most cases) and talent offer (A1, with individuals or artistic representatives).
- They manage mainly B2B relationships, but also B2A. From the BTS perspective, they manage as A4A.
- They also try to meet all actor's needs: they have already changed several times the model in order to meet the needs of all parts. For example, originally, they got a commission from the parts when they registered in their system. Now the access is free, and the parts only pay for special information. This is how it is now, a model similar to Linked-in, but they know it's something important for the parts and they keep on thinking and changing as their users demand.
- One of their strategies is based on making grow both parts simultaneously: A2 and A3, and keep them all satisfied, otherwise, the system does not work.
- Balanced centrality is an institution shared by the three parts: they are all conscious of being a system, and if the system does not grow or one part grows more than others, it's not a good result.
- They have in mind a social perspective and being useful for a market where information was very disconnected, that's why they always argue "their aim is to make visible the invisible talent".

- (3) Coalition strategy differs from mediation as the communication among the three actors is simultaneous, what facilitates more kind of value co-creation, as is the case of co-finance, which is considered a collaborative marketing strategy that increases the link between talent demander's (A2) and talent providers (A3). Patreon is our case study in this category. Evolution data in the case of Patreon are impressive: over 50.000 creators have found a solution to their initiatives in this platform. Just in 2017 creator's earnings ascended to 150.000.000 \$ and account for 1.000.000 of monthly active patrons.
- As described on the results, Patreon also meets the characteristics of being a BTS, specifically a coalition BTS, as they meet the characteristics that they manage with the next strategies:
- It's a coalition triad.
 - On their strategies, they continuously look for the equilibrium of the system. They try to develop strategies that meet all the part's needs. They develop instruments that facilitate relationships among actors. Their strategic shift and rebrand in 2017 was directed to "focus more on the notion of membership".
 - The main difference of Patreon (coalition) with respect to Vibuck (mediation) is that the direct finance structure and communication between the actor and the patron allows for a continuous product re-orientation to the demand of the patrons.
 - Also, all the parts are concerned with the idea of being a system, and they use all the media (like Lens, a mobile tool that foster connections with fans) to make the system advance. On it's short history, they have also changed the retribution schema, among other strategic decision, to adapt to the demand. Retribution is very important, as it can facilitate/inhibit the actors' participation.
 - In the case of Patreon, there is a very direct communication between talent demanders (A2, patrons), talent providers (A3, artist) and the platform. This way, creators can adapt their contents to the demands / proposals of patrons (co-produce service offering, engage in service provision) and co-create value. This way, it can be considered a three – actors eco-system

Conclusions and theoretical implications

The present paper builds on five theoretical pillars:

- (1) Balanced centricity, which is considered an under-explored concept and needs more development. As Hillebrand et al (2015) posit that "the principle of customer centricity has rarely been challenged (see Gummesson, 2008) for notable exception". We find interesting to analyse how new business models do not build taking as unique reference the customer, but involving other actors around.
- (2) FP11/axiom 5: since balanced centricity is considered an institution that facilitates innovation in new business models like Vibuck and Patreon (Vargo and Lusch, 2016).
- (3) The triads theory (Siltaloppi and Vargo, 2017).
- (4) The Ecosystems theory as a frame for innovation (Vargo and Lusch, 2016) In this sense Vargo et al (2016, p. 5) posit "we argue that a service ecosystem perspective redirects the focus in innovation away from the development of new outputs toward a need to better understand the collaboration of multiple actors, integrating, exchanging and applying resources and the institutions that guide them".
- (5) The Viable Systems perspective related to actors in Ecosystems. Polese et al. (2017) highlight the need for integrating Service Dominant Logic and Viable system perspective.

This theoretical development led us to provide a new theoretical concept: The Balance Triad Structure, which we defined as "*three agents relationship where actors make prevalent the benefit of the system over the individual benefit, considering that the final outcome of such behavior will result on the benefit of all the actors involved (and their own benefit), facilitating the growth and evolution into an ecosystem and a viable system when the three parts involved decide it is a mutual benefit*".

The new concept proposed analyses systems from its smallest configuration: the triad. And it applies the “viability” concept to develop A4A relationships to configure a three-actor viable system, which Gummesson et al. (2018) refer to as “when through resource integration he or she establishes and maintains relationships with key supra-systems and sub-systems, looking for structural compatibility and non opportunistic cooperation”. We build on the forms of triadic relationships developed by the theory (See table 6), using as main reference Siltaloppi and Vargo (2017).

Table 6. Forms of triadic relationships.

This paper contributes to the integration of the eco-systems, viable systems, triad structures, institutions and balanced centricity. All these concepts are registering a parallel development but the present paper highlights the “balanced centricity” concept as a driver for better understanding (and managing” eco-systems, viable systems and triad structures as they can share common institutions. As Polese et al. (2017) explain: there is a need for more integrative research on these related areas. Future lines of research will analyze typologies of Balance Triad Structures (BTS). From the empirical approach, two kinds of BTS are identified: (a) mediation BTS and (b) coalition BTS. Information gathered through the netnographic approach lead us to suggest that more kinds of BTS can be identified, depending to the extent to which they allow to facilitate value co-creation collaboration and actors actively working for the system sustainability.

Managerial implications

The arts sector has had a heterogeneous evolution depending on the country, the art discipline and other factors that make it especially interesting from the research point of view. Literature on arts management highlights the value of relationships among actors, but there is not yet much innovation on business models that facilitate the evolution as it is happening in other sectors. Probably this is the reason why crowdfunding platforms have had a great adoption on the arts sector, as is considered a way for value co-creation among actors (Quero and Ventura, 2015; 2018). In this context, this research develops the concept “Balance Triad structure” that can be useful for both: make a diagnostic of strategic relationships among actors and design strategies that allow for reaching the sustainability of the business model.

As for the empirical work, three case studies were analysed: Sotheby’s, Vibuk and Patreon. All of them are triads but with very different configuration on their relationships among actors. They all are actually cases of success on their context, so we can see them as different strategies to design relationships adapted to the demand.

- (1) Brokerage: The strategy based on offer and demand. The case of Sotheby’s.
- (2) Mediation: When one actor directs the benefits of the system.
- (3) Coalition: When actors co-create the system design.

Limitations and future lines of research

The analysed case studies are very descriptive of new business models on the arts industry and pretend to build on case study theory through the contribution to the BTS concept. This concept is not only theoretical, it can be used to evaluate the strategic orientation of organizations from its initial structure which often starts being a triad. The contribution framed on the arts sector can be considered a limitation that we will try to solve with the analysis of case studies in other sectors different from the arts. Most of the theoretical concepts developed (balanced centricity, eco-system, viable system approach) account for a theoretical approach from the literature but there are not previous

contributions that bring them together and very little empirical approaches to them have been developed. Future research with an empirical content would be useful to fulfil the contents developed from a theoretical and empirical approach.

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