



Napoli, 9-12 June

the 2015  
NAPLES  
**FORUM**  
*on*  
**SERVICE**



SERVICE DOMINANT LOGIC,  
NETWORK & SYSTEMS THEORY AND SERVICE SCIENCE

edited by

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# **The 2015 Naples Forum on Service:**

*Service Dominant Logic, Network and Systems Theory and Service Science*

**Evert Gummesson, Cristina Mele, Francesco Polese**

## THE 3 PILLARS OF THE NAPLES FORUM

The Naples Forum on Service has reached its fourth edition and, after the success of its past experiences (see [www.naplesforumonservice.it](http://www.naplesforumonservice.it)) is about to start its 2015 experience with inspiring scientific premises. For the 2015 Forum, we move from islands to the heart of the city of Naples, in a charming cultural and historic venue; the historic city centre is the largest in Europe and is listed by UNESCO as a World Heritage Site.

The Naples Forum is an effort to stimulate Paradigm 3 research, communicate it and speed up its progress (for a brief article on the paradigms, see Gummesson, 2012).

- *Paradigm 1 (pre-1970s)* where service was not at all on the agenda in marketing and management research and education.
- *Paradigm 2 (1970s-2000s)* when service research grew exponentially with seminal contributions from Northern Europe, France, UK, USA and other countries with goods/services differences in the center but lacking syntheses and unifying theory.
- *Paradigm 3 (2000s-)* when service research moved its focus from differences to commonalities and interdependencies between goods and services. It also moved from the supplier value chain to the value network of all stakeholders (“balanced centrality”) and service (in the singular) became the output irrespective of input. The roles of suppliers and customers have also changed through the recognition of cocreation of value with resource integration with customer-to-customer interaction (C2C) or more broadly as actor-to-actor interaction (A2A). In the core of Paradigm 3 is the recognition of *complexity*. Service systems are enormously complex – it is not sufficient to study the relationship between just a few variables. The new millennium brought with it openings to address complexity and take a more systemic view. *Service-Dominant (S-D) Logic* contributed a initial higher-level service theory of the best contributions of the past and showed directions for the future. *Service Science* started from practitioner experiences and challenges our way of designing and implementing service systems. *Network Theory* and *Systems Theory* have been deployed to address complexity, with applications like Many-to-Many-Marketing and the Viable Systems Approach (VSA). These developments form the 3 Pillars of the Naples Forum. *With them it is motivated to label our current economy a Service Economy.*

The transition to Paradigm 3 is developing – but it takes time and effort. Service research got under way 40 years ago and it is only now that we are beginning to sense the full picture of our economies as complex networks of service systems with a mission to enhance value for consumers, citizens, businesses and society as a whole. The following sections offer brief reviews of the characteristics of the 3 Pillars ending with reference to some recent publications on each of them.

### **Service Dominant (S-D) Logic**

S-D logic summarizes its message in four axioms and ten foundational premises. In brief, these premises put the following to the fore. The most critical changes include moving from goods/services differences to goods/service interdependencies. The word ‘service’ is given a new meaning, going from an undefined input to the value of the output and value-in-use or in a more generalized way to value-in-context. Service is the fundamental basis of exchange (axiom 1) and goods are merely distribution mechanisms of service. Both businesses and customers are operant (active) resources as opposed to the mainstream marketing and economics idea that suppliers do things to customers who are just reactive or passive (operand resources). A service provider can only offer a value proposition to the market; the beneficiaries is always a co-creator of value (axiom 2), whereas value actualization rests with users in an idiosyncratic and contextual way (axiom 4). The network aspect is implicit through the statement that all social and economic actors are cocreators and resource integrators (axiom 3), implying that value creation takes place through interaction in complex networks and systems.

Bob Lusch and Steve Vargo who designed S-D logic keep developing it and treat it as an open code where everyone is welcome to make constructive contributions

### **Service Science**

Service Science is a call for academia, industry, and governments to become more systemic about service performance and innovation. The ultimate goal of Service Science is to apply scientific knowledge to the design and improvements of service systems for business and societal purposes. The concern is that we do not master seamless and reliable service systems at a time when systems are becoming increasingly complex and global, making us increasingly vulnerable to systems sluggishness and failure. Every service system is both a provider and client of service that is connected by value propositions in value-creating networks.

Service Science is a multidisciplinary, open-source program based on computer science, industrial engineering, organizational theory, business strategy and more, including the humanities. In terms of science, it investigates what service systems are and how they evolve, and the roles of people, knowledge, shared information and technology, as well as the relevance of customers inside production processes; in terms of management it

investigates how to improve and evaluate quality and productivity; and in terms of engineering it develops new designs of service systems with better technologies and software.

Service Science is the study of complex service systems; such a simple and straight forward definition calls for intriguing issues due to the ample set of disciplines, research methods, cultural domains and areas of interest in order to capture the powerful insights and the essence of service in technological setting and in today life.

### **Network and Systems Theory**

The words complexity, networks and systems pinpoint the same phenomena. Complexity is derived from the Latin verb *complecti*, meaning “to twine together” and the noun *complexus* means “network”. The word “system” is derived from the Greek *systema*, meaning “a whole composed of many parts”. So the meanings of the three words overlap and expose their interdependency. From these words different traditions have sprung up. *Network theory* and *systems theory* offer both a way of thinking in relationships and interaction and techniques to address complexity and context. These are part of *complexity theory* where many others, for example, chaos theory, fractal geometry and autopoiesis (self-organizing systems) belong. Complexity theory exists both in social sciences, natural sciences and technology but is not utilized efficiently by management disciplines.

Network theory has primarily offered a systemic approach for B2B but has equal potential for B2C/C2B (business-to-consumer/consumer-to-business). *Many-to-Many Marketing* is a general approach that describes, analyzes and utilizes the network properties of marketing and recognizes that both suppliers and customers operate in complex network contexts. *The Viable Systems Approach (VSA)* is a systems theory-based application for management. It postulates that every business is a system, nested in a relational context where it is looking for competitive profiles (viability) through interaction with other actors/stakeholders. Its theory proposes a new representation of the behavioral approach to business and relational interactions with its context. In practice it is a methodological proposal that enables a better understanding of business models, supporting decision making in complex context.

Networks and systems thinking are integral parts of both S-D logic and Service Science.

### **Developing Paradigm 3 through Naples Forum Publications**

Within the 3 Pillars lots of activities including extensive publishing takes place. Lusch and Vargo have been involved in over 50 articles and 20 book chapters, edited several Special Issues of journals, and spoken continually at conferences, universities and business firms around the world. A new book written by Bob and Steve, (*Service-Dominant Logic* was published by Cambridge University Press in 2014) is a condensed (220 pp.) overview of where S-D Logic stands today. Jim Spohrer and his colleagues, together with Forum participants publish continuously on Service Science, including three recent books. Network and systems theory is increasingly integrated with the two other pillars and is the lead theme for several authors, not least from Italian researchers, the Nordic School and the IMP Group.

The Naples Forum stimulates Paradigm 3 research, communicates it and speeds up its progress. The Forum supports the efforts of the participants to publish by co-authoring with other participants and adopt presented papers to articles in journals of their own choice and in special Forum issues. As a result of past edition of the forum more than 80 articles were published in 10 journal special issues of , among the others, *Journal of Service Management*, *Managing Service Quality*, *Service Science*, *Journal of Business Market Management*, *Mercati e Competitività*, etc.

The 2015 Naples Forum on Service Scientific Committee will select quality papers and propose them for publication within the following Journals' special issues: *Journal of Service Theory and Practice*, *Marketing Theory*, *Service Science*.

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## **Role transformation in self-service based systems**

*Maria Åkesson, Bo Edvardsson*

**Purpose** – This study focuses on self-service technologies and the role concept and argues that role theory provides a basis for a better understanding of actors and value co-creation. Customers as well as employees enact various roles in resource integrating and value co-creation processes. The role of customers becomes especially important in self-service based systems since they are designed with an assigned customer role in mind. This assigned role might be far from the customers' enacted role in practice making the system suffer in efficiency.

**Design/Methodology/approach** – The paper reports the findings from an explorative study of customers' activities and interactions with self-service at IKEA. The analysis focuses on identifying and explaining how customers' roles can transform in a self-service context.

**Findings** – This article contributes to the ongoing discussion and development of service dominant logic and transformative service research by using the role concept to better understand actors' resource integration and value co-creation efforts and experiences in practice. The article contributes by identifying role transformations. In short, in order for the customer role "Relying on others" to enact another role, the customer needs to form a role constellation with a family member, friend, or employee in order to get practical guidance at the time of the SST-interaction. The customer role "Unrealistic self-esteem", alter role by performing practical trial and error at the time of the SST-interaction. Finally, the customer role "Lacking self-esteem" needs cognitive guidance in order to enact a different role, this cognitive guidance can come from another person or the customer herself.

**Research limitations/implications** – The results are limited to one self-service system context and therefore do not provide statistical generalizability.

**Originality/value** – Today self-service technologies (SSTs) are present and important in many people's everyday life as well as in many businesses. Therefore SSTs play an important role in customers' co-creation of value in a self-service based system. Customer outcomes in self-service based systems heavily rely on the customer's own activities and interactions shaped by the customer's assigned and enacted role. This study offers original contributions by (1) illustrating that in order for a self-service system to be as effective as possible, more customers need to enact the empowered customer role since it is the role that is closest to the firms' assigned role. Hence the role clarity needs to be improved along with the knowledge and skills of the customers considering the service provision in a self-service system.

**Key words** - Customer roles, Self-service technologies, Value co-creation, Service system, Service dominant logic

**Paper type** –Research paper

## **Cocreating history: a new perspective on the old problem of role conflict and stress**

*Matthew Alexander, Samantha Murdy, Derek Bryce*

**Purpose/Background** - Extant services marketing literature suggests that subordinate, boundary spanning, service employees are subject (as a result of their status within the organisation) to higher levels of role conflict. This takes the form of in-role conflict, organisation-client conflict and/or inter-client conflict (depending on who is involved). Conflict creates role stress which has negative outcomes for both employees and organisations. Contemporary service encounters are also challenging for employees who are subject to increased pressure from employers and, increasingly, from more knowledgeable customers. Literature around S-D Logic suggests that greater collaboration within the service encounter may create challenging conditions for employees who are faced with more knowledgeable and demanding customers with higher expectations. Alongside increases in collaboration are growing demands to provide more personalized service experiences. These experiences suggest a growth in encounters where employees will be required to adapt their service delivery to meet customers ever shifting needs.

**Design/methodology/approach** - Our research explores these issues through a case study of 'Ancestral Tourism', a phenomenon which sees visitors travel to a 'homeland' to seek information about their family history and as such is a highly personalized service experience. Our research took place in Scotland where around 250,000 people visit each year seeking information about their past and where the family history market is worth a potential \$4bn over the next 5 years. Our study focusses on the delivery of ancestral tourism experiences across Scotland through a qualitative study.

**Findings** - Our findings reveal complex, cocreated experiences between the tourist and provider which elicit strong emotions. Whilst positive experiences were identified where an individual's ancestry was successfully discovered many others ended in disappointment. In many cases providers were forced to disprove visitor's theories about who their ancestors were or where they came from. In some cases the family history carefully created by the visitor had to be carefully unpicked to leave a version of family history which was 'somewhat' accurate but avoided more unsavoury episodes or members.

**Originality/value** - The need for highly personalized cocreated experiences places considerable pressure on service personnel to adapt service delivery to meet customers varying needs. In our example this included the added pressure of an experience where the customer's own sense of self was at stake. We discuss the theoretical and managerial implications of our research for the delivery of personalized service experiences.

**Keywords** - Role Conflict, Service Employee, Tourism

## Visitors' experience through smart technologies

*Cristina Caterina Amitrano, Marco Tregua, Francesco Bifulco*

**Purpose** – The paper aims to underline the effects on value co-creation (Lusch & Vargo, 2006; Grönroos, 2008; Vargo et al., 2008) generated by the deployment of smart technologies in the cultural sector (Lang et al., 2009); more in detail the authors want to deepen the role of touch and touchless technologies in the enhancement of visitors' experience and the strengthening of their proactive role (Tallon & Walker, 2008; Bakhshi & Throsby, 2012) by focusing on the interpretation of the value in experience (Helkkula et al., 2012).

**Design/Methodology/approach** – A content analysis is performed through the software NVivo (Bazeley & Jackson, 2013; Krippendorf, 2012) on data collected from the social networking sites (SNS) related to a single case study due to its uniqueness, namely the sculpture exhibition “Il bello o il vero”. The project has been planned and implemented by the Cultural District DATABENC; most frequent topics and relations among them will be highlighted in order to deepen the effects on visitors' experience.

**Findings** – The research underlines the main features related to the cultural experience of consumers using smart technologies during their visit. These results are used for a first attempt towards the delineation of a model concerning the cultural experience related to a context (especially museum and exhibition centres) in which innovation and smart technologies play a fundamental role.

**Research limitations/implications** – The analysis can be performed also for other cultural experiences (not only sculpture exhibition) and the data collection from SNS can be extended with further data gained through participant observation during the cultural experiences, and with a questionnaire survey conducted after the visit (Bryman & Bell, 2011) to achieve a more complete perspective on customers' perceptions.

**Practical implications** – The characteristics identified of co-creation in cultural experiences allow the delineation of the fundamental issues that cultural institutions and firms have to take into account during the delineation of a cultural project when deploying them through new technologies.

**Originality/value** – This study depicts the role played by the current development of smart technologies within the cultural sector and shows the linkages of this phenomenon with the value co-creation to improve experiences and empower value-in-use. The focus on digital culture services can complement the already achievable contributions on digital culture goods (Lang et al., 2009).

**Key words** – cultural experiences, customers' experience, smart technologies, value co-creation

**Paper type** – Research paper

## **Integrating social media in marketing strategy of service firms**

*Pinelopi Athanasopoulou, Giovanis Apostolos N.*

**Purpose** – The role of the internet and digital technology in marketing strategy are themes deserving further research (Celuch & Murphy, 2010; Day, 2011). Social media are used for promotional reasons (Nevin & Torres, 2012); for enhancing relationships with customers (Saperstein & Hastings, 2010; Wright, 2010) and for new service development (NSD) through integrating user-generated content in the development process. The purpose of this study is to determine how social media can be integrated into three areas of marketing strategy: the promotional effort; customer relationship management strategies and NSD practices.

**Design/Methodology/approach** – This study is qualitative in nature. Data was collected through in-depth, personal interviews of key informants in 17 firms, 8 fitness centres in two European countries, Greece and Finland; 8 hotels and one online tourism site in Greece. Interviews were based on a semi-structured questionnaire. Results were analysed with content analysis.

**Findings** –All fitness centres in Finland and only 5 tourism businesses in Greece have a specific, trained person responsible for social media. All firms promote their services through social media by using posts; shares, photos and videos that provide information about old or new services; new offers; events or other company news. Most firms use social media to handle complaints; develop and nurture a relationship with customers; reward customers for their loyalty, and inform customers of any changes in service provision; events or offers. Finally, the use of social media for NSD is mostly present in Greek fitness centres where customers vote for new service ideas through Facebook; are encouraged to provide their opinions on existing services; comment on any problems they face with services, and share any ideas they have.

**Research limitations/implications** - This study extends findings into the way social media can be formally incorporated into marketing strategy. However, it is a qualitative study limited to a small sample of businesses. Future research can extend the sample and do further cross-industry and multi-country studies to validate findings.

**Practical implications** - Firms can optimise their promotional efforts by using social media to increase customer engagement. Also, social media can be used to manage customer relationships in various ways including building brand awareness; creating loyal customers, and handling complaints and customer dissatisfaction. Finally, customer generated content in social media can be used for developing new or changing existing services.

**Originality/value** – The integration of social media use in marketing strategy is analysed across two different service contexts and in three important strategic areas.

**Key words** – Social media, marketing strategy, athletic services, tourism

**Paper type** – Research paper

## Rethinking value proposition tools for living labs

*Anne Äyväri, Annukka Jyrämä*

**Purpose** - The definition of a value proposition has changed during the last two decades as the understanding of the customer's value creation process has deepened (see e.g. Vargo and Lusch, 2004, 2008; Frow and Payne, 2011; Frow et al., 2014). However, it can be argued that most value propositions in practice are still firm-centric (e.g. Anderson et al., 2006). This study proposes that the tools managers use for building value propositions might reflect the firm-centric understanding of value creation, and thus produce value propositions lacking the customer perspective. The study takes a closer look at three tools (Value Proposition Builder™ by Barnes et al., 2009, the People Value Canvas by Wildevuur et al., 2013, and the Value Proposition Canvas by Osterwalder, 2012). The aim is to analyse how these tools conceptualize value creation and value propositions, and finally give some suggestions how the tools should be developed further.

**Approach** - The theoretical discussion is based on service dominant approach built by Vargo and Lusch (2004, 2008). The conceptual analysis of the chosen three managerial models builds on the most recent insights and discussion on the concepts of value, value proposition, and value creation (Vargo and Lusch, 2006, 2014; Edvardsson et al., 2011; Helkkula et al., 2012; Grönroos and Voima, 2013; Heinonen et al., 2013; Frow et al., 2014). The premises of the tools and their implicit and explicit understandings on value and value creation are identified and compared to the theoretical perspectives adopted.

**Findings** - Value Proposition Builder™ has been developed to help building value propositions for the current product or service mix. This tool mainly represents the premises of the Goods-Centered Dominant Logic. Co-created value is only mentioned as one type of the firm's offering. However, the tool includes the concept of value experience, hence, both value-in-exchange and value-in-use are taken into consideration in Value Proposition Builder™. The premises of the People Value Canvas are aligned with the S-D logic. The PVC clearly focuses on value-in-use instead of value-in-exchange. The networked nature of value is partly taken into the consideration in the seventh building block of the PVC, Process.

The third tool, the Value Proposition Canvas developed by the inventors of the Business Model Canvas includes many of the elements that follow the S-D logic, yet one of its basic foundational propositions is aligned with the G-D logic: the company and its offerings are the creators of the value for the customer. However, the emphasis is on value-in-use.

**Research limitations** - This paper is based on the conceptual analyses of the frameworks for building value propositions. Future studies should be conducted as case studies focusing on the analyses of the value propositions build using different tools.

**Practical implications** - The study provides insights for managers in the ways the managerial tools will guide their perspectives, especially in respect of building value propositions. A Living Lab as an open ecosystem is suggested as an excellent environment to study and develop the value proposition tools further and to end up constructing more customer-centric value propositions simultaneously considering the whole service ecosystem as a space for negotiating the resource sharing.

**Originality/value** - It is concluded that the interactional and networked nature of value and the understanding of all the social and economic actors as resource integrators are missing in the present frameworks for building value propositions. The theoretical contribution builds on insights on how managerial tools have or have not interpreted the new perspectives in value creation and hence the paper opens new perspectives to the theoretical discussion on the concept of a value proposition.

**Key words** - value proposition, value creation, customer-centric

## **Constructing viable service systems through the application of Normalized Systems Theory**

*Ralph Badinelli*

**Purpose** - The purpose of this research is the creation of new principles for the design of viable service systems through a novel integration of Normalized Systems Theory (NST) (Mannaert & Verelst, 2009) with the Viable Systems Approach (VSA) (Barile, 2009; Golinelli, 2010). Through the application of recent research in NST (DeBruyn, 2014) we derive a framework for the design of viable service systems by applying NST principles of modular design. Case studies demonstrate the superior performance of this framework.

**Methodology** - This research begins with a critical review of the literature of VSA and NST, identifying the commonalities and complementarities in their system specifications and alignment of their essential constructs with the properties of the systems that they describe (Badinelli et al, 2012; Barile & Polese, 2010). Next, the research provides mathematical models of the effects of the NST properties of coupling and modularity on VSA performance measures of entropy and viability. These models solidify the synthesis of VSA and NST concepts. We provide an example of a knowledge-based intelligent system (KBIS) designed via NST and demonstrate how the NST design features of this system enable its viability (Badinelli, 2012, 2013).

**Findings** - The outcomes of this research include:

1. A model of viability and autopoiesis as functions of service-system evolvability.
2. A model of entropy and homeostasis as functions of service-system modularity and coupling.
3. Demonstration of the effects of modularity and coupling in the structures of governance, interpretation schema and categorical values on the viability of a service ecosystem.
4. A contribution to Design Theory in the form of a prescription for evolutionary design.

**Research Limitations** - The application of NST to stochastic systems remains partially complete.

**Practical Implications** - This research introduces prescriptions for the design of service systems for the purpose of ensuring their viability.

**Originality/Value** - This paper presents Normalized Systems Theory as a new framework for the modular design of service organizations, service processes and service-support software. Originating in the field of Information Technology (IT), NST is an innovative design theory that defines system evolvability and observability as the key performance indicators of a well-designed system. Hence, the integration of NST with VSA is a promising research initiative.

**Key words** - Viable Systems Approach, Normalized System Theory, complexity, service system

**Paper Type** - Research paper – Service Science, Network and Systems Theory.

## **Can service industrialization deliver customer experience? Evidence from online higher education services**

*Enzo Baglieri, Simon Croom*

**Purpose** – In our paper we explore the differences in customer experience in a traditional service theatre context (the face to face executive education) and the emerging model of Massive Online Open Courses (MOOC), we can generically define as a service factory model (as presented by Baglieri and Zambolin al. 2012, Baglieri and Croom, 2014, Baglieri and Karmarkar, 2014). The goal of this paper is to explore whether the customer experience increases or decreases when moving from “theatre” to “factory” and to identify what factors affect this dynamic of the customers’ perception.

**Methodology/approach** – The paper is the outcome of a survey, run concurrently on a sample of participants to executive programs at both SDA Bocconi School of Management and USD School of Business and compared with a mirroring sample of audience to MOOCs of these two schools.

**Findings** – As discussed by Karmarkar and Karmarkar (2014), customer experience is strongly influenced by many factors, and among them, the impact of digitalization is controversial. Our expectation is that digitalization can increase the active role of the customer in the co-creation of the service. Thus, even if run with the goal of generating a more factory-driven operational model, it can contribute to increase the perception of a positive experience. This phenomenon can paradoxically transform an online learning experience in a more experiential stage than a face-to-face class. Furthermore, the experience increases as more the number of “co-creators” involved increase, typical effect of positive externality enabled by the digital technologies, while in a traditional learning experience, the theatricality of the class is strictly related to a reduced number of participants and to the instructors’ ability to interact to the all of them.

**Research implications** – The concept of service theater (Harris, Harris & Baron, 1990; Grove & Fisk, 1992; Grove, Fisk & Dorsch, 1998; Pine & Gilmore, 1999; Stuart & Tax, 2004; Fisk & Grove, 2013) and service factory (Chase & Erikson, 1988; Chase, Kumar & Youngdahl, 1992; Silvestro et al, 1992) have become embedded in the so called ‘service dominant logic’ (Vargo & Lusch, 2004; Lusch, Vargo & Wessels, 2008) concept used increasingly in our examination of service design, delivery and development. We now compare the two operational approaches in terms of the degree of experience they can deliver and demonstrate that the more the “theatre” moves towards the “factory” adopting digitalization as the key strategy for industrialization of the service production and delivery process, the better can be in terms of customers’ experience.

**Practical implications** – The paper forces managers and executives in reconsidering the traditional limitations of the service factory approach.

**Originality/value** – This study represents an additional contribution to the seminal work started by Baglieri, Zambolin (2012) and Baglieri, Karmarkar (2014) on the convergence between service factory and service theatre as a consequence of the so called service industrialization phenomenon. It contributes to better qualify the difference between service quality and experience (Baglieri and Croom, 2014).

**Key words** - (max 5) – Experience, Service Factory, Service Theatre, Industrialization Strategies

**Paper type** – Research paper

## **Social Media as a Facilitator for Consumer Value Co-Creation in the Higher Education Sector**

*James Bailey, Treasa Kearney*

**Purpose** - The aim of this research is to develop and understand how collaborative social media platforms, for example Flipboard, Pinterest or Storify, may offer opportunities to facilitate cocreation and contribute to value-in-use in the higher education sector. In taking a multidisciplinary approach this research is informed by the Service Logic (SL) perspective and the engagement and partnership concepts from the higher educational literature. Healey et al. (2014) propose a conceptual framework outlining students as partners in learning and teaching in higher education. This framework indicates that student engagement, through colearning, co-designing, co-creating and co-developing with other stakeholders, is core to the learning experience and that this 'active learning is key to meaningful student learning' (Healey et al. 2014, p. 36).

Ng and Forbes (2009, p. 41) suggest that the learning experience is co-created by its stakeholders and that this 'co-creation of the core service [i.e. the learning experience] implies that the value is emergent, unstructured, interactive, uncertain and with a hedonic dimension'. Similarly SL suggests 'value-in-use' evolves and can change throughout the customer's value creation process (Grönroos and Gummerus, 2014; Grönroos, 2012; Grönroos and Voima, 2013). In this research, the facilitation of a co-creation platform and how students co-create value within this learning environment is empirically investigated.

**Design/Methodology/Approach** - As active learning is socially constructed and results from interaction between the learner, educator and other involved stakeholders (Merriam et al., 2007), a qualitative approach will be taken. Exploratory research will be conducted through the use of six longitudinal focus groups with two sets of students using specific constructive social media platforms that are student led. The focus groups will involve free flowing peer to peer discussion to gain insight into student's perception of 'value-in-use' and to empirically investigate Healey et al's. (2014) framework.

**Originality/Value** - Firstly, there is a gap in the higher education literature empirically examining the co-creation of value from a consumer perspective. This lack of empirical insight has led to considerable recent focus in the higher education literature regarding students and their engagement with learning (Healey et al. 2014). Secondly, in examining the joint value sphere, where customer (student) value is co-created with the provider (lecturer) (Grönroos and Volma, 2013), this research offers empirical insight into two key stakeholders in the value (co-)creation process.

**Key words** - Service Logic, Value co-creation, Higher Education

**Paper type** – Empirical paper

## **T-Shaped People for addressing the Global Challenge of Sustainability**

*Sergio Barile, Marialuisa Saviano, Francesco Polese, Francesco Caputo*

**Purpose** – Poverty, hunger, inequalities, diseases, unsustainable use of resources, etc., in spite of advances of the last decades, still result unsolved worldwide issues. All relate to the challenges of sustainability and sustainable development that now call for urgent answers.

Education is one of the key drivers of a really transformative change. To address this change, however, a profound re-thinking of education programs is required, as has emerged at the end of the UNESCO's Decade of Education for Sustainable Development.

The purpose of this paper is to explore how the scientific community of the Naples Forum on Service responds to this call.

**Design/Methodology/approach** – By adopting a “3Pillars-Based” integrated perspective, key assumptions and findings from the three scientific communities of the Forum are identified to find foundational elements of a lifelong education process, targeted to address the multiple challenges of sustainability and sustainable development.

**Findings** – Through the interpretative lens of the Viable Systems Approach, convergence between the three scientific proposals of Network and Systems Theory, Service-Dominant logic and Service Science, relevant to the building of a common framework for re-thinking education, are discussed.

Findings indicate the skills with which decision makers must be endowed to face the challenges of transformative change toward sustainability and sustainable development. Boundary crossing and systems thinking capabilities are specifically identified as key skills to be developed. These findings suggest the opportunity to consider the “T-Shape” model as a general reference for re-thinking education methodologies and programs, as it implies an effective integration of soft and hard skills.

A trans-disciplinary systems thinking based body of theoretical and practical knowledge is required as fostered by Sustainability Science. Education of T-shaped People may be a solution.

**Research implications** - An integrated effort of scientific communities engaged in research that can contribute to the global call for a more sustainable and inclusive world, is essential.

**Practical implications** – Trans-disciplinarity implies the involvement of people from the business and social real world in the education process, to test and put in practice advances by adopting real problem solving approach.

**Originality/value** – This paper represents a call for engaging the Naples Forum on Service scientific and professional communities in worldwide collaboration to contribute to address the global challenge of a more sustainable and inclusive world by leveraging on education.

**Keywords** – T-shaped Professionals, Sustainability Science, Education for Sustainable Development, Systems thinking, Viable Systems Approach

**Paper type** – Conceptual paper

## **Social Semantic Web and Collective Knowledge Systems as Technological Enablers for Value Co-Creation in Service Systems**

*Clara Bassano, Francesco Calza, Matteo Gaeta, Vincenzo Loia, Francesco Orciuoli, James C. Spohrer*

**Purpose** – *Service Science* is the study of *Service Systems* and of the co-creation of value within networks of integrated resources (Spohrer et al., 2008). Thus, value creation becomes the *core* part of services and can be interpreted by using different views. Service-Dominant (S-D) Logic (Vargo and Lusch, 2008) considers the roles of producers and consumers as not distinct. This means that value is always co-created by means of the interactions among providers and consumers.

In this context, the purpose of this work is to propose and motivate the *Collective Knowledge Systems (CKS)* model and the (*Social*) *Semantic Web* platform as technological enablers for value co-creation.

**Design/Methodology/approach** – *CKSs* are human-computer systems in which machines enable the gathering of human-generated knowledge (Gruber, 2008). This work aims at defining a framework in which a Service System handles “collective intelligence” (provided by businesses, customers, etc.) considering the principles of *CKSs*. In this scenario, the role of the *Social Web* (Bojars et al., 2008) is to gather the “collective intelligence” through Web 2.0 apps and the role of the *Semantic Web* (Berners-Lee, 2001) is to create new value from the collected data, by exploiting knowledge representation and reasoning techniques.

**Findings** – As a proof of concept we focused on a *Customer Care Service* that receives customers’ requests (Web 2.0 application), tries to match requests with available answers and returns the most suitable matches. All the available answers, as well as customers’ requests, are represented and annotated by means of Semantic Web vocabularies like SIOC. If there is no match, the request is broadcasted on a community (possibly containing also customers with similar problems) which can answer to it. The answer is “semanticized”, relayed to the customer who made the request and stored to be made available for next requests. The requesting customer can *rate* the request by using ReviewRDF. New value is co-created by both a community of people and an adequate use of Semantic Technologies.

**Originality/value** – The main proposal of this work is that Service Systems are modeled as *CKSs* by means of *Social Semantic Web* technologies. This aspect allows communities of businesses and customers, connected to a service, to co-create value that is “semanticized” and immediately exploited as an improvement of the service itself. This is also the original contribution of this paper.

**Key words** – Service-Dominant Logic, Collective Knowledge Systems, Social-Semantic Web, Value Co-Creation

**Paper type** – Conceptual paper

## **Drivers of Service Eco-Systems transformation**

*Soumaya Ben Letaifa, Bo Edvardsson, Aal Kotaiba*

The purpose of our study is to Identify and explain key drivers that enable people to shift from passive to active roles within service eco-systems. Thus it aims to deeper our understanding of service ecosystems transformation at macro, meso and micro levels. This study is an inductive and comparative study of the transformation of two service ecosystems. Tunisian and Syrian social ecosystems allow us to understand how people are engaged in two different institutional contexts. These two cases are considered as extreme sampling allowing for generalization. The first ecosystem has successfully accomplished its transformation, while the latter has deviated from its initial intent strategy. A multilevel analysis is conducted in order to grasp drivers at the institutional (macro), network (meso) and individual (micro) levels. Netnography was used as data collection method. Authors have access to rich data that includes social media and web pages that are enablers for leveraging resources and thus illustrates how the actors integrated resources to make the social change.

The study provides a portrait of key interdependent drivers of the transformation at the three levels of service ecosystems (micro, meso and macro). These drivers relate to coordination activities performed by actors. The suggested framework is grounded in the concept of coordinating actors' activities shaping resource integration and value co-creation during the transformation process. Theoretical and practical implications are discussed.

## **Brand contamination in social media and luxury value perceptions**

*Lorena Blasco, Jonas Holmqvist*

**Purpose** – Luxury brands are increasingly using social media to build relationships with their customer base and try to provide customer value by enhancing brand experiences online (cf. Kim and Ko, 2010, 2012; Phan, Thomas and Heine, 2011). However, luxury brands' presence on social media could risk their image of exclusivity and prestige, which is crucial to the luxury industry (Kapferer and Bastien, 2009). Interactions and other consumer activities (posting, liking etc.) on luxury brands' social media might have a negative influence on luxury brand perceptions due to consumers' individual differences and motivations. This paper aims to explore under what conditions interactions on social media may provide value for non-customers who get to associate with the brand, but to the detriment of value for actual customers who may perceive the brand becoming contaminated.

**Design/Methodology/approach** – To analyze these kinds of influence we build on the concept of brand contamination. Brand contamination refers to lower perceived value deriving from the exclusivity and prestige of luxury brands, as social media allows a large number of non-consumers to appropriate the brand, possibly diluting its image among its actual customers. Consequently, we consider that brand contamination in social media is the result of a symbolic interaction process mainly based on interpersonal factors such as consumer posts and comments on social media and the profile information displayed.

**Findings** – Extant research on luxury brands have identified four categories of luxury customers based on associative or dissociative behavior: patricians, parvenus, poseurs and proletarians (Han, Nunes and Drèze, 2010). We specifically focus on the influence of direct (i.e. posting) and indirect contacts (i.e. mere presence through profile cues) between these different segments on-line, suggesting that their symbolic interactions might influence perceived value for traditional luxury customers. We propose a set of propositions to describe these potential aspects and suggest future research questions that need to be addressed.

**Research implications**– Marketing research could ask whether luxury brands should even be present on social media. This paper holds that the intent of the question is relevant, but also something of a non sequitur, as the nature of social media leaves luxury brands with no choice concerning presence or absence. For this reason, the paper suggests that an official presence on social media is likely beneficial for the brand, but proposes that the purpose of this presence may be as much aimed at containing association with brand as spreading brand awareness, in order to avoid brand contamination effects that will decrease the value of the brand for its actual customers.

**Originality/value** – Is social media on the verge of changing the management of luxury value perceptions? Previous marketing research recognizes that the prestige that luxury products can bring is an important part of luxury brand's appeal (Han, Nunes and Drèze, 2010; Roper et al., 2013), but that these same products cease to be luxurious once they become common and no longer serve as a social signifier, or its significance is diminished due to brand contamination effects (Kapferer and Bastien, 2009). This paper argues that the emergence of social media adds a layer of complexity to this situation, and that the effects of social media on luxury remain poorly understood.

**Key words** Customer value, luxury, brand

**Paper type** – Conceptual paper

# Customer engagement behaviors in crowdfunding an exploration

*Lorena Blasco, Mekhail Mustak*

**Purpose** – Crowdfunding, the method of raising funding from the masses (crowd) through Internet for a specific purpose, has received significant attentions in the recent years, from both the practitioners and the academics. Compared to the traditional investment options, crowdfunding carries various advantages, including easier access to funds, less regulatory restrictions and costs, less interference from the investors in the actual business, loyalty from the contributors as customers, and opportunity for marketing and promotion at the same time (Barabas, 2012). However, even though customers' engagement in the crowdfunding campaigns plays crucial role towards the success of those campaigns, not much is known about customer engagement in crowd-funding, and how entrepreneurs can support the engagement behaviors to achieve superior outcomes. Trying to advance existing knowledge in this area, *the main purpose of the study is to identify and investigate the various customer engagement behaviors (CEB) related to on-line crowdfunding projects and their facilitation by the entrepreneurs.*

**Methodology/approach** – To conduct the empirical study, we have applied netnographic methodology, which “*provides a means for accessing, gathering and interpreting computer mediated textual discourse between anonymous or pseudonymous participants on a public forum*” (Sigala, 2012, p. 973). Netnography was deemed suitable for this study for multiple reasons. Contributors who participate in crowdfunding campaigns regularly make comments on the campaign pages, share their experiences on-line, participate in various on-line communities and discussion forums, and even write blogs, hence providing a rich amount of data readily available. In addition, netnography allows to collect naturally occurring data; and the process is generally timely, less costly, and faster (Sigala, 2012; Kozinets, 2012). Qualitative data analysis software NVivo 10 was used in the data analysis process.

**Findings** –Our findings reveal the various customer engagement behaviors (CEBs) against each contribution type. (i.e. equity purchase, loan, donation, or pre-ordering of the product). In addition, the study shows how effective management of customer engagement can positively affect the possibility of success of the crowdfunding campaigns.

**Research implications** – This study contributes to gain a deeper understanding regarding customer engagement in crowdfunding campaigns, and provides insights on how the engagement can result in superior outcomes. From a practitioner's perspective, the study will help the entrepreneurs to understand what intrigues the customers to engage in crowdfunding campaigns, and how the engagement behaviors can be supported to achieve positive outcomes. This in turn may help them to design and execute their crowdfunding campaigns in more effective and efficient manner.

**Key words** – Crowdfunding, customer engagement, CEB

**Paper type** – Research paper

## **Citizens' participation in healthcare services re-design. How Public Health Providers perceive their contribution**

*Antonio Botti, Silvia Cosimato, Carlo Torre, Orlando Troisi*

**Purpose** - In recent years, the emerging trends, pressures, and policies are influencing different public sectors, making them even more open to public participation. This phenomenon affects also a critical sector such as healthcare, which is evolving towards managerial models based on patients' participation and cooperation (Elwyn, 2003; Thompson, 2007; Gruman et al., 2010). The paper aims to investigate, according to Service Dominant logic (S-D logic) paradigm, the influence of co-production logic on healthcare service re-design and innovation.

**Design/Methodology/approach** - A systematic literature review on citizens' contribution to health service provisioning has been conducted in order to better understand the influences of emerging technologies on citizens' participation in services re-design. The case study analysis has been also based on on-site semi-structured interviews and internal documents review. Managers of four medium-sized Campania public healthcare providers have been interviewed, in order to better understand if they perceive social participation (citizens and patients) in service design and provisioning fundamental to improve their quality and effectiveness.

**Findings** – The analysis of healthcare recent evolution has highlighted a general lack of clarity about the concept of “citizen participation” and in particular of healthcare co-production. Thus, there is a still considerable confusion over the real meaning of citizens' participation in healthcare service design and provisioning and its influence on decision-making. It is evident that the emergent technologies can help national and local healthcare systems to connect citizens to their planning, enhancing the reciprocity of the relationship with local communities.

**Research limitations/implications** – This paper discuss potential implications for health service co-production of emergent technologies in terms of open, transparent, and real time communication. Thus, these technologies seem to facilitate the creation of specific relational networks, open to managers, clinical staff, and patients or citizens cooperation. Acceding these networks physicians and patients can share their competence and make their need as clear as ever, in order to develop new services much more performing and respondent to users demands.

**Originality/value** – The study has some interesting implications mainly related to the positive influence that co-production logic and emergent technologies can have in terms of public participation in health service design, provisioning, and re-design. This paper offers a general overview on the main emergent technologies role in facilitating social participation in healthcare service design and provisioning.

## The role of connectivity in Service Systems

*Christoph Breidbach*

**Purpose** – Exploring the role and implications of Information and Communication Technology (ICT) in service currently represents one of the key research priorities for service science (Chesbrough & Spohrer, 2006; Ostrom, et al., 2010). However, exploring ICTs alone is insufficient, since the social or human side of service needs to be taken into consideration as well (Edvardsson et al., 2011; Makarem et al., 2009). Therefore, this work explores how ‘connectivity’, a construct that incorporates all socio-technical interactions and links (or lack of) between entities in a service system, can provide service science with a new lens, terminology, and understanding of the role and implications of ICTs in service (Breidbach et al., 2013). However, despite an emerging body of literature, the conceptual domain and foundational premises of the connectivity construct remain ill-defined since its theoretical roots have not been fully explored to date. This paper addresses that challenge.

**Methodology/approach** – By building on research at the intersection of service science (Maglio and Spohrer, 2008), network theory (Janssen et al., 2006), and systems theory (Mason, 2005), this conceptual paper advances knowledge about the connectivity concept for service science.

**Findings** – This paper extends the domain of the connectivity construct through a taxonomy that identifies and explains sociotechnical density and reachability of entities in service system. It further argues that sociotechnical density and reachability represent appropriate means to assess, compare, and manage connectivity between entities in service systems, and thereby the performance of the service system itself.

**Research implications** – By extending our understanding of the connectivity construct, this paper provides a theoretical contribution and, as such, the foundation for future service research centred on service-dominant (SD) logic, network, and systems theory (Vargo and Lusch, 2004; Gummesson et al. 2010).

**Practical implications** – Connectivity represents a bridging concept, which implies that it can help managers to design effective and efficient service systems as well as technology-enabled value co-creation processes.

**Originality/value** – The paper demonstrates the practical application of network and systems theory in service science, and offers new insights into the emerging socio-technical concept of connectivity that can improve our understanding of the role and implications of ICT in service.

**Key words** – Connectivity, ICT, service system, technology-enabled value co-creation

**Paper type** – Research paper

## Theorizing about Service Dominant Logic: A Corpus Linguistics Approach

*Rod Brodie, Julia Fehrer, Sandra Smith*

**Purpose** - In the last decade computer based analysis of textual data has become increasingly sophisticated and is emerging as a powerful method for theorizing in service management and marketing. In this paper we use a corpus-linguistics approach to theorize about Service Dominant Logic (SDL). In particular we respond to Lusch and Vargo's (2014) call to distinguish between the transcending (abstract) SDL concepts that provide the foundation a general theory and bridging concepts that serve as a basis for empirical research. In particular we examine the role of the key concepts of co-creation and engagement.

**Methodology/approach** – The corpus-linguistics approach extends traditional interpretive textual analysis by examining language use on the basis of a text corpus (Baker, 2006) and drawing on both quantitative and qualitative text analysis computer based techniques (Pollach, 2012). With its methodological innovations for the identification of recurring lexical patterns and the comparison of corpora, corpus-linguistics is a powerful methodology analysing large-scale data and theorizing about emerging concepts and developing new theory. We use corpus-linguistics to examine the lexicon fields of engagement and co-creation within the literature about SDL. To develop an SDL corpus, we conducted a google scholar search and identified an exponential trend of published articles between 2007 and 2013 using the term 'engagement' and its word forms within the general theoretic perspective of SDL. We then reduced the 2,000 plus articles that this search identified to a corpus of 100 articles and over a million words by filtering for articles that used engagement and co-creation in a substantive way and that were published in high quality, peer reviewed journals. An analysis of this corpus revealed that 'engagement' and its word forms were used 1641 times and 'co-creation' including its word forms was used 2161 times.

**Findings** – A comparison of the concepts: engagement and co-creation within the same corpus revealed a clear distinction in the use of language around both concepts. Co -creation is used on an abstract level that is context-free and hence transcending. In contrast engagement is collocated with context-laden words or concrete examples coming from management practice thus is used as a bridging concept. Furthermore, both concepts correlate highly with the concepts value creation and interaction. The most counted textual pattern in the in the narrow context of the concepts is: "engaging in co-creation of value". We also note that as SDL theory has advanced and been refined, the traditional relational concepts of participation and involvement have been used as antecedents and engagement has become a central bridging concept between SDL theory and practice.

**Research Implications** - Our analysis highlights the importance of distinguishing between the transcending lexicons and bridging lexicons of SDL. Concepts such as co-creation, resource integration, operant resources, operand resources and value networks make up the nomological network of transcending concepts. In contrast the bridging concepts including engagement, involvement and participation that align with the more concrete concepts and language that managers use and hence provide the basis for empirical research.

**Practical implications** – When applying SDL to practice a distinction needs to be made between transcending and bridging concepts. It is the bridging lexicon as opposed to the transcending lexicon that serves as the basis for the interface with managers.

**Originality/value** – The paper contributes to the further theoretical development and refinement of the SDL.

**Key words** – Service, Dominant Logic, Co-creation, Engagement, Value, Corpus Linguistic Analysis, Lexicon

**Paper type** - Research paper

## **Exploring Cultural Leadership Ecosystems and Their Role in Urban Regeneration**

*Jan Brown*

**Purpose** - In post-industrial urban economies the importance of the role of creative industries in influencing the direction of urban development has been clearly identified (Scott, 2008). Within these industries cultural leaders act as key catalysts for urban renewal and redevelopment. Understanding who these leaders are and how value is formed within the cultural group, ecosystem, may be of vital importance to the success of urban regeneration projects and the wider urban ecosystem(s). This paper proposes the use of a service ecosystem framework explore and develop new models cultural leadership.

**Design/methodology/approach** - In order to explore cultural leadership in practice a service ecosystem approach (Vargo et al., 2010) was used in a four-stage nested multidisciplinary primary research project to map the actor-to-actor value co-creation systems of a number of emerging and established creative industries within one city. In the first three stages of the project cultural leaders operant and operand resource applications were identified for each specific creative industry sector, ecosystem, separately. The final stage of the project will be a multi stakeholder conference, to be held in September 2015, at which the key members of the creative industries will be brought together to discuss their own specific ecosystems and the cultural leadership resources used within. A nested collaborative ecosystem that encompasses all three individual ecosystems will then be developed and key elements of cultural leadership, synergy and difference will be identified. This nested collaborative ecosystem will form the basis of a new cultural leadership model.

**Findings** - In this paper an analysis of the application of operant and operand resources used by cultural leaders in the skateboarding community will be presented. Key masterfully developed resources are identified and a potential new type of resource category emerged.

**Originality/value** - This paper contributes to a new understanding of cultural leadership and to the development of the operant resource categorization within service dominant logic.

**Keywords** - service-ecosystems, masterful operant resources, cultural leadership, urban regeneration

**Paper Type** - Research paper

## **Consumer Brand Engagement Positioning in Marketing Theory under a Service Dominant Logic Perspective**

*Luigi Cantone, Pierpaolo Testa, Teresa Marrone*

**Purpose** - The paper is a theoretical contribution on the role of consumer brand engagement (CBE) in marketing theory and moves within the Service Dominant Logic paradigm. The paper aims to identify the distinctive positioning of consumer brand engagement topic in marketing literature filling a literature gap and contributing to a better definition of the concept useful also for a good managerial practice. Several Authors have investigated the interface between CBE and SDL (Merz and Vargo, 2009; Hollebeek 2013, Brodie, et al. 2006). However, still remain in marketing literature a certain confusion and overlapping among several research topics that probably derive from an unclear systematization of brand theory in particular that related to brand feelings (brand love, brand attachment, brand engagement) and consumer active role in Brand Equity Creation. The literature contribution on CBE suffer this limitations. As a consequence of that, it is very difficult to identify an effective scale measurement that measure CBE and not something else (brand experience, brand image, brand perceptions, consumer brand resistance, brand antagonism, and so on). This probably because CBE topic is still under-conceptualized and, consequently, under-investigated.

**Methodology/Research design/Approach for empirical investigation** - The methodology of empirical investigation is qualitative (Gummesson, 2005; Cantone and Testa, 2011) and quantitative based on Multiple Components Analysis (MCA) protocol (Stewart, 1981) and based on the following research questions:

RQ1: How is it perceived in marketing scientific community CBE respect to extant research streams and pre-theoretic paradigms considering an active role of consumers in creating brand equity?

RQ2: How is it perceived in marketing scientific community CBE respect to extant research topics related to Brand Feeling (emotional bonding, attachment, love, loyalty)?

In order to investigate the RQ1 and RQ2:

1. It will be carried out a critical review of relevant contributions existing in marketing literature on the active role of consumer engagement in creating brand equity;
2. It will be carried out a critical review of relevant contributions existing in marketing literature on consumer engagement role in Brand Feelings (emotional bonding, attachment, love, loyalty);
3. They will be carried out 7 open-ended interviews to national and international marketing Academicians researching on the CBE topics and/or SDL;

It will be administered a questionnaire to marketing academicians in national and international scientific marketing community (PhD, Researchers, Professors) in order to identify key latent variables that explains the positioning of CBE respect to several research streams that posits an active role of consumer in creating brand experience.

**Expected Findings and originality** - On the basis of critical review of relevant literature and the findings of empirical researches sub 2 and 3 it will be illustrated the emergent positioning of CBE in marketing scientific community in order to be further discussed in scientific conferences. One expected finding is to identify eventual overlap or confusion existing among several research streams existing in marketing literature and looking differently at the active role of consumers in creating brand equity. The second expected finding is probably a better understanding of consumer brand engagement role in feeling of consumer toward a brand. The originality lies in rationalizing and systemizing the theory rather than contributing to create further definitions or conceptual models.

**Research Implications** - Advancement in SDL paradigm, advancement in Marketing and Brand Theory, advancement in theorizing CBE.

**Keywords** - Consumer engagement, Brand engagement, Community engagement, Brand equity, Brand Feeling, Brand Love

## Smart Service System and Smart cities: towards an ecosystem view

*Angela Caridà, Maria Colurcio, Tiziana Russo Spina, Kenny Basso, Janaina Macke*

**Purpose** – During the last years the Smart service systems conceptualisation has becoming so popular in business, economic and social literature (Spohrer and Maglio, 2010; Barile and Polese, 2010). Specifically, Barile and Polese (2010) put forward that smart service systems involve multiple actors and enable systematic and sustainable service innovation in complex environments (Ifm and IBM, 2008; Basole and Rouse, 2008; Demirkan et al., 2009). Based on the Smart Service Systems studies and focusing on the topic of Smart Cities (Vanolo, 2013; Hollands, 2008), this paper aims at providing both a theoretical framework for the development of the smart city concept in practice and a taxonomy of possible different smart cities solutions.

According to a sustainable perspective, smart city is defined as an urban contexts as high integrated smart service system that benefit citizens, customers as well as communities and other stakeholders. Rio De Janeiro's Smarter Cities Intelligent Operations Center is an example of a candidate smart service system for smarter urban service and operations (Naphade et al, 2011).

Many studies on smart service system and smart city viewed technology as the key element to address service innovation, however little is known on how social and economic actors interact in a complex technological context of smart cities, where both technology, social and institutional elements come in to the focus. To fill this gap and explain the connections we use service ecosystems perspective (Vargo and Lusch, 2011; Vargo and Akaka, 2012; Lusch and Nambisan, 2014) and Service Dominant Logic (Vargo and Lusch, 2008). Service ecosystem provides a useful framework for studying smart city as “systems of service systems—or the interaction and value co-creation among multiple service systems” (Vargo and Akaka, 2012, p. 207 ).

**Design/Methodology/approach** – The paper is based on a literature review and on a qualitative approach (Baker and Foy, 2003).

**Findings** – In this paper, we frame the concept of smart city from the S-D Logic (Vargo and Lusch, 2008) and Service Ecosystem perspective (Vargo and Lusch, 2011; Akaka, Vargo and Lusch, 2013; Lusch and Nambisan, 2014). The study provides an integrated framework that expands the boundaries of the smart city concept toward the holistic view of the smart service ecosystem. According to the service ecosystems perspective (Vargo and Lusch, 2011; Lusch and Nambisan, 2014), we frame the smart city as a network of social, economic actors, and interactive technologies that are connected by shared social and physical technologies and mutual value creation through service innovation. Furthermore, the analysis of some European and Brazilian smart city cases allows us to define a taxonomy of different smart service ecosystem configurations.

**Practical implications** – This work contributes theoretically and practically in many ways. First, it defines the dimensions, components and the main enabler to shift the concept of smart city toward an holistic and integrated perspective. Second, it emphasizes the concept of smart service eco-system to provide a new conceptualization of smart city as a practice to continually reproduce service systems, and thus to enhance the sustainability of territories. Third, it provides a taxonomy of possible smart city configurations to extract and analyze both the success factors and new trends in smart cities development. Finally, it offers relevant insights for institutions, companies, citizens, etc. who are challenged by the need to design innovative and livable urban context.

**Originality/value** – This work adopts the service ecosystem perspective to provide a new and more integrated view of the smart city concept, proposing a theoretical framework. Our approach stresses both the contextual nature of the smart city concept, and the collaborative logic and the resource integration processes as the main mechanisms for connecting people and technology (Vargo and Akaka, 2012), and thus for the working of the smart service ecosystem itself. Our theoretical framework may guide researchers to develop future studies to understanding connections between the dimensions and components of a smart city, from a service eco-system perspective.

**Key words** - Smart city, service ecosystem, resource integration, value co-creation

**Paper type** –Research paper

## **Modes of resource integration driving value co-creation: an empirical investigation in virtual brand communities (VBCs)**

*Angela Caridà, Bo Edvardsson, Maria Colurcio*

**Purpose** – Researches on Resource Integration (RI) from the S-D logic perspective are in an early stage of development (Peters et al., 2014). Recent studies addressed more explicitly the topic of RI (per se) pointing out the need both for a strong theory on it (Peters et al., 2014), and for a practice-based approach to enrich the understanding of how resources are integrated (Korkman, Storbacka and Harald, 2010). The overall aim of this paper, therefore, is to empirically explore and analyze how value is co-created through actor's resource integrating efforts. The study was set in the virtual communities context and focuses on resource integration through the practice lens. We aim to identify different ways of integrating resources linked to outcomes in term of value destruction and value co-creation (intended and unintended value).

**Design/Methodology/approach** – This paper is based on a descriptive (Selltiz, Wrightsman, and Cook, 1976) and qualitative analysis method (Baker and Foy, 2003).

**Findings** – In this paper, we frame the topic of RI both from the S-D Logic (Vargo and Lusch, 2004, 2008) and Practice lens (Reckwitz 2002; Korkman 2006; Corradi, Gherardi and Verzelloni, 2010). We will define resources as an enabler, a dynamic concept (Zimmerman, 1951; Pels et al., 2009) that is constituted and reconstituted through the practice of resource integration itself. Consistent with the view that resources are becoming (Zimmerman, 1951; Pels et al., 2009; Edvardsson et al. 2014), resource integration is positioned as an integrated part of value co-creation process. The paper describes value co-creation as a process that emerges through three main phases: i) resource integration, ii) operation on resource, and iii) assessment on value in context.

**Practical implications** – The work contributes practically and theoretically in many ways. First, it defines factors (both successful and unsuccessful) for value co-creation. Second, it provides some contributions to the understanding of how resource integration occurs and how value (intended or unintended) stems from it. Third, it provides a new framework and a new concept of Virtual Brand Community (VBC) and Virtual Community (VC) as a practice for resource integration.

**Originality/value** – Despite the compelling nature of the RI, there are few empirical studies on it, and many scholars that call for. Accordingly, we address the call of the academia for a clearer understanding of the resource integration process (Korkman, Storbacka and Harald, 2010; Kleinaltenkamp et al., 2012; Edvardsson et al., 2014). Therefore, we adopt a practice theory to define practices of integrating resources and to understand how value stems from this integration.

**Key words** - Resource integration, practice theory, value, virtual brand community, virtual community

**Paper type** –Research paper

## **The viable decision maker for CAS survival: between change and adaptation**

*Luca Carrubbo, Francesca Iandolo, Valentina Pitardi*

**Purpose** – Purpose of this work is to investigate how organizations, intended as CAS (complex adaptive systems), today meet and react to the changing conditions of their specific contexts, in terms of change and adaptation, with particular reference to: i) the decision making processes in complex contexts; ii) the leverages that should be activated by the decision maker in order to respond to change and adaptation solicitations iii) how organizations reacts to these solicitations and implement them in their behaviors, in order to make the identified solutions more scalable.

**Design/Methodology/approach** – Starting from the theoretical frameworks of vSa, after defining the evolving concepts of change and adaptation, we will investigate how organizations translate complex decisions into behaviors, when referring to change ad adaptation. The applicability of this proposal will be verified by analyzing the transformations that occur within organizations for what concerns the definition of their procedures, organizational models, standards, routines, and how they vary/adapt according to external and internal solicitations.

**Findings** –The ability of organizations to adapt to external contingences and internal stimuli does not necessarily imply a loss of identity; by identifying the ‘levels’ to which change and adaptation refer, in fact, organizations learn how to interpret the surrounding environment and its complexity with the aim to understand how to change, when to change and why; this process, called of fitting can, then, foster their systemic viability.

**Research limitations/implications** – Analyze how CASs evolve, change and adapt according to external and internal solicitations.

**Originality/value** – The research implications will regard the possibility to verify at what stage of completion of a system the concepts of change and adaptation relate and act.

**Key words** -vsa, change, service research, complex adaptive systems, decision-making

**Paper type** – Conceptual paper

## **Does a service-based positioning of the offering enhance customer perceived value?**

*Fabio Cassia, Marta Ugolini, Nicola Cobelli, Liz Gill*

**Purpose** – While several studies suggest that firms should reorient their traditionally goods-based offerings into service-based offerings, only a few contributions have empirically investigated the impacts of this shift on customer's attitudes and behaviors. The purpose of this paper is to contribute to this stream of studies, by exploring whether positioning a product concept as service-based (instead of product-based) has a positive effect on customers' perceived benefits and on their purchase intentions.

**Design/Methodology/approach** – The study is based on an experiment. The stimulus, consisting in the verbal description of a hearing aid product concept, was manipulated to create a service-based and a goods-based offering. Customer perceived value was measured through the PERVAL scale (which includes the following four dimensions: quality value, emotional value, price value and social value). Data were analyzed through several techniques (confirmatory factor analysis, t-tests, structural equation modeling) to highlight differences in the perceived value and purchase intentions between the two offerings.

**Findings** – The results show that customer perceived value is higher when the product concept is positioned as service-based. In addition, quality emerges as a significant driver of the purchase intention for the goods-based hearing aid but not for the service-based hearing aid.

**Research limitations/implications** – The research design (i.e., an experiment, based on one product category) suggests caution in generalizing the results from this study.

**Practical implications** – The results suggest that positioning the product concept as service-based has the potential of enhancing customers' perceived value and purchase intentions. In addition, for a service-based product the strategy of emphasizing product quality does not have a positive impact on purchase intentions.

**Originality/value** – To the authors' knowledge, this is the first research that evaluates the effects on customer perceived value and purchase intention of positioning a product concept as service-based for a product which has been traditionally positioned as good-based.

**Key words** – Service-dominant logic; service logic; servitization; perceived value; value creation; value-generating process.

**Paper type** – Research paper

## **Service System Platforms to Improve Value Co-Creation: insights for Translational Medicine**

*Luca Carrubbo, Roberto Bruni, Ylenia Cavacece, Andrea Moretta Tartaglione*

**Purpose** – The aim of this paper is to analyze how service system platforms can facilitate the value co-creation processes in healthcare context and then to foster the development of new compounds of medical protocols and/or treatments to improve patient's quality of life (Polese, Capunzo, 2013) according to the translational medicine purposes. We investigated how technological, interconnected, and smart solutions can facilitate the information-sharing processes by enabling researchers, clinicians, industries and patients to interact without the constraints of time, place and space by organizing data and information.

**Design/Methodology/approach** – The work is developed by integrating and applying the theoretical perspectives of Service Science (Maglio, Sphorer, 2008) and Service-Dominant logic (Vargo, Lusch, 2008) to the paradigm of translational medicine.

**Findings** – Translational medicine is a rapidly growing discipline in biomedical and public health research that aims to improve the health of individuals and the community by "translating" findings into diagnostic tools, medicines, procedures, policies and education, using a multi-disciplinary, highly collaborative, "bench-to-bedside" approach (Abraham et al. 2012; Stephen, 2008). It contributes to create value not only for the patient, but also for all involved actors such as clinicians, academic researchers, pharmaceutical industries, investors (Littman et al., 2007). In this sense, according to the Service-Dominant logic approach, service systems platforms could be useful to complete the value co-creation process in the translational medicine systems

**Research limitations/implications** –The work could be a first conceptual step for future researches on service science contributes to the underpinning of translational medicine paradigm. One of the lacks is in the conceptual identification of the findings; the concepts have to be deepened in the future with specific case studies.

**Practical implications** – For practitioners, the study offers advices on how improve rapidity, efficiency and effectiveness of translational medicine processes by highlighting the role of service systems able to sustain systemic integration, information and knowledge sharing and effective communication among the involved actors (Mele, Polese, 2011).

**Originality/value** – In this work the principles of S-D logic and Service Science are integrated in order to find new theoretical implications and new meanings to the value creation process in the translational medicine paradigm as synthesis of the multiplicity of generated values meanings and value co-creation

**Key words** - Service System, Service Science, Value Co-creation, S-D logic, Translational Medicine

**Paper type** – Conceptual paper

## **The Role of Institutions in Service Systems**

*Jennifer Chandler, Steven Chen*

**Purpose** – The purpose of this manuscript is to empirically investigate the role of institutions in service systems (Edvardsson, Tronvoll and Gruber 2011, Vargo and Lusch 2004, 2008). Drawing on institutional theory, we explore how the micro-level practices inherent in service systems reflect macro-level institutional logics (i.e., social expectations and social norms). Because individual consumers are influenced by different institutional logics, consumers catalyze and shape service systems in different ways. Our empirical study illustrates how this occurs in the context of crafts.

**Design/Methodology/approach** – Researchers recruited 22 crafters for an in-depth, qualitative study. The primary mode of data collection was long, semi-structured interviews that lasted between 60 to 160 minutes. A grounded theory approach was adopted to discover themes and emergent theoretical relationships. All interview data were converted to text and subjected to the three stages of grounded theory analysis.

**Findings** – Our findings illustrate how different consumers co-create service systems in different ways in the context of craft services. We argue that these differences emerge because consumers seek to legitimize, or gain social acceptance, for different kinds of familial and non-familial social relationships by participating in craft services in two ways. First, some consumers catalyze service systems that center on resource integration processes requiring the participation of social others; in these instances, consumers invoke the normative pillar of institutions because these processes reinforce the social norms or values of the focal consumer to those who participate in the process. Second, other consumers catalyze service systems that center on resource configurations; in these instances, consumers invoke the cultural cognitive pillar of institutions because these configurations give meaning to the social relationships deemed important by the focal consumer.

**Research limitations/implications (if applicable)** – The findings illustrate the role of institutions in service systems. More specifically we outline how consumers – based on influence from institutions – catalyze and shape many different service systems.

**Originality/value** – Our empirical study applies a service system, service-dominant logic and institutional theory lens to the study of craft services.

**Key words** - Institutions, Service Dominant Logic, Service Systems, Co-Creation

**Paper type** – Research paper

## **An empirical exploration of coepetition between systems within a service ecosystem**

*Hsin-Hui Chou*

**Purpose** - This research aims to deepen the understanding of “systems within a service ecosystem”, which is grounded in the service-dominant (S-D) logic. The research question we attempt to address is how value is co-created via coepetition (the simultaneous cooperation and competition) between sub-systems within a service system. Particular attention is focused on the resource interaction that takes place within and spanning sub-system boundaries.

**Design/Methodology/Approach** - A qualitative case study was employed for empirical investigation. Meeting our key criterion of systems within a service ecosystem, the chosen empirical setting was the Kaohsiung City’s (the second largest city in Taiwan) transportation system, within which the coepetition between Kaohsiung Rapid Transit Corporation (the metro) and two city bus companies driven by the policies of Transportation Bureau was studied. The data for case building included depth interviews with key informants at involved organisations, on-site observation (for understanding resource interaction) and archival materials (particularly the documents at Transportation Bureau).

**Findings** - The case shows that the policies formulated by Transportation Bureau are not merely the products (which are seen as a type of operand resources) out of human actions; they can also function as operand resources that act upon other operand and operand resources spanning system boundaries, resulting in changes of interdependence structure where coepetitive interactions occur. The result also indicates that the operation of a service ecosystem may be reinforced not only by cooperation but competition between sub-systems, in which value is co-created and individually captured.

**Research limitations** - Although the case is reported based on a triangulation of multiple sources of data, it remains as an interpretive picture of interaction in a service ecosystem. A prolonged stay in the field or a comparative case study in different contexts will improve our understanding of this subjective world.

**Originality/Value** - This research contributes to knowledge of the S-D logic on systems within a service ecosystem, in which few empirical evidence is reported. The value of this research lies in its exploration of the dual facets of policies (which are seen as rules of games) in resource interaction. Additionally, this research draws a linkage between S-D literature and the research stream of coepetition to enhance our understanding of service ecosystem.

**Keywords** - Service-dominant logic, Service system, Resource interaction, Case study

**Paper type** – Research paper

## **Sustainable supply chain management needs sustainable logistics services. The strategic role played by logistics service providers**

*Alessandra Cozzolino, Ewa Wankowicz, Enrico Massaroni, Michael Kleinaltenkamp*

**Purpose** – The purpose of this research is to examine the concept of sustainable service co-creation in dyadic business relationship in logistics and supply chain management. More companies seek to develop sustainable solutions that would be sustainable not exclusively for themselves but for supply chain they belong to. In doing that – especially dealing with services – they may need the external support from logistics service providers (LSPs). This paper aims to explore the innovative initiatives undertaken by logistics service providers in dyadic relationships management with their business clients while co-creating sustainable services along the supply chain?

**Design/Methodology/approach** – To investigate the research question a systematic literature review and empirical exploratory investigation through case study will be conducted adopting the qualitative methodology, to explore trends and evolving paradigms.

**Findings** – A literature review conducted in this paper enriches existing literature through an integration of sustainability in viable system approach (VSA) and logistics service provider, in particular, investigates the ways in which sustainability is achieved. It is assumed that the dyadic relationship between client and the provider of logistics services requires significant modifications in collaboration and innovative approach in operating procedures.

**Research limitations/implications** – This paper is an exploratory study and limited in its scope to an example of relationship that focuses mainly on two actors: logistics service provider and the client. However, it could be extended in terms of numbers of case studies investigated.

**Practical implications** – The implications arising from the literature and the empirical research offer a range of current sustainable practices in services sector. This could be a starting point for other research and company activities.

**Originality/value** – There is a little research that address issue of sustainability and logistic service providers simultaneously hence the present paper is meant to fill the gap by providing a foundation which actors of different supply chains could use as a benchmark. This study gives an evidence of how logistics services may contribute to sustainable development.

**Key words** – Sustainable supply chain management, logistic service providers, viable system approach, co-creation, business relationship management.

**Paper type** – Research paper.

## **A service-based framework for personal time management in smart cities**

*Giuseppe D'Aniello, Matteo Gaeta, Paolo Piciocchi, Luigi Rarità, Francesca Sorgente, Stefania Tomasiello*

**Purpose** - Within the Enterprise contexts, one of the most important aspects is the realization of intelligent services (inspired by the paradigm Service-Dominant Logic, SDL), which obey the wishes and constraints of final users. To achieve this aim in an efficient way, various efforts are considered, from technological, economical and modeling points of view. The aim of the paper is combining the SDL theory, the Personal Time Management (PTM) technique “Getting Things Done” (GTD) and the IBM Smarter Cities model to create a valuable co-operation among all the entities involved by using Information Technology (IT) tools, such as DSS.

**Design/Methodology/Approach** - In order to obtain high synergies in social, industrial and personal aspects, the authors propose a service-based framework for Personal/Business Time Management (PBTM), designed according to SDL. The framework foresees the activation, coordination and integration of more isolated services, involving either the Enterprise or its employees, hence creating a mechanism of co-creation of value in order to fulfil its goal. In particular, a such approach, beside services based on classical clustering/scheduling/optimization algorithms (e.g. CPM) and coming from business systems, integrates profiling services (hobbies, age, points of interest) due to personal or business devices, and services offered by Smart City (information on traffic, viability).

**Findings** - The artifacts of this work concern, from one side, the realization of a Smart Personal Agenda, based on the integration of existing clustering, scheduling and optimization algorithms and improved by collected information on user profiles. On the other, the definition of a scalable and reusable service-based framework, which integrate the proposed Personal Model-driven DSS in the IBM Smarter City technological model via Group DSS consisting of shared Personal DSS of individuals who belong to the same organization.

**Research limitations/implications** - This paper implies several limitations, which can be mainly synthetized in: analyzing massive volume of data (known as big data analysis) and privacy.

**Practical implications** - The paper implements a service-based virtuous circle that leads to more than a few practical implications for personal, organizational and city purposes. Some examples of the main achieved benefits are personal and organizational time optimization via Model-driven DSS or individual aggregated agendas data feeding Smarter City System or customized services provided by the City to entities that are part of it.

**Originality/value** - The DSS represents a starting point to realize intelligent prototypes, able to manage the personal agenda applying principles of GTD and optimizing transfers and free time, readapting conveniently some tasks if necessary. Moreover, it also represents a new extremely valuable source capable of feeding Smarter City System with anticipated data, in order to set a win-win cooperation among all the entities involved.

**Keywords** - SDL, clustering, Scheduling, Smart City, DSS.

**Paper type** - Research paper.

## Investigating an Individual Actor's Readiness for Resource Integration in Service Ecosystems

*Ilias Danatzis, Ingo O. Karpen, Michael Kleinaltenkamp*

**Purpose** – The purpose of this paper is to systematically explore, define and conceptualize the nature and composition of an individual actor's readiness to effectively engage in resource integration activities within his/her relevant service ecosystem(s).

**Design/Methodology/approach** – This paper critically reviews and reexamines prior readiness concepts in marketing and business related literature in the light of a Service-dominant (S-D) logic, service ecosystem perspective. Noting that traditional concepts of individual readiness are either not suitable, too narrowly conceptualized or clearly conflicting with fundamental principles of S-D logic, the authors work toward a broader and more holistic definition and conceptualization of an individual actor's readiness in the context of service ecosystems.

**Findings** – This research introduces the concept of actor resource integration readiness (ARIR) to marketing literature. We define ARIR as a psychological state in which individual human actors are prepared and willing to engage in activities directed toward the integration of potential resources from multiple actors within their relevant service ecosystem(s) to co-create value for themselves or others.

Building upon literature from S-D logic, psychology and motivational research, we conceptualize ARIR as an overarching concept, consisting of the four dimensions of (1) cognitive, (2) emotional, (3) behavioral and (4) motivational readiness. Consequently, ARIR is proposed to represent a set of actor-internal conditions crucial for effective resource integration that subsequently determine whether and to what extent value will be co-created in service ecosystems.

**Research limitations/implications** – Theoretically, this research extends marketing literature by introducing and delineating the concept of ARIR. As such, it sheds light on the nature and composition of actor-specific conditions crucial for value co-creation on the level of individual actors. However, this paper is purely conceptual and exploratory. Further directions for theoretical and empirical research are suggested.

**Practical implications** – This research will help practitioners to better understand why some individual actors (i.e. customers, employees) fail or succeed in making beneficial use of their proposed resources. Understanding the nature of an individual actor's readiness will enable managers to develop corresponding engagement strategies.

**Originality/value** – This study is the first attempt in marketing literature to systematically define and conceptualize an actor's internal conditions necessary for effective resource integration on the level of individual actors. As such, it is the first to introduce the notion of resource integration readiness into the conceptual framework of S-D logic.

**Key words** - resource integration, readiness, value co-creation, service ecosystems, actors

**Paper type** – Conceptual paper

## **Requalification's policies of urban deprived areas through research centres: the case of research centre CESMA in est area of Naples**

*Stefano De Falco, Leopoldo Angrisani*

**Purpose** – A current topic on which is struggling both in scientific literature and in the political sphere is the regeneration of deprived areas. It is well established that the thickness of local markets can enhance entrepreneurial activity (Vernon (1960)). It's this true also for the particular case of new services? In past it is has been established that because they carry out so many different tasks, a balance of skills may be beneficial to entrepreneurs (Lazear (2004, 2005)). An actual approach, from service's prospective, useful to promote the entrepreneurial activity, is think in term of a smart city. The concept of "Smart City", providing a solution for making cities more efficient and sustainable, has been quite popular in recent years, encouraging reflections, ideas, researches and projects for a "smart" urban development, particularly with reference to the smart service (Spohrer and Maglio, 2010; Barile and Polese, 2010).

In this frame which rule have the universities and the research centres? We know that universities potentially contribute to healthy and sustainable regional economies in numerous ways (Goldstein et al. 1995).

This paper proposes a model, with both theoretical and managerial implications, to analyze and to model the effects, if they are relevant, of the interdependence between research centres and the entrepreneurial activity in deprived urban areas in the age of smart city.

So the paper aims to give an answer to the question regarding the possibility to requalify an area through a research centre considering, as driver of the approach, the entrepreneurial activity related to the new smart services for citizens generated by this co-creation value.

**Design/Methodology/approach** – The paper is based on a literature review and on a quantitative approach and the model is focused on the start up of the new Research Centre CESMA of University of Naples Federico II in the est area of city of Naples.

**Findings** – This paper embeds a multi-task coordination model of entrepreneurship in a model of agglomeration (Rosenthal and Strange, 2009), based on the benefits of presence of a research centre. In this model, an entrepreneur is endowed with an idea (Ellison, et al. (2010), for a potential new smart service.

In the model it will be considered the two start hypothesis, to be verified at the end, 1) that creation of new smart services increases the entrepreneurial activity and 2) that realizing the new smart service requires the successful completion of a number of tasks of interaction between research centre and users, that in this case are citizens of the deprived area.

So in the proposed model, the complexity of realization of a new smart service is defined by the number of tasks that it contains

**Practical implications** – Results of the analysis may give three positive corollaries: first they may promote further studies in this sector because the assumption of service's prospective as driver of the approach lends itself well to further studies not yet present, in large numbers, in the scientific literature of the field; second, they may guide both researchers and managers of local urban institutions to develop more and more geographical connections between citizens and research institutions to promote the entrepreneurial activity related to the smart services in the deprived areas.

Third, it enhances the sustainability of territories through a new conceptualization of smart city in which the presence of a research centre became fundamental for the smart services development.

**Originality/value** – This paper analyze the hypothesis of co-creation value deriving by the interaction between entrepreneurial activity related to the new smart services of deprived urban areas and presence of research centre.

**Key words** -Network, Interaction, Relationship, Requalification, Smart city, value co-creation

**Paper type** –Research paper

## **Inhibitors and enablers of a service eco-systems scaling up: the case of the EATALY Company**

*Laura Di Pietro, Bo Edvardsson, Roberta Guglielmetti Mugion, Maria Francesca Renzi, Martina Toni*

**Purpose** – The paper aims at investigating the main inhibitors and enablers for the service ecosystem scaling up on the international market taking into consideration different geographical and cultural approaches (Hofstede, 2001) and the relative social constructed system with its specific norms, values and rules (Edvardsson et al, 2011). We present an in-depth case study on Eataly, a service eco-system that introduced important service innovations in the traditional framework of resource integration and scaled up rapidly on the international market to become a global brand.

**Design/Methodology/approach** – Through the analysis of the in-depth interviews carried out with the Eataly managers and the narratives of the company, we study and evaluate the main enablers and inhibitors faced by it in the scaling up process, with the aim to identify how norms, values and rules of a social context affected the ability of a service eco-system to be innovative in integrating resources. Eataly is an innovative Italian company, operating in the retail food sector, that has shown a quick growth in few years both, at national and international level. Its success is growing rapidly, starting from the countries most connected to the Italian culture, such as Japan and USA, but including also an expansion towards other countries (Turkey, Dubai, etc.). Today, Eataly has 27 stores of which 10 are in Italy and 17 outside Italy, with plans for new openings, mainly abroad (i.e. Moscow).

**Findings** – The paper investigate how a new market is created and how that market is growing through scaling up into new geographical and cultural areas and thus connecting to new service and social system into an expanded service ecosystem. We focus both on (i) how the scaling up can be explained by brands, service system integration, and the resonance with customer values; and (ii) how the scaling up can generate service innovation.

**Originality/value** – Social structures and social systems influence dynamically the resource integration, therefore it becomes crucial to understand how a specific successful model (service eco-system) can scale up into new social context, adapting its innovative aspects in order to create a favorable customer experience. Indeed, coherently with the foundational premises of S-D logic presented by Vargo and Lusch (2006), a company offers value proposition (FP7) while the value is always determined by the customers (FP10) that are the beneficiaries of the services.

**Key words** - service innovation; service-dominant logic; scaling up; resource integration; social system.

**Paper type** – Research paper

## **On implementing value co-creation in Higher Education Service: seeds of a value depletion circle?**

*Montserrat Díaz-Méndez, Jose García-Gallego, Evert Gummesson, Michael Saren*

**Purpose** – Current developments in service theory hold that dominant logic of marketing is shifting from a supplier-centric view of value creation to one that analyses how customers engage themselves in the value creation, thus co-creating value. They also support that value creation takes place through interaction in complex networks and systems. With the aim of contributing to give empirical support to these theoretical statements it is paramount to carry out different studies in different service systems through different methodologies. Therefore, in this paper we contribute by empirically studying how to implement a value co-creation approach in the Higher Education Service. Specifically we study students/institution relationship representing a complex many to many relationship. We aim to examine how a Higher Education Institution can involve students in the value creation process and what variables determine students engagement.

**Design/Methodology/approach** – A comprehensive case study on a public Spanish University is presented comprising a qualitative and quantitative study.

**Findings** – A classification of students is proposed according to their capacity to understand and engage in the value co-creation process. Long term consequences of recruiting certain type of students are highlighted. The risk to start a Value Depletion Circle is discussed.

**Research limitations/implications** – This study defines a research framework aiming to be tested in different countries so as to complete it with a cross-cultural view.

**Practical implications** – The findings of this work provide insights into the logic of University service perceived quality by students thus giving guidance to institutions to develop their quality policies towards a co-creation approach.

**Originality/value** – Hitherto little research has focused on the value co-creation practical approach in the Higher Education Service. Yet, education service is paramount for the development of a society what makes this research especially valuable.

**Key words:** higher education service, value co-creation, value depletion circle, students' classification, case study

**Paper type** – Research paper

## **Customer learning in phenomenological service experience: experiential learning through Apps**

*Apramey Dube*

**Purpose** – This paper investigates customer learning in the phenomenological service experience of smartphone apps. Previous service research has established phenomenological service experience as the basis for determination of value-in-use (Helkkula et al., 2012; Vargo and Lusch, 2008; Vargo et al., 2008). However, there has been scant research on customer learning as a component of phenomenological service experience. Also, smartphone apps have emerged as a versatile context to investigate customers' experiences; however, service research has given limited attention to service experience of smartphone apps.

**Design/Methodology/approach** – This paper utilizes phenomenological semi-structured interviews with 26 customers on their service experience with multiple smartphone apps.

**Findings** – Based on the analysis of respondent app service experiences, this paper has identified 16 types of app experiential learners, categorized in the form of (APP) (E)xperiential (L)earning model, or the APPEL model. App experiential learners are app users who undergo learning in their everyday life contexts through app service experiences. Learning in the phenomenological service experience includes four stages: a) concrete experiences, b) abstract conceptualization, c) reflective observation and d) active experimentation. For app experiential learners, learning takes place when they transition from one stage to the next stage. In addition, app experiential learners base their learning either on their own experiences or on experiences of other learners. Furthermore, app experiential learners evaluate apps based on app novelty features or potential value co-creation.

**Research implications** – Previous research on service experience has mainly focused on its process, outcome and phenomenological characterizations (Helkkula, 2011; Vargo and Lusch, 2008; Schembri, 2006). This study highlights that customer learning is a vital component of the phenomenological service experience. Furthermore, this paper highlights the subjective and idiosyncratic nature of service experience in putting forth multiple learning types that customers have with service experiences.

**Practical implications** – The APPEL model can be used as a versatile analytical tool by app developers to evaluate potential service experiences that different customers will have with apps. Specifically, the APPEL model pinpoints reasons for download, as well as, deletion of apps from customers' smartphones.

**Originality/value** – To the best of our knowledge, this research is the first attempt to investigate customer learning with smartphone apps in a service marketing context.

**Key words** – Experiential learning, APPEL model, service experience, smartphone apps, value co creation

**Paper type** – Research paper

## **The journey is its own reward: a set-configuration analysis of customer experiences**

*Stefan Dyck, Sabine Fliess*

**Purpose** – Since customers play an important role in co-creating their experience (Baron and Harris 2010; Pareigis et al. 2011), Bolton et al. (2014) advocate for a holistic investigation of the customer experience including customers' behavioral, cognitive, emotional, and social participation that results from interactions with the service provider (Gentile et al. 2007; Verhoef et al. 2009). In particular, Pareigis et al. (2011, p. 117) highlight that “it is not just single dimensions that impact on the service experience, but to a large extent the interplay between, and the combined effect of, all dimensions”. Hence, the purpose of this research is to investigate customer experiences identifying which configurations of experience attributes – behavioral, cognitive, emotional, and social customer participation – lead to memorable customer experiences.

**Design/Methodology/approach** – We address this issue using qualitative comparative analysis (QCA) – a set-membership analytical technique appropriate for complex configuration analyses appropriate for this context (Ordanini et al. 2014; Ragin 2000; Schneider and Eggert 2014). Settheoretic methods and QCA in particular assume that a specific outcome (in our case, a memorable customer experience) is dependent on how relevant combinations of attributes (behavioral, cognitive, emotional, and social participation) enable the outcome. Hence, we recruited participants (n=63) who had experienced a holiday travel, which they classified as memorable or extraordinary. We collected quantitative data, drawing on a combination of existing items (i.e. Brakus et al. 2009; Chang and Horng 2010; Mathwick et al. 2001; Oh et al. 2007; Olsson et al. 2012) to capture the conditions (types of participation) and outcome (memorable customer experience). To submit the data to the analyses we calibrated the qualitative data to fuzzy-set data by setting qualitative anchors (Ragin 2000).

**Findings** – Our study's findings confirm that individual experience attributes have complex tradeoff effects (Pareigis et al. 2011), capturing the complexities underlying the holistic concept, and that only certain combinations act as sufficient conditions for memorable customer experiences. Moreover, the findings highlight the critical role of emotional engagement (Sandström et al. 2008; Teixeira et al. 2012).

**Research limitations/implications** – Our study is a first attempt to apply QCA in research on customer experiences. In a broader sense, our study shows the QCA's great potential as an approach and technique in service research for studying inherent complexity of many service phenomena.

**Practical implications** – Our study contributes to managerial practice in showing how different configuration paths enable memorable experiences. With QCA, it is possible to develop a data informed typology of customer experiences providing a basis to segment customers (Fiss 2007; 2011).

**Originality/value** – Introducing QCA to the customer experience research, our study responds to previous calls to identify new approaches for studying customer experiences (Helkkula et al. 2012; Ostrom et al. 2010). With QCA, we are able to account for the complexity of the experience concept and the interplay of different experience attributes.

**Keywords** – Customer experience, Customer participation, Co-creation, QCA, Set-configuration

**Paper type** – Research paper

## **Bridges and gaps between S-D Logic and the IMP tradition: A comparative analysis**

*Peter Ekman, Jimmie Røndell*

**Purpose** - The purpose of the paper is to compare the evolving service dominant (S-D) logic research tradition with the Industrial Marketing and Purchasing (IMP) research tradition as a mean to find research possibilities and conceptual clarifications regarding resource integration and value creation. A central motive is to address Wroe alderson's thoughts of 'tranvection' in relation to the IMP and S-D logic tradition, aspiring to offer insights that may bring the S-D logic closer to a grand theory of marketing.

**Design/methodology/approach** - The study is based on an extent literature review and the comparative analysis focuses four areas – similarities and differences in; (i) concepts and constructs; (ii) actor foci; and (iii) empirical research settings.

**Findings** - The analysis reveals that some central constructs within the more mature IMP group (as e.g. adaptation) has been infused in the S-D logic whilst others need further elaboration (e.g. interaction). Both traditions address marketing as a value creating system's process, in which 'transvections' - the utilization of operant and operand resources – depends on the interaction of multiple actors. It is noted that both traditions contribute to the well-needed transition of being either firm (i.e. value in exchange) or customer centric (i.e. value in use) to include an understanding of the wider network (i.e. value in context). The analysis identify three main areas for future refinements: (i) Fusing constructs related to the understanding of the complex nature of these interactions in terms of the nature of activities beyond the dyadic dimension of relationships offers avenues for refinements of S-D logic. (ii/iii) Fusing IMP and S-D logic constructs regarding actor and resource constellations could advance the understanding of the operant and operand nature of resources and the resource integrating /interfacing role of social and economics actors, bridging the gap between B2B and B2C contexts.

**Research limitations/implications** - The paper is conceptual but with examples from published research. The comparison and suggested integration of two different research tradition's constructs offers avenues for future studies and marketing theory development.

**Originality/value** - The paper is a contribution to the current development of S-D logic and its aspiration of defragmenting the marketing discipline in academia and business practice.

## **Assessing the firm's self-service technology (SST) readiness: an empirically grounded explanatory model**

*Peter Ekman, Randle Raggio, Steven Thompson*

**Purpose** - The paper develops a conceptual model that supports an assessment of the self-service technology (SST) readiness of a firm. The simultaneous development of technology and services gives firms the opportunity to leverage their value offerings to customers but it also requires that the adopting firm master both systems and service-dominant (S-D) logic thinking. The SST readiness model depicts which of these capabilities are required when a firm adopts SST.

**Design/methodology/approach** - The paper builds on S-D logic and systems thinking. Through a case study spanning multiple actors in the real estate sector, it utilizes systemic combining to develop a conceptual model.

**Findings** - The resulting SST readiness model incorporates the firm, its partners, and customers in the firm's context (including societal institutions), where the firm needs to leverage capabilities both within the organization and through external partners. SST readiness is established on three levels: (1) the orientation level (business model, information strategy, and infrastructure), (2) the implementation level (organization and partners), and (3) the value proposition level (platform).

**Practical implications** - The SST readiness model allows firms to determine the necessary resources and capabilities needed to incorporate SST as part of their value propositions.

**Social implications** - The model is empirically based on a SST initiative for sustainability within the real estate sector, and incorporates the positive and negative affect that institutions have on firms seeking to adopt SST within a specific industry.

**Originality/value** - The paper bridges S-D logic and systems science which is needed to get a holistic, yet understandable and compact, model that depicts the complex capability structure needed for firms that adopts SSTs. As such, it links the individual conditions captured by e.g. the technology acceptance model (TAM) with the organizational conditions focused in systems research. Furthermore, the SST readiness model includes consideration of the adopting firm's wider industry context.

## **Dynamic and Complex Public Transit Service Eco-system for Resilient Living Cities**

*Bo Enquist, Samuel Petros Sebhatu*

**Purpose** – The main aim of this paper is to understand and assess the complexity of public transit services for resilient living cities. The main theoretical and empirical challenges are how to understand public transport as dynamic and transformative service eco-system for living city regions, to develop and implement a feasible and proactive tool for changing the mindset. Public Transport as a dynamic and transformative values based service eco-system is about the role of governmental agencies and other stakeholders in the network. The challenge is to be sustainable by breaking the norm of using cars in the city and to find an alternative discourse for a resilient living city.

**Design/methodology/approach** – The study adopts a qualitative research approach, using multiple case studies to undertake an analysis of the dynamicity and complexity of service eco-system in public transit services for resilient living cities. This study is of an explorative comparative study based on the public transport value networks in three city regions – Stockholm, London, and Cape Town. These cities are in transition for a transformative change with dynamic city networks, which can learn and innovative resilient infrastructure cities and cities as a world of mobile lives.

**Findings** – In this paper Public Transit Service is seen as an Eco-system for transforming a larger and even more complex Eco-system: a whole city region for being a resilient living city. The paper demonstrates that dynamic and transformative public transport as service eco-system for living city regions can develop and implement a feasible and proactive tool for resilience by changing the mindset. In this paper, we use the terms “dynamic” and “complex” to illustrate the public transit service eco-system in resilient and living cities (city regions). It has been shown this based on “why and how” - by understanding how “dynamicity and complexity” are shaping sustainable thinking to secure sustainable service business rooted in values based service eco-system, which is drawing from a transformative service perspective and stakeholder thinking. Innovative and strategic thinking, monitoring of practices and their contexts, abductive instead of prescriptive are key words that addressed in value co-creation and resource integration, but need a deeper understanding for real contexts.

**Research limitations/implications** – The study provides useful insights into the need to understand and explore dynamic and complex service eco-system from the resilient city region perspective based on public transit services. Future research in this area should focus on generalizing the present findings by examining how successful companies in various industries (e.g., retailing, private–public partnerships) adopting dynamic and complex eco-system in a transformative way. Future studies should also investigate theoretical challenges in a different context. An important part of such theory development is creating an eco-system.

**Originality/value** – The paper makes an original contribution to the on-going discussions on service eco-system, complexity, and transformative service research. In this paper, we are expanding value co-creation and service eco-system thinking into dynamic and transformative values based service eco-system in a value network. In service research, the main theoretical challenges are of understanding and integrating value co-creation and sustainable development as a transformative service research thinking, which this paper contributes to the progress of this discussions.

**Key words** - Service Eco-system; Dynamic; Resilient; Transformative Service; Living and resilient city; Public transport; and Value Network.

## **Social innovation practices: focus on success factors for crowdfunding**

*Salvatore Esposito De Falco, Alfonso Vargas-Sánchez, Nicola Cucari*

**Purpose** - In the last years, in the USA and in other European countries, with the purpose of supporting innovation, is being developed an innovation practice based on 'bottom-up' financing, which is most commonly known as crowdfunding. This method, that has already achieved excellent results in the USA, seems to show different performances depending on the background context in which it is applied.

In Italy, for example, in spite of the growth of some crowdfunding platforms, only a few projects were financed and fulfilled. The method applied for the crowdfunding seems to recall the conceptual determinant on which the Social Innovation and the Service Dominant (S-D) Logic are grounded, indicating huge chances of application in those bank oriented geopolitical contexts in which the global crisis of the banking system have represented a curb on the development of innovation. We ask ourselves if, and to what extent, the efficacy of this tool could be influenced by exogenous factors, or endogenous ones. The purpose is also to suggest solutions that could better customising this tool according to the referential backgrounds.

**Design/Methodology/approach** - The methodological approach will begin from a literature review about the related topic, from which we will draw the research hypotheses that will be tested basing on empirical data deriving from the databanks of a sample of Italian and American platforms of crowdfunding.

In detail, the analysis of the literature will be carried on by studying the scientific contributions ascribable to three specific conceptual trends; these are considered by many as the founding roots of the crowdfunding processes: the studies about the experiential marketing (Pine and Gilmore) and about the tribal marketing (Cova), the researches on the co-creation of value between the different actors of the value chain (Prahalad and Ramaswamy) and the contributions of the literature to the studies on the innovation of the services (Normann and Crozier, Normann and Ramirez).

**Findings** - The researchers on the crowdfunding so far highlighted the abilities of the players to create and to strengthen the bonding and bridging types ties, allowing the collective intelligence to give more importance to a shared value rather than to an individual aim; and also enhancing the concept of service conceived not as simple supplying but as an interaction in terms of communication and ties. In order to achieve this result the theoretical considerations about the swarm intelligence will be used as well. The studies about this topic highlighted how the actions of a single individual do not derive from a predetermined plan, but from the stimuli coming from the other members of the group and, so, from the structure. In particular, in their contributions Tagliagambe and Grassé use the concept of 'stigmergy' in order to explain the organisation and the coordination of the building activities performed by the 'crowd'. The crowdfunding, then, will be examined not only as an innovative way of raising funds – able to create an ecosystem of actors in which the demand and the offer of innovation can meet in many different ways (e.g. reward-based crowdfunding, equity-based models and micro financing) – but also as that complex anthropologic, social and economic phenomenon taking place when realized a series of processes allowing to innovate the way we conceive the relationship between design, production and consume itself and allowing to improve the ability of the individuals to gain greater social-economic effects.

**Research implication** - The methodological approach we intend to adopt starts from the consideration that the crowdfunding can represent a solution for the development and the support of innovation in the field of the products, of the processes and of the services; innovating, as a consequence, the conceptual basis of the social innovation themselves. The verification of the efficacy of the crowdfunding innovation tool could, thus, bring new theoretical considerations useful to enrich the studies about social innovation.

**Practical implications** - In the paper we intend to verify the applicability of such a tool as a method useful to develop innovative projects, as well as to assess if factors that could influence such a financing method exist, and suggesting, at the same time, solution that can be enhanced in certain contexts. Therefore, from it derive many different practical implications for the managers who want to develop innovation by using financial tools that are a lot less binding than the traditional ones.

**Originality/value** - The originality of the work is made concrete mainly by dealing with a method which is still little investigated by the management literature, in order to design solutions able to help the spreading of the crowdfunding in particular geopolitical contexts.

**Key words** - Crowdfunding, social innovation, swarm intelligence

**Paper type** - Research paper

## Measuring Experience Quality and Outcomes in Services: The Case of Port Wine Cellars

*Teresa Fernandes, Mariana Cruz*

**Purpose** - Pine and Gilmore (1998) set out the concept of experience economy as a new era. Since then, service experience and its impact on business is receiving increased attention. According to S-D logic, service experience is a key concept (Vargo and Lusch, 2004) and creating unforgettable experiences became a priority for service organizations (Verhoef et al., 2009). Therefore, measuring experience quality becomes crucial. Based on existing models in the literature (e.g. Chang and Horng, 2010; Kim et al., 2011; Klaus and Maklan, 2013), the purpose of this study is to develop and validate a Customer Experience Quality measurement model (EXQUAL), using the customer's perspective. We also aim to assess the impact of service experience quality on customer's satisfaction, loyalty and word-of-mouth.

**Design/Methodology/Approach** - Data was collected from 290 visitors of three Port wine cellars, a setting chosen for its highly experiential nature. Respondents were surveyed short after the visit, minimising bias associated with retrospective recall. Based on existing scales, we conducted a CFA on the dimensions measuring experience quality: Environment, Learning, Entertainment, Service Providers, Benefits and Trust. To evaluate the impact of experience quality on satisfaction, loyalty and word-of-mouth, a causal model using SEM was used.

**Findings** - The six dimensions of EXQUAL were validated, with Service Providers, Benefits and Learning having the most significant impact on experience quality. Overall, the 20-item scale provides a reliable and valid measure of experience service quality. We also conclude that experience quality has a significant impact on relevant marketing outcomes, namely loyalty, word-of-mouth and customer satisfaction.

**Originality/Value** - Few studies have measured customer experience, or related it to consumer behavioural intentions. Addressing calls (e.g. Klaus and Maklan, 2012) to further investigate hedonic services, our research bridges these gaps, presenting a new EXQUAL model, validated in the wine tourism industry, and analyzing the impact of customer experience on important marketing outcomes. In managerial terms, our findings allow managers to improve the overall service experience quality through a better understanding of its dimensions. Managers can also determine which experience dimensions are most strongly associated with customer-related outcomes and, thus, improve the effectiveness of marketing investments. One limitation of this study is that it focuses on a particular setting, country, and customer sample. Future research should further cross validate our results. Also, our research could be extended to include other dimensions and outcomes. Overall, our findings enhance knowledge on the experiential concept and offer important implications for service managers.

**Key words** - Service experience, Experience quality, Satisfaction, Loyalty, Word-of-mouth

**Paper type** - Research paper

## A Service Logic History of Service and Service Marketing

*Raymond Fisk*

The service economy is typically described as originating in the late 20<sup>th</sup> century. This presentation revises that history and traces the roots of service and service marketing from the dawn of human society to modern history. After establishing the start of the service economy, three service eras are described: Prehistory, Early History and Modern History. Evolutionary predictions regarding the probable future service economy are also presented.

The economic history of service has been told incorrectly. Fuchs (1968) authored a classic book describing the service economy. He said: “The United States is now pioneering in a new stage of economic development. During the period following World War II this country became the world’s first ‘service economy’...” (p. 1). The academic services marketing field emerged shortly after Fuchs published his book. Fuchs version of when the service economy emerged became a dominant story and was chronicled as such in histories of the services marketing field (Fisk et al., 1993).

Unlike the Fuchs (1968) story, the full economic story of service is quite ancient. The service economy is so ancient that it originated in human prehistory, not in the middle of the 20th Century. Long before the tools of written language were invented, humans were engaging in service activities. In particular, service activities preceded the invention of accounting systems and monetary systems. It was the counting of monetary service transactions that misled Fuchs into proclaiming that a service economy had emerged after World War II. From the perspective of modern service thought, the real history is much older and much more complicated.

To set the historical record straight, this chapter takes a deep dive into the origins of human history to correct numerous perceptual mistakes and biases. The origins of service history have been hiding in plain sight. This retelling of service history builds from and adapts Service-Dominant Logic to enable understanding why all economies are service economies (Lusch & Vargo 2014) and why this has always been a true statement about human relationships. Maglio et al. (2009) argue that the service system is the fundamental abstraction in service science. This presentation describes the evolution of the family, tribe, village, city, culture, and nation service system levels.

Service is an ancient word derived from the Latin *servus* for slave or servant. This ancient and very unfortunate root meaning of service still haunts contemporary understanding and human behavior. Service has become a much broader word over time. Vargo and Lusch (2004) define it broadly as: “application of competences (knowledge and skills) for the benefit of another entity or the entity itself.”

The meaning of history has changed, too. In early meanings, history meant written record and human activities before written records were prehistory. The word history is now used by physicists to describe what happened in our universe since the Big Bang and by geologists to describe the geologic time scale of our planet. This presentation follows the approach of those historians working on big history (Brown, 2007) and deep history (Shryock and Smail, 2012, Smail, 2008), who take a broader and more evolutionary perspective on history.

## **Determining value dimensions for an all-encompassing service evaluation**

*Francesca Foglieni, Stefan Holmlid*

**Purpose** – All along its evolution, service logic strongly focuses on the meaning of service value and where it resides within a service development process, shifting from its conception as a service attribute to be created by the service provider to a focus on value-in-use and value-in-context as elements emerging from the user experience. The purpose of this paper is to reflect upon how to determine value dimensions emerging from each value creation sphere in order to evaluate the overall service performance both from a provider and a user perspective.

**Design/Methodology/approach** – The authors explore in parallel service logic studies in the field of marketing and management and evaluation studies in the field of social sciences in order to define a service evaluation model. The model will be exemplified through the application to a service in the healthcare sector. Final considerations will be done upon the use of the model as a tool for shifting the reflection on value creation from theory to practice.

**Findings** – Even though in theory of service logic there is a quite clear understanding of service value creation dynamics for all the actors involved (provider, user and other stakeholders), evaluation in the service field is still focused on evaluating processes mainly from a provider perspective. A systemic vision determining the value of the overall service performance is missing. Considering evaluation as a process aimed at a critical analysis of data collected to support a judgment, with the purpose of triggering a change in what is being evaluated, the paper proposes a reflection within the value creation spheres based on three different evaluation moments (ex-ante, in-itinere, ex-post) and considering both a provider and a user perspective. The output consists of an evaluation model that reflects upon how to determine and evaluate value dimensions that are meaningful for the service provider in value-facilitation activities and for the service user in valuecreation activities, thus gaining understanding of service value from both perspectives in the so called co-creation sphere.

**Research limitations/implications** – The authors bridge service studies and evaluation studies to start approaching the concept of service evaluation as a further development of service logic.

**Originality/value** – The paper faces the service evaluation issue from a service logic perspective, introducing a new topic in the field and a way to approach it thanks to a reflection upon the process of determination of service evaluation objects and value dimensions.

**Key words** – service evaluation, service value, value dimensions, evaluation design, service logic

**Paper type** – Conceptual paper

## **How to configure Touch Points: The Influence of Service Design on Customer Service Engagement**

*Katharina-Maria Fonferék, Michael Kleinaltenkamp*

Integrating customers into production and delivery processes is a core element of services (Fließ & Kleinaltenkamp, 2004). On the one hand, this opens up opportunities to create service offerings that correspond to customers' needs, to create customer benefit and thus customer loyalty (Hollebeek, 2011; Jaakkola & Alexander, 2014; Vivek, Beatty, & Morgan, 2012). On the other hand, this customer integration is also a challenge for service providers as they need to develop measures to motivate their customers to participate and to guide them through the processes in order to achieve satisfying service outputs. Here, the service design plays a major role. It comprises the specific configuration of the various direct and indirect contacts (Touch Points) that a customer shares with the service encounter in the course of service production and delivery (Grönroos, 2006; Shostack, 1984; Zomerdijs & Voss, 2009). As the number of those Touch Points can be high and as they cannot be controlled permanently service providers are in risk that service quality will vary, which may have a negative impact on customer satisfaction (Shostack, 1984). Accordingly, a systematic management of service provision through Service Design becomes a necessary task for service providers to receive loyal customers.

As known from extant literature based on Service-Dominant Logic, Customer Engagement is one option to obtain customer loyalty. Customer Engagement captures the customer's brand or firm- focus, beyond purchase, and results from motivational drivers (Brodie, Hollebeek, Juric, & Ilic, 2011; Brodie, Ilic, Juric, & Hollebeek, 2013; Vargo & Lush, 2007; van Doorn et al., 2010; Vivek et al., 2012). It is the level of a customer's various forms of presence and contribution. There are three key elements that denote the presence of the customer: physical presence, emotional presence, and cognitive presence (Hollebeek, 2011). It can be assumed that the level of each key element varies in intensity and is influenced by the service design.

On the basis of the existing literature, this conceptual paper addresses the lack of knowledge concerning the influence of Service Design on Customer Engagement. Its core motivation is to explore how Service Design contributes to Customer Engagement, and especially if certain elements of the Service Design have a particular impact on the Customers' Engagement.

**Key words** - Service Design, Customer Engagement, Customer Integration

## **Corporate culture and co-creation of value. The Zeta Consulting case**

*Vincenzo Formisano, Emanuela Antonucci, Maria Fedele*

**Purpose** – Starting from the theoretical perspective of the Service-Dominant Logic (Vargo and Lusch, 2008), the work aims to verify how companies values might facilitate the process of value creation in the service sector. To this end, the focus is on Zeta Consulting, a company recognized as an innovative reality of relevance in the consulting business arena.

**Design/methodology/approach** – The work is based on the research method of case study (Yin, 2002). In particular, it was applied the method of the single case study, which is considered suited to the analysis of the phenomenon under study. The analysis makes use of primary and secondary data.

**Findings** – The research highlights the key elements of a process of value creation that is successful (resources, actors, etc.) (Polese, Pels and Brodie, 2011) in the service sector. It is supported the thesis to which the company values (although impacting at different levels) favor the development of practices aimed at creating a functional, emotional, social, corporate and environmental value (Carroll and Buchholtz, 2014) enjoyed by both internal and external actors to the company.

**Research implications** – The work explodes the theoretical approach of Service-Dominant Logic to test the co-creation of value in the real and practical phenomena. Co-creation of value is recognizes as a useful process to rethink and improve the service. The work shows new opportunities for service companies that can favor the quality and efficiency in service, in a word excellence.

**Originality** – Scholars, researchers and entrepreneurs have extensively analyzed and shared the benefits of an entrepreneurial culture that favors the processes of value co-creation (Payne, Storbacka and Frow, 2008). This research investigates in detail the corporate culture, the co-creation of value and the sector of services through the lens of a practical case.

**Key words** – Value co-creation, corporate culture, service

**Paper type** – Research paper

## Value creation and co-creation in the mobile cloud

*Gary Fragidis, Dimitri Konstantas, Konstantinos Tarabanis, Adamantios Koumpis*

**Purpose** – This paper presents a perspective on value creation in mobile service, especially when it is provided via the cloud. The popularity of mobile devices, especially smartphones and tablets, increases the interest in mobile service. Mobile cloud computing has been developed to remove certain technological restrictions in the provision of mobile service. Taking a user-driven and usage-oriented perspective for mobile service, the purpose of this paper is to provide a conceptual framework for service value, value creation and co-creation in the mobile cloud.

**Design/Methodology/approach** –Research in mobile cloud computing emphasizes on the technological requirements and challenges. This paper extends the research scope and integrates concepts from service management in order to understand better mobile service and value creation and co-creation with it.

**Findings** –The paper proposes a terminology and models for mobile service provision. Then the paper provides a conceptual framework for value creation in mobile service that combines human and technological aspects in mobile service provision.

**Research limitations/implications** – The paper provides a bridge between technological, business and usage aspects of mobile service and supports the better understanding of the relevant concepts. The paper can provide insights for the analysis of mobile service provision, value creation and value co-creation in mobile service, which can lead to the development of new service and business models. Future work can investigate the practical aspects of value creation in mobile cloud, by analyzing features and measures for the roles of the actors, their activities, the use of mobile service, etc.

**Originality/value** –Research in mobile cloud services from a user-centric perspective is very sparse in the literature.

**Key words** – Service value, value creation, mobile service, mobile cloud computing.

**Paper type** – Conceptual paper

## **An Introduction to T-shape metrics: how T-shaped ARE you?**

*Louis Freund*

**Purpose** - Starting from a discussion of the difference between a typical professional vita or résumé and the “T-Shaped Professional”, a spreadsheet based metric for estimating T-Shape-ness based on prior experiences is proposed.

**Design/methodology/approach** - The idea of the T-Shaped professional is simply that professionals in the field of service must not only be “deep” in a discipline, but also broad in their ability to work effectively across disciplines, cultures, systems and regions. A new spreadsheet based tool, the MyT-Me metric calculator, enables individuals to describe their T-shaped-ness (depth and breadth of their professional competencies) with a personal MyT-Me score generator. Professional Activities, as well as experiences in Projects, Positions, and Assignments that a person has held are characterized in terms of weighted Core Competency or Boundary Crossing characteristics, generating the MyT-Me score.

**Findings** - Most agree that the T-Shape paradigm is particularly important for successful career growth as a service professional (although there have been others proposed – the pi or  $\pi$  shape, triangle shaped, etc.). Yet, metrics for assessing one’s T-score have been elusive. MyT-Me enables one to assess his or her current “depth in a core discipline”. It also helps to clarify how the different things we do as professionals contribute to our “breadth” of experience while working across disciplines, cultures, and systems.

**Originality /value** - This presentation will introduce this spreadsheet tool, and provide examples as to how it can be used to assess and build one’s own T-score. Participants will be directed as to how to obtain a copy of the MyT-Me spreadsheet tool for their own examination.

**Keywords:** T-Shape, metrics, achievement, professional growth

## **Evolution of the ecosystem: the critical role of actor-connectors**

*Pennie Frow, Janet McColl-Kennedy, Adrian Payne, Rahul Govind*

**Purpose** - A service ecosystem is composed of actors and their resources, linked together in a network of relationships (Frow et al. 2014). Scholars describe the nested layers of an ecosystem, with each layer adapting to changes in other layers (Mars et al. 2012). We suggest that further explanation of this process is important, especially as ecosystems are the context for value co-creation, with actors integrating their resources collaboratively within and between ecosystems. This paper provides a conceptual model and illustrations that describe the role of actor-connectors from the perspective of a “nested” service ecosystem.

**Methodology** - The paper draws upon diverse literature from the co-creation (e.g., Payne et al. 2008; McColl-Kennedy et al. 2012) and ecosystem (e.g., Akaka et al. 2013) literatures, especially recent work in service science (Spohrer et al. 2008), and service dominant logic (Vargo et al. 2008). Then, using findings from a qualitative depth interviews study in the context of a health care service ecosystem, the role of actor-connectors in the evolution of an ecosystem is explored.

**Findings** - Actor-connectors are defined as those actors that belong to two or more ecosystems and play a critical role in the dialogue and interaction between and within the nested layers of an ecosystem. These actors engage in resource integration between and within each ecosystem, sharing knowledge that specifically focuses on “boundary knowledge” (knowledge that relates to processes that impact both ecosystems). This knowledge is relevant to each nested layer of the ecosystem, enabling adaption and changes in other layers. Our illustrations from a health care ecosystem identify specific characteristics of actor-connectors that include: legitimacy; trustworthiness; knowledge; empathy; and adaptability. Actor-connectors use diverse interaction tools that include dialogue, but also incorporate extensive use of signs, symbols and stories, providing a common language and shared meaning that connects the layers of ecosystems.

**Research limitations/implications** - This study extends previous conceptualizations of nested service ecosystems. The proposed conceptual model illustrates how the adaptation of each layer of a service ecosystem is facilitated through “boundary knowledge”, which is provided by actors with specific enabling characteristics.

**Practical implications** - This paper demonstrates how “actor-connectors” develop their enabling characteristics that facilitates their “boundary knowledge” role, enabling the progressive evolution of an ecosystem.

**Originality/value** - This paper extends previous conceptualizations of ecosystems, exploring how nested ecosystems adapt to change. Importantly, we articulate for the first time the critical role of actor-connectors, who integrate resources within and between layers within the ecosystem.

**Key words** - service ecosystem; value co-creation; actor; health care; interaction; dialogue.

**Paper type** - Conceptual paper

## **Co-pricing: Co-creating customer value through dynamic value propositions**

*Pennie Frow, Richard Reisman, Adrian Payne*

**Purpose** - Recent scholarship suggests value propositions play a role in value co-creation through interactions (Prahalad and Ramaswamy 2004) and learning (Payne et al. 2008) between the customer and supplier. However, the learning process remains largely unexplored. This paper considers the role of co-pricing as a tool that can assist in designing value propositions, which are shaped through interactions and dialogue (Ballantyne et al. 2011). We suggest value propositions are designed using the two-way learning that arises when the customer is involved in determining price, based on their sense of relationship value.

**Design/Methodology/approach** - This conceptual paper draws upon value propositions (Lanning 1998; Frow and Payne 2011), customer management (Payne and Frow 2013), co-creation (Vargo and Lusch 2008; Payne et al. 2008) and co-pricing (Bertini and Gourville 2012; Bertini and Reisman 2013; Iansiti and Lakhani 2014; Reisman and Bertrini 2014) literatures, in particular exploring the concept of 'fair value' in relationship building and learning. Using these ideas, we develop a conceptual model that identifies how co-pricing can play an important role in two-way learning between a customer and supplier. A value proposition communicates dynamically the outcome of this learning process.

**Findings** - Value propositions play an important role in establishing customers' expectations of value. A firm can develop value propositions and use them as part of a dynamic learning process that occurs between customer and supplier. Customer segments can be determined based on value perceptions, with each requiring discrete value propositions that are designed around relationship goals.

**Research limitations/implication** - This study assists in clarifying the learning process that occurs between customer and supplier, where value perceptions are shaped dynamically based on expectations and recognition of value-in-use and -in-context. Identifying how value propositions link to co-pricing decisions in a two way learning process offers much scope for further empirical investigation.

**Practical implications** - For managers, using co-pricing as a means for gaining deep customer insights offers much potential, ultimately expanding profitability and markets. Models of co-pricing could provide new basis for segmenting customers, based on their perceptions of value. Involvement in co-pricing decisions can also offer opportunities for enhancing relationships, building trust, fairness and commitment between a supplier and customer.

**Originality/value** - This paper extends previous discussions of value propositions and contributes to the growing literature on co-pricing. Collaborative pricing as a learning mechanism offers much potential for further research and managerial practice.

**Key words** - co-pricing; co-creation; value proposition; learning; relationships

**Paper type** - conceptual.

## **A Network-Service-System (NSS) Framework for Analyzing and Measuring the Relationship between Trust's Antecedents, E-Trust, and Purchase Intention in ECommerce**

*Vusal Gambarov, Mario Calabrese, Xhimi Hysa*

**Purpose** – This research aims to analyze and measure the relationship between trust's antecedents, e - trust, and purchase intention using the main model of e-trust supported by a network-service-system framework. Specifically, measuring the effect that trust's antecedents have on e-trust and simultaneously the effect of e-trust on purchase intention (where trust is used as a moderating dimension).

**Design/methodology/approach** – The research design is based on causal research. Initially diverse causal relations have been studied between trust antecedents and e- trust where trust behaved as a dependent variable. Successively has been studied the relation between e trust (in this case as independent variable) and purchase intention. Another causal relation studied is between trust antecedents and purchase intention. Data is gathered through online questionnaire composed by descriptive and behavioral questions using the Likert scale. The convenient sampling is used with a sample size of 295 participants from the Turkish market. A regression analysis was implemented between dimensions to measure the relationships. Regarding the theoretical approaches, firstly the Network Theory and Many-to-Many Marketing are used for understanding the complex relationships in e-commerce (B2B, B2C, C2C, and C2B) between e-market actors (i.e. business and consumer). Because every actor of the e-marketplace is a service provider, than the Service-Dominant Logic is used for conveying the concept of value (i.e. value proposition, value acceptance, value co-creation, and value in context). Relying on the Information Variety Model of the Viable Systems Approach, the concept of value is seen from a systems perspective in which the so called categorical values serve as determinants for creating the conditions of consonance and harmonic relations among e-market actors.

Consequently, the trust has been described as a categorical value with a relevant impact (both emotional and behavioral) on consonance, value co-creation, and purchase intention.

**Findings** – The effect of trust in e-commerce approved. Brand power and brand reputation resulted as the most important antecedents for e-trust. Important results about Turkish e -commerce users (both descriptive and behavioral) achieved. The effect of e trust on purchase intention was verified, reinforcing previous studies made in different countries and giving unique information about Turkish market. It was also discovered that antecedents of trust have a direct impact on purchase intention without using e- trust as moderating dimension, but in this case the effect was not as strong as in the case in which e-trust served as a moderating dimension.

**Research limitations/implications** – Mostly used 6 antecedents from literature were chosen for the main model but not all antecedents studied in the literature (around 20). Even though in the literature different dimensions were studied (separately but not jointly) as consequences of trust, we chose only purchase intention to simplify the task (to choose one consequence is a tendency of literature).

**Originality/value** – It is one of the pioneering studies to examine the whole e -trust model in Turkey, fulfilling some gaps in literature and offering unique data for Turkish market, as well as other insights for generalizing the model in other markets.

**Key words** - Antecedents of Trust, E-Trust, Value Co-Creation, Consonance, Purchase Intention

**Paper type** - Research paper

## **Modern Media and the Role of the Dialogue for External Effectiveness**

*Mikael Gidhagen, David Sörhammar, Jimmie G.Röndell*

**Purpose** - Facebook, Twitter, online forums and communities are today seen as essential platforms facilitating value creation. The active customer is increasingly learning how she can create value from interacting not only with the firm but also with other customers (Prahalad and Ramaswamy 2004). From a service-dominant logic perspective, it is generally claimed that the essence of value creation lies in keeping a dialogue with your customers (e.g. Prahalad and Ramaswamy 2004; Ballantyne and Varey 2006; Lusch and Vargo 2014). It has been argued that the dialogue between two actors in a dyad can not only facilitate value creation to the beneficiary in that dyad (cf. Normann 2001; Lusch & Vargo 2014), but that the effects of such a dialogue may also be beneficial to those outside the focal dyad; what Normann (2001) refers to as external effectiveness. The purpose of this study is to, through investigating an online community context, discuss how modern media may enhance the role of the dialogue for external effectiveness.

**Design** - The discussion maintained herein is based on a case study of an online user community and its forums. The case considers a supplier of video games, renowned for its vibrant user community.

**Findings** - Manifested and documented in online forums, any dialogue between actors in the community is not only facilitating dyadic value creation – as a tool for resource integration and service exchange – but the visualized and preserved dialogue does indeed have spill-over effects on value creation well beyond that of the initially participating actors. In a way that a “conventional” dialogue context does not, modern media, such as an online forum, enhances the role of the dialogue from a means for resource integration to a resource per se – given that there are rules and norms developed validating actor engagement. Initiated, preserved, user dialogues may e.g. support the firm and community members as an advanced Q&A for any type of question, each in its specific forum – thus creating not only opportunities of internal and external effectiveness of each dialogue, but also facilitating a generally enhanced effectiveness of A2A interaction.

**Research Implications** - The issue of co-creation effectiveness is discussed highlighting modern media dialogue (firm-customer/customer-firm/customer-customer) as a pivot for reciprocal value creation.

**Practical Implications** - The paper emphasizes the importance of acknowledging the opportunities of modern media, and online communities in particular, for facilitating and actively engaging in dialogue.

**Originality/Value** - Adding to the research on firm benefits of an S-D logic approach, elaborating on dialogue effectiveness.

**Key words** - service-dominant logic, value creation, effectiveness, dialogue, community

**Paper type** - Research Paper

## **Reconfiguring Dormant Resources in Resumed business: A2A Value Creation in a Mining Context**

*Mikael Gidhagen*

**Purpose** - Discussing a field that has received little research attention, resuming and reconfiguring business, the purpose of the paper is to explore the potential of dormant resources (e.g. Litz 1996) for A2A value creation following business closure. The discussion is based on a case study of the re-opening of a Swedish iron-ore mine after a twenty year closure. Building on the A2A orientation of S-D logic (e.g. Vargo & Lusch 2011; Lusch & Vargo 2014), value creation in a particular business context is seen as facilitated by the integration of resources by actors interrelated in a complex system, a network of actors (cf. Håkansson & Snehota 1995).

**Design/Methodology/Approach** - To explore the potential of dormant resources for A2A value creation in business reconfiguring, a case study of a restarted iron-ore mine was undertaken. Apart from studying official company information, press-releases, and public media articles; primary data was gathered through interviews with different actors of the network.

**Findings** - A key to value creation in resuming business is the instigating actor's ability to, simultaneously, envision potential value co-creation through interacting with other actors within the business ecosystem; realize and make use of the potential in dormant resources such as any remains of previous business; and skillfully make use of previous experience and generated knowledge "embedded" in the instigating actor, that is, in the business reconfigurator. All in line with the generally accepted view that the most important resources are those related to competence, relationships and information (Normann & Ramirez 1993; Lusch, Vargo & Tanniru 2009; Vargo & Lusch 2004).

Recognizing that resource integration (Vargo & Lusch 2004) and resource density (Normann 2001) are concepts useful for understanding business (cf. Lusch & Vargo 2014), the specificities of resuming business after a closure – recent or distant in time – call for a special competence: rebundling, reintegrating and reconfiguring liquefied and/or frozen resources to a new density.

**Research Limitations/Implications** - Reconfiguring competence is a multi-dimensional resource for value creation in actor to actor networks, not the least considering turning potential resources into potent resources.

**Practical Implications** - The paper emphasizes the importance of acknowledging the potential in dormant resources to value creation in resumed/reconfigured business, and thus also the key resource held by the reconfigurator.

**Originality/Value** - Besides considering an empirical setting seldom analyzed from a S-D logic perspective (an iron-ore mine), a main contribution is the focus on the resource-integrating role in business reconfiguring, especially considering seeing the potential in dormant resources.

**Key words** - reconfiguring; resource integrator; resources; service dominant logic; A2A networks

**Paper type** - Research Paper

## **Towards a common framework for knowledge co-creation: opportunities of collaboration between Service Science and Sustainability Science**

*Gaetano Maria Golinelli, Sergio Barile, Marialuisa Saviano, Francesca Farioli, Yarime Masaru*

**Purpose** - Sustainability and Sustainable Development should be the top priorities of a Smarter Planet. On the basis of this statement, we will discuss in the paper, our aim is to highlight opportunities of knowledge co-creation which can derive from the integration of the research efforts of two worldwide recognized communities of scientists, scholars and professionals, which share a common vision of a smarter and more sustainable planet: *Service Science* and *Sustainability Science*.

**Design/Methodology/approach** - By adopting a systems thinking view, and specifically the *Viable Systems Approach* (VSA), this paper analyses the scientific positioning of Service Science and Sustainability Science, seeking commonalities that can highlight opportunities of fruitful scientific collaboration.

**Findings** - The paper highlights significant convergences in the views and scientific positioning of Service Science and Sustainability Science, which explains why the two communities should collaborate by integrating knowledge resources and sharing advances.

By promoting a boundary crossing interaction and creating interface connections *within* and *between* the two scientific communities, current distances between them can be covered and relevant bridging elements explored and exploited in a shared effort targeted to contribute to realizing a smarter and more sustainable world. The common inter- and trans-disciplinary as well as solution-oriented research approach appears as a key methodological element of convergence to coherently develop a shared framework of reference.

A “3Pillars” Knowledge Co-creation Framework for Service & Sustainability Science integrates all the findings of our 3-steps interpretative pathway, into a consistent whole which shows a key to create convergence in multi-disciplinary knowledge co-creation contexts. This framework proposes an original sustainability view which integrates the Triple Helix and the Triple Bottom Line models into a co-creation framework that can support knowledge design and creation processes through which University-Industry-Government collaboration, necessary to address the challenge of a smarter and sustainable world, can be tested and further developed.

**Research implications** - The paper opens up new research pathways launching a Science-led call for collaboration that overcomes the traditional divide between knowledge domains and communities contributing to foster a shared effort to address the challenges of sustainability in a smarter planet. It is a concrete attempt to put in practice inter-disciplinary collaboration aimed to develop a common framework for Service and Sustainability Sciences.

**Practical implications** - The paper provides insights for rethinking research, development and management approaches as well as education programs by putting sustainability at the center of the scientific, governmental and business agendas. It also sheds light on criticalities and barriers of mutual learning systems.

**Originality/value** - The paper develops an original interpretation that integrates the Triple Helix and the Triple Bottom Line models into a coherent co-creation framework for sustainability in which Service Science and Sustainability Science can play key roles by integrating their knowledge resources.

**Keywords** - Service Science, Sustainability Science, Viable Systems Approach, Service-Dominant logic, Knowledge Co-creation.

**Paper type** – Conceptual paper

## **S-D Logic, Strategic Advantage, and Business Models**

*Nathaniel Hartmann, Heiko Wieland, Stephen Vargo*

**Purpose** – Resource-based (Peteraf 1993; Wernerfelt 1984), Knowledge-based (Grant, 1996;) and Dynamic Capability (Eisenhardt and Martin 2000; Teece, Pisano and Shuen 1997) theories are viewed as distinct and often competing theories which seek to explain how firms co-create value. Herein, the authors reconcile these good-dominant based theories with emerging research in service-dominant logic (Vargo and Lusch, 2004; Vargo and Lusch, 2008) to advance theory in strategic advantage. In this pursuit, the authors discuss the roles of service-ecosystems, institutional logics, and business models.

**Design/Methodology/approach** – The authors extensively review and reconcile the Resource-based, Knowledge-based and Dynamic Capability, service-dominant, service-ecosystems, institutional logics, and business models literatures.

**Findings** – Existing theories of how firms uniquely co-create value are inherently limited due to their good-dominant foundation. By reconciling these theories with service-dominant logic, service-ecosystems, institutional logics, and business model, we better explain how firms can and do co-create value. We show that Resource-based, Knowledge-based and Dynamic Capability theories are encompassed by the more parsimonious Service-Dominant Logic. Business models serve to connect and advance technological and market innovation within the firm in developing and advancing strategic advantage, and that institutional logics within and external to the firm (i.e. within the ecosystem) serve an important role in facilitating this process.

**Practical implications (if applicable)** – Through a more complete understanding of how firms can and do co-create value, managers are more able to participate in the co-creation process.

**Originality/value** – We extend thought on developing and sustaining strategic advantage.

**Key words** - S-D Logic, strategic advantage, business models, service ecosystems, institutional logics

**Paper type** – Conceptual paper

## **Resource integration in service networks**

*Ness Håvard, Sven Haugland, Jarle Aarstad*

**Purpose** – Resource integration in service networks is fundamental in order to establish and maintain efficient value cocreating relationships (Vargo and Lusch, 2004, 2008). Thus, the purpose of this paper is to enhance our understanding of how firms achieve such resource integration. We take a relational perspective as resource integration takes place within relationships between network actors (in this context we address firms as actors). In particular, we explore how relational characteristics enhance resource integration in terms of two key dimensions: partner complementarity, and change in activity structures. First, partner complementarity is a key dimension because it focuses on resources and capabilities as distributed across firm boundaries, and how they together enhance value cocreation (Grant & Baden-Fuller, 2004; Haugland et al., 2011; Järvensivu & Möller, 2009). Second, change in activity structures between actors (Araujo et al., 2003; Dubois, 1998) is important as it represent action and dynamics to refine the cocreating process. We develop a theoretical model and hypothesize that relationship learning (Muthusamy and White, 2005), and relational (non-market) governance mechanisms in terms of trust (Macneil, 1980; Laaksonen et al. 2008) and shared bureaucracy (Heide, 1994), will be positively associated with resource integration.

**Design/Methodology** – We tested the hypotheses with survey data from the context of tourism destinations. Tourism destinations represent an interesting service context where network cocreation involves a range of different actors that collectively create the service experience to tourists.

**Findings** – The results show that all hypotheses receive support, and that the independent variables have good explanatory power on the two dependent variables.

**Research limitations/implications** – Due to the particular research context, the model complexity, sample size, the exploratory theoretical aim of the paper, and the use of XL-Stat's PLS-PM module, care must be taken in generalizing the findings.

**Practical implications** – We offer manageable insights into practical ways to understand the issue of resource integration, as well as how to improve this.

**Originality/value** – We improve our understanding of how resource integration is enhanced.

**Key words** – Resource integration, relationship learning, non-market governance, destination networks

**Paper type** – Research paper

## **Foundations and manifestations of Customer-to-Customer value creation**

*Kristina Heinonen, Elina Jaakkola, Irina Neganova*

**Purpose** - Research on value creation has predominantly focused on the interaction between the customer and service provider (Grönroos & Ravald 2011). Recent research in marketing argues that value is formed in the customers' context (Heinonen et al., 2013), where the exchange and interaction occurring among customers plays an increasingly important role (e.g. Schau et al. 2009; Jaakkola & Alexander, 2014). Value is experienced by the individual customer but it is increasingly considered a systemic phenomenon (Lush & Vargo 2014). Therefore this paper focuses on customer-to-customer (C2C) value creation that occurs through interaction within or beyond the service encounter. The purpose is to integrate extant research on C2C interaction and activities, and their value outcomes.

**Approach** - We conducted an integrative literature review (Torraco, 2005) to synthesize the literature C2C value creation. A systematic search in four databases was conducted, using several variants of search terms customer-to-customer and value to enable a rich set of research. 108 peer reviewed articles were analyzed.

**Findings** - The review demonstrates that customers engage in a multitude of interactions, such as exchanging information, supporting, seeking and giving feedback or admiration, socializing, misbehaving, or spending time. The nature of interactions varies based on level of customer activity, purpose, depth, and engagement. C2C interaction takes place within the firm domain and outside. We found that C2C interactions can positively and negatively influence customer value formation.

**Research implications** - This review can be utilized to inspire and structure further research on the connection between the types of C2C interaction and value co-creation, and it points at unexplored aspects and contexts of C2C interaction to be addressed in the future.

**Practical implications** - Rather than attempting to involve customers in the co-creation of service, companies need to establish the premises where companies can be involved in customers' co-creation processes.

**Originality** - This paper advances the understanding on C2C value creation that has remained an overlooked domain. The paper provides an overarching conceptualization of C2C value creation that integrates previously fragmented research. We propose that the activities of other customers are connected to the focal customers' value processes by facilitating, enabling or hindering customer creation of value through the firm / offering, or by providing the actual object for customer creation of value.

**Key words** - Customer-to-customer interaction, value creation, customer context

**Paper type** - Conceptual paper / Literature review

## **The layers of value; a conceptualization of the phenomenological notion**

*Kristina Heinonen, Bård Tronvoll*

**Purpose** – Value, using a traditional goods-dominant lens, is determined by the firm and defined as “value-in-exchange”. When using this lens, value has often been viewed as components or as uni- or multidimensional value. In contrast, service-dominant (S-D) logic views value as uniquely and phenomenologically determined by the beneficiary (Vargo & Lusch, 2004). Value is idiosyncratically experienced at a particular place and time in a specific circumstance and viewed in the context of social systems (Edvardsson, Tronvoll & Gruber 2011). Although, some investigation has been done recently, we still need to investigate and conceptualize the unique and phenomenological determination of value. In this paper we explore and conceptualize value as a three layer concept founded in a social-cultural surrounding.

**Approach** – We use Rendell’s (2007) layers of individual, interpersonal, institutional-cultural level, and view value as embedded in a sense-making and interpretive process. We propose a 3x3 matrix to discuss value creation in different layers.

**Findings** – Based on a conceptual discussion we reveal latent elements that contribute to value and that are activated in different situations and actor roles.

**Research limitations/implications** – The conceptual model transcends previous conceptualizations of value and provides a holistic representation of value as an idiosyncratic, interactive and social construct. It can be used to illustrate previously hidden aspects of value and provide directions for future research.

**Practical implications** – The notion of value on individual, interpersonal, and social systems level provides managers with a broader understanding of factors that create value for different actors. Rather than only viewing value as emanating from service elements, managers need to emphasize the overarching scheme of individual and social actions and events.

**Originality/value** – This paper advances the understanding of value as based on idiosyncratic experiences embedded in a social context. We portray value on different abstraction levels and provide an interconnected view of different value layers.

**Key words** - value layers, phenomenology, idiosyncratic value

**Paper type** – Conceptual paper

## **Negative and deferred value in healthcare: Challenges and choices in severe chronic illnesses**

*Anu Helkkula, Carol Kelleher, Meri Lähteenmäki*

**Purpose** - The purpose of this paper is to analyse the deferred and negative value experiences of patients in the context of severe chronic illnesses. Typically, within service and healthcare research, value has often been tacitly understood as a positive experience. However, in certain contexts, such as in critical healthcare and patients' experiences of severe chronic illnesses, positive experiences are often reduced or indeed absent. To date however, little attention has been paid to negative value experiences, which may even cause harm to patients. Equally, deferred value experiences, namely where value experiences may be experienced at a future point in time, as opposed to immediate service experiences, have been less explored.

**Design/methodology/approach** - We draw on experiential value and use narrative analysis to examine the deferred and negative value experiences of patients diagnosed with MS (multiple sclerosis).

**Findings** - In healthcare service when patients undergo chronic illness care, patients face potential and sometimes probable negative value. As the medical aim is to create long term positive, deferred value experiences, such as improving quality of life (QOL) or maintaining an individual's functional capability, medication may cause milder forms of negative value experiences. The findings show that different types of adverse effects, for example being tied to multiple treatments, and possible adverse effects caused negative value experiences. In addition, many patients had challenges with mental coping with changes in lifestyle caused by the illness. Despite the risks and challenges involved, patients typically had a limited choice and range of MS treatment options to choose from and ultimately, the patient's challenge was whether or not to integrate resources from different sources in order to co-create negative and deferred value experiences with healthcare professionals. As patients are vulnerable and confront the risk of negative value in a healthcare context, the ability to integrate resources and the possibilities for co-creating value in relation to their treatment is limited. Accordingly, patients had positive value experiences with treatments which, instead of just curing illness, focused on patients' treatment from a more holistic perspective in order to co-create value. Many patients experienced strong positive or negative value experiences related to peer support in social media and patient associations.

**Research, social and managerial implication** - The implications for healthcare service providers are that when negative and deferred value experiences are probably a result of patients undergoing certain treatments to maintain functional capability, healthcare professionals should be cognizant of patients' vulnerability and distress in relation to their potential for co-creating negative or deferred value and integrating resources. Certain patients may not be able to actively co-create deferred healthcare value experiences – for example, they may not be able to choose between different types of treatments. Thus, patients should be assisted in making appropriate choices between the different treatment options, while at the same time being aware of the potential for deferred and negative value experiences.

**Originality/value** - The study contributes to service research by conceptualising negative value and deferred value. In addition, we contribute to the context of healthcare in service research by examining value co-creation in the context of severe chronic illnesses and vulnerable patients.

## **On the Evolution of Self-Service Technology**

*Charles Hofacker, Eileen Bridges*

**Purpose** - Marketers generally react to new self-service technologies (SSTs) rather than anticipate them. In our presentation we will suggest a positive theory of SSTs allowing marketers to be proactive throughout the SST lifecycle.

**Design/Methodology/Approach** - At any one time in the economy some service processes are performed by employees while others are performed by customers with the aid of self-service technologies. We propose an information-theoretic framework to better understand which current service employee processes will migrate to self-service technology processes.

**Findings** - First we note that successful SSTs run through the following stages: innovation, adoption and ubiquity. Applying the three basic information operations; storage, communication and computation; allows us to make some interesting predictions about the future of SST implementation.

**Originality/Value** - As a side benefit of our approach, one can think about analytically modeling the firm's service automation decision. Unlike traditional economic analysis, in our reasoning we employ the Theory of Computation.

## Challenges in co-creating luxury

*Jonas Holmqvist, Lorena Blasco Arcas*

**Purpose** – The role of the customer in value creation has received considerable attention, but is this understanding of value applicable in a luxury context? A key tenant of the luxury marketing literature is that several crucial aspects of luxury marketing are not only different, but sometimes even in direct opposition to normal marketing understandings (Kapferer & Bastien, 2009). However, this understanding of value for luxury consumers remains entirely product-oriented. While the luxury literature highlights personal motivations (Vigneron and Johnson, 1999), it has not addressed the role of the customer in value-creating processes in luxury services, nor taking into account the specificities of service interactions in these processes.

**Methodology/approach** – Reviewing the literature of both service and luxury marketing, we position the paper within the stream of service logic (Grönroos, 2008; Grönroos and Voima, 2013), agreeing that customers ultimately decide if value is created (Grönroos 2008), that value emerges in customers' use of the service (Vargo and Lusch, 2004; 2008), and that customers are value creators while service providers become value co-creators in interactions with customers (Grönroos and Voima, 2013). We adapt this understanding to the 'anti-laws of marketing' within the field of luxury (Kapferer & Bastien, 2009, 2012) to propose a framework for customer value in luxury services.

**Findings** – We untangle value creation of luxury services by adapting the typology of luxury customers (Han, Nunes and Drèze 2010) and their motives for using luxury (Kapferer and Bastien, 2009) to the service logic. We posit that customers' value processes in luxury services consist of three main levels, each of which is multifaceted. These three levels are quality, prestige and indulgence. Analyzing these levels, we propose a theoretical framework of eight propositions to understand value creation in luxury services and how it differs both from value in luxury products and value in other service contexts

**Research implications** – The paper highlights a research gap consisting of a lack of concrete understanding of customer value in luxury services. Addressing this gap, we develop eight propositions for understanding how customer value in luxury services is distinct from both other types of services and from luxury goods.

**Originality/value** – The paper is the first to address luxury from a service perspective. Luxury research remains heavily product-oriented, and our paper posits that this product-focus is unsuitable for luxury in services. The proposed framework helps identify and understand customer's value-in-use when engaging in luxury services.

**Paper type** – Conceptual paper

## **Value as a fleeting moment: Value-in-use in a temporal practice**

*Jonas Holmqvist, Carlos Diaz Ruiz, Lisa Penalosa*

**Purpose** – How can consumers construct pleasurable moments to enjoy a break from everyday life? This paper introduces a temporal dimension to customer value by analyzing whether the very fact that a moment of enjoyment is temporary might increase customer enjoyment while engaging in the moment. Adapting the concept of value-in-use to a practice perspective, we describe the value created by participants engaging intensely with each other in a common practice.

**Methodology/approach** – Building on an extensive ethnography conducted during three years combined with qualitative in-depth interviews, the paper details how customers perceive value in a short but intense practice. Specifically, the paper looks at salsa festivals; in these festivals participants come together in crafting moments of pleasure that can appeal to all the senses and offer participants intense enjoyment, but these moments are short and constitute a clear break with the participants' ordinary life.

**Findings** – The findings show that a short and intense practice offers a temporary moment of pleasure and engagement. Furthermore, the findings show that the respondents emphasize the temporal aspect of the practice as a key ingredient in the value they derive from engaging in salsa dancing. For the participants, part of the thrill of taking part in the practice is that it offers them a short break from their everyday lives in which they can leave ordinary worries behind, even if just momentarily. In addition to the temporal aspect, the findings also show that aspects of both exclusivity and glamour inherent in the practice of salsa-dancing further enhance the perceived value-in-use. These aspects combine with the temporal aspect of the practice to further delimit the fleeting moment of pleasure in dancing from daily routines.

**Research implications** – The paper carries implications for service research as it details consumer-perceived value for consumers engaging in a practice that they know is temporary and which offers them a possibility to break their usual routines in a short but intense moment of pleasure.

**Originality/value** – The paper offers two main contributions:

1. Introducing a temporal aspect, the paper shows that the very fact that consumers know that the moment is short may serve to heighten their perceived value.
2. Adapting the concept of value-in-use to consumer practices where value derives from temporary interactions with other participants.

**Paper type** – Research paper (ethnography)

## **Consumer construal of value propositions**

*Jonas Holmqvist, Duncan Guest, Christian Grönroos*

**Purpose** – While the field of service research has devoted considerable attention to value propositions, there is to date little research on understanding how consumers perceive and interpret these propositions. Addressing this situation, our paper highlights the importance of psychological distance in consumers' construal of value propositions. Building on research in psychology, we propose that consumers' psychological distance, consisting of spatial distance, temporal distance and social distance will influence how they construe value propositions. Psychological distance influences cognitive processes and can influence how customers think and feel about the service interaction.

**Methodology/approach** – In this conceptual paper, we combine psychology research with service research to develop seven propositions that explore how consumers' psychological distance between themselves and the service interactions might influence the consumer's perception of value propositions.

**Findings** – We reconceptualise consumer construal of value propositions to understand how psychological distance operates:

- 1) How perceived psychological distance from the service interaction can act as a barrier to entering a service interaction
- 2) How psychological distance to the expected point of service use can influence how customers construe the service and the value creation.
- 3) How customer-specific characteristics can impact on value creation by influencing perceived psychological distance toward the service.

**Research implications** – In order to understand value propositions from a consumer perspective, we suggest that complex context-specific features of service interactions can be simplified by considering psychological distance from the service interaction and from the service itself and evaluating how this influences consumer construal of the value propositions.

**Practical implications** – Our framework offers a practical guide for managers to better understand how service companies can render it easier and more appealing for customers to engage with the service provider by carefully taking into account the impact the psychological distance has on the customer. The framework further identifies situations in which psychological distance can be beneficial for value co-creation and situations where it risks being detrimental.

**Originality/value** – Adapting the concepts of construal and distance from the field of psychology, this paper contributes to the existing literature by proposing that consumer construal of the service provider's value propositions is influenced by the psychological distance to the service interaction. The paper proposes a framework consisting of seven propositions to help service researchers and managers to better understand the processes of consumer construal and its consequences for how consumers perceive value propositions, which in turn influences whether consumers will enter into the service interaction.

## **Service sales interaction: Successful and failed encounters by sellers and buyers**

*Mari Holopainen, Timo Kaski, Ari Alamäki, Jarkko Niemi*

**Purpose** - The sales interaction is valuable for customers and sales personnel in multiple ways (Haas et al 2012, Dixon & Tanner, 2012). However, it remains underexplored what actually occurs within the interaction between sales persons and business buyers. Our study focuses on the narratives of successful and failed encounters. We explore how sales personnel and buyers negotiate their understanding on the value of service offerings. The purpose of this paper is to build bridges between value co-creation in business-to-business and service sales interaction research. We follow the widespread discussion on co-creation of value reaccelerated by the concept of service-dominant logic (Vargo and Lusch, 2004; 2008), and challenge the idea of a simplistic, one-directional relationship between service providers and customers (receivers).

**Methodology** - Our focus is on new services offered by three organizations at the ICT sector. The data consists of interviews (n=35) of sales persons and their customers and video recordings of authentic sales meetings (10 hours) as well as de-briefing interviews gathered after the sales meeting (n=10). The interviews and video recordings are transcribed. Data analysis was carried out by using narrative analysis (Abbot, 2008) of the interviews as well as conversation analysis (CA) of the authentic sales meetings.

**Findings** - The study highlights that sales in the business-to-business context is formed by personal liaisons. We also study the role formal information sharing, which seems to be repeated in every sales meeting. According to our data, the social fit and positive cut-feeling seem to be more important for customers than what sales people think them to be.

**Practical Implications** - This study proposes new emphasis for sales meetings: a) sales people need to strengthen human interaction skills on top of substance knowledge, b) building rapport and personal level connection needs to have high priority, and c) given these findings, personal level latent needs may have a significant influence on business customers' buying behavior.

**Value** - We know much about service management and sales but surprisingly little about an intersection of these two academic discussions. This research makes a contribution by offering empirical evidence on the expressed value of sales interactions. The research tends to emphasize the seller organizations' point of view and see sales as an outcome or a mechanical process while we focus on the narratives expressed at both the seller organization and the buyer organization. Empirical evidence and broad qualitative data is seldom presented in sales interaction research.

**Key words** - Sales, interaction, sellers, buyers, narratives, conversation analysis

## Context-Dependent Co-Creation of Event Experience and Value

*Chris Horbel, Bastian Popp, Herbert Woratschek*

**Purpose** - The perspective of value co-creation implies that the entire co-creation context determines value (Chandler & Vargo, 2011; Vargo & Lusch, 2004). In particular, various actors are involved in the process of value creation (Grönroos, 2008; Payne, Storbacka, & Frow, 2008; Prahalad & Ramaswamy, 2004). Therefore, value considerably depends on the context-specific actors participating in value creation. Furthermore, the resources available to the actors for integration into their value-creation processes also vary depending on the context. Our research investigates consumers' experience of sport events as these can be experienced in different contexts. Besides attending the event at the actual venue, sport events can also be consumed through different types of media, at public screening areas or on screens in bars. We address the following research questions:

1. How do the context-specific actors contribute to spectators' experience of watching a sport event?
2. How does spectators' value of watching a sport event differ across contexts?

**Design/Methodology/approach** - Based on the above considerations a conceptual model has been developed and empirically tested by conducting a self-administered online survey among spectators of the FIFA World Cup 2014.

The respondents (N=532) had watched the games in four different contexts: at a public screening (N=127), in a bar, pub, or restaurant (N=86), at home together with a group of friends (N=261) or alone at their homes (N=54). A structural model for each context was estimated. The models were then compared in a multigroup analysis.

**Findings** - The results clearly reveal that both the relative influence of the contributions of the co-creating actors on spectators' experience and the importance of the dimensions of spectators' perceived value vary considerably depending on the context.

**Research limitations/implications** - Future research should further compare value co-creation at live sport events with the broadcasting contexts that have been included in this study. In addition, this research should be replicated in other service contexts.

**Practical implications** - For the various service providers involved in value-creation of a sport event it is highly relevant to understand to which degree they are able to actually influence spectators' experience of the event. Our study supports them by showing which aspects or dimensions of value most considerably determine spectators' experience.

**Originality/value** - This research makes a first attempt to operationalize context-specific actor contributions and value perceptions of consumers, thereby contributing to the application of the concepts of value co-creation and value-in-context.

**Key words** - Value Co-Creation, Value-in-Context, Event Experience, Service-Dominant Logic

**Paper type** - Research paper

## **A practice-based approach to understand how actors co-create innovation**

*Valeria Improta*

**Purpose** - By adopting a practice based approach to innovation, the paper addresses a key theme: understand how actors co-creates innovation or Practices of co-innovating. The paper used as the starting point the theoretical framework about collaboration and innovation; in particular the studies by Mele and Russo Spena about five “Co-s” (co-ideation, co-valuation, co-design, co-test and co-launch) (Mele, Russo Spena 2010; Nam and Lee, 2010) and practices in shaping market innovation (Mele and Russo Spena, 2012; Gherardi and , 2006; Korkman et al. 2010).

**Design/Methodology/Approach** - The paper focuses on the link between co-creation and practice of innovation (innovating) in the web based context. In accordance with netnography research, the data include preliminary studies of the web-based context, naturalistic observation of the community and the activities of its members and direct interactions with the members of the innovating community. The data also include observation of textual discourse through forums and blogs.

**Findings** - The paper develops a framework able to identify for each “Co-“ (co-ideation, co-valuation, co-design, co-test and co-launch) the practices companies can use in order to find innovative solutions for creative problems using web-technologies.

**Theoretical implications** - This work links the five “Co-s“ model to the practices of innovating setting a model able to identify for each “Co-“ the practices companies can use in order to find innovative solutions for creative problems using web-technologies.

**Originality and Value** - The research contributes both theoretically and practically. The research proposal offers a great value to the scientific community, by providing a theoretical framework, as well as, empirical evidences to address the topic of the link between co-creation and practice of innovation (innovating) in the web based context.

**Key Words** - Co-creation, “Co-s”, practices, open innovation, Service Dominant logic, innomediaries

## **Actor integration in service systems – exploring effects on a micro level**

*Julia M. Jonas, Angela Roth, Kathrin M. Moeslein*

**Purpose** – Resource integration for value co-creation in service systems is one of the key elements of service-dominant logic (SDL). For service innovation, research asks for co-innovation with different actors of the service system (internal and external stakeholders). From this perspective, “all affected actors should be integrated” in the innovation process to access sticky information and to create a stake in service innovation projects. Still, little is known about the dynamics and processes of actor integration in practice, on a micro level. To explore the interdependencies of actor integration in service systems, the following research questions are investigated: “On a micro level, what influence factors affect actor integration? What effects does actor integration in service systems have on a micro level?”

**Methodology** – This explorative empirical study is based on eight case studies - seven cases from a management perspective and one in-depth case study from a participants’ perspective. All service innovation cases come from an IT or manufacturing context, as the interfaces of service innovation with tangible goods or software are offering accessible evidence for data collection. Interviews, observations and data such as guidelines or reports were analyzed through the lens of service systems of the SDL and summarized.

**Findings** – The results of the empirical case studies show that actor integration or service innovation is affected by and is having effects on three levels: the integrating party (the project manager), the participants and the service system or sub-systems. The paper summarizes the detected factors and effects in an overall model.

**Practical implications** – This empirical study shows how actor integration, embedded in service systems, is a complex management task. It proposes factors that may foster or hinder actor integration, from factors such as time and schedule, motivation or previous experiences, up to resulting tasks such as additional work and request for reporting on the progress of projects.

**Research limitations/implications** – The application of findings may only be limited to an IT or manufacturing context. More research on the participants’ view, represented in one case in this paper, is needed to gain higher validity of the insights.

**Originality/value** – This study explores actor integration for service innovation on a micro level and adds to knowledge on service innovation in service systems in practice. It encourages the dynamic and interdependent understanding of actor integration.

**Key words** – Actor integration, service systems, micro level, case studies, influence factors and effects

**Paper type** – Empirical paper

## Multi-level value proposition development

*Valtteri Kaartemo*

**Purpose** – Research on innovation processes from service ecosystems view (Vargo, Wieland, & Akaka, 2013) emphasizes the duality between technological and market innovations. In brief, technology shapes and is being shaped by market practices. Exchange, normalizing, and representational market practices (Kjellberg & Helgesson, 2006) as well as practice-related scripts: understandings, procedures, and engagements (Kowalkowski, Ridell, Røndell, & Sörhammar, 2012) enable and constrain actors in forming value propositions. The studies that combine ‘market practices’ with ‘market innovation’ question the focus of value propositions on dyadic relationships only. Instead, they consider that value needs to be proposed to multiple actors in the market. Multi-level value propositions or market propositions (Azimont & Araujo, 2007; Frow & Payne, 2011; Storbacka & Nenonen, 2011) are still a recent phenomenon in marketing, and more research on the topic has been called. To contribute, parallel with conceptual development, we empirically explicate how various market practices are taken into account in the market proposition development in the context of global cargo shipping industry.

**Methodology** – This study is based on a longitudinal case study of global cargo shipping market. The focal company is a system supplier to cargo vessels. The longitudinal study is based on interview data from the focal company and multiple actors in the market.

**Findings** – We question the traditional approach in value proposition development and new service development literature to focus on dyadic relationships. Institutional work requires understanding of micro-, meso-, and macro-level of service ecosystem, and of the embedded market practices. We emphasize that value propositions should not be developed to one participant only but to various actors in different levels of the market, i.e. both value propositions and market propositions. We discuss how different stakeholders have own interests and role in the ecosystem, and in scripting the market. Therefore, unique value propositions are needed in order to orchestrate changes in market practices.

**Research limitations** – The study is based on a single network case.

**Practical implications** – The findings shed light on the importance of understanding the market practices and various viewpoints of multiple actors in the market. The results guide managers to revise their value proposition development processes.

**Originality/value** – The study is among the first to consider multi-level value proposition development. Rich longitudinal data provides new insight on how value propositions and market propositions evolve over time.

**Key words** – market proposition, value proposition, service ecosystem, market practices, market innovation

**Paper type** – Research paper

## **Future research agenda for S-D logic**

*Valtteri Kaartemo, Pohlmann Attila*

**Purpose** - S-D logic was introduced a decade ago in the seminal article by Vargo and Lusch (2004). Since then, the S-D logic literature has garnered much attention within the academic community and dispersed into different topics. The purpose of this study is twofold: a) to explicate the origin and relationship of themes within S-D logic over the last ten years and b) to identify the key themes that are likely to shape S-D logic in 2020-2025.

**Design/Methodology/approach** - In order to empirically investigate the origin and development of themes within the literature, we conducted a bibliometric keyword analysis. The analysis maps out S-D logic's key themes and their relationships over the past ten years. In order to inform future research agendas, a view on the forward-looking themes in S-D logic is required: The Delphi method (Dalkey & Helmer, 1963) was used to gain an understanding of community consensus by inviting the most published S-D logic scholars to participate in 4 rounds of structured interviews.

**Findings** - We identify the concepts and themes that are expected to gain traction in S-D logic over the next 5 to 10 years. We reflect these results from the Delphi study against our bibliometric analysis. We map the identified research themes based on their anticipated centrality and density. In addition -to inform the future research agenda- we discuss important research questions that remain currently unanswered in the field's motor themes.

**Originality/value** - We challenge the retrospective bibliometric approach in identifying future research agenda. The study provides guidance to the established S-D logic community as well as to incoming scholars and practitioners by explicating the first community consensus on the direction of the field.

**Key words** - S-D logic, future, bibliometric analysis, Delphi method

**Paper type** - research paper

## **Tourism in worldism: revisiting the model of tourism destination brand equity via worldness**

Murat Kayak, Michele Simoni

**Purpose** – The purpose of this research was to explore a valid and reliable tourist-based brand equity conceptual model. Tourism destination brand worldness was developed as a new construct in order to explore its effects on awareness, quality, prestige and travel intention.

**Design/Methodology/Approach** – A quantitative research was conducted with structural equation modeling. A questionnaire was originally developed in English. English version of the questionnaire was double-back translated in Traditional Chinese to collect data in Taiwan.

**Findings** – This empirical study highlights the significant contribution of tourism destination brand worldness on the development of awareness, quality, prestige which those constructs lead to travel intention.

**Originality/Value** – The study provides an unique conceptual model that extends the previous tourism destination brand equity models to provide a better understanding of travel intention.

**Keywords:** Worldness, awareness, quality, prestige, travel intention

## **Augmented Reality in the travel industry: A perspective how modern technology can fit consumer's needs in the service industry**

*Barbara Keller, Schmidt Rainer, Michael Moehring, Christian Bayer*

**Purpose** – We discuss the opportunities of modern technologies as a tool according to the service dominant logic approach (Lusch et al. 2006). We anticipated the use of augmented reality (e.g. experienced preview of holiday villages) has a positive effect (Azuma and others 1997) and assigned this assumption into the travel industry (Guttentag 2010). We expected a gain on the value-in-use as well as the co-creation of value for both operant resources. We suggested consumers to generate a value in the experience of goods or service (value-in-use) as well as the optimization of the service along their own preferences (co-creation value) (S. L. Vargo and Lusch 2004). At the same time the other entity can generate very detailed data about consumers' preferences and use them for strategic planning (co-creation value) plus give an extraordinary service to the other operant (value-in-use). This may lead to an improvement of the customer relationship as well as an increase in sales (Cronin Jr, Brady, and Hult 2000).

**Design/Methodology/approach** – To investigate the advantages of augmented reality, we implemented a qualitative research approach according to Albert and Tullis (Albert and Tullis 2013). Therefore, we ask consumers (as prosumers) of such an experimental-oriented solution in the field of travel industry.

**Findings** – After analyzing our qualitative data, we find that augmented reality can improve current sales processes in the travel industry. Consumers can be transferred to a prosumer and create a winwin situation for both, the service industry as well as the consumer.

**Research limitations/implications** – According to Berg (Berg and Lune 2004) a qualitative research approach can not be significant at all. Therefore future research must enlarge the number of cases as well as the research methods. Furthermore, we only looked at a small sample of young people. In contrast to older people, younger people have a less of technology anxiety. Academics can use our findings for adopting current SDL-approaches as well as use cases in the field of information systems. New technologies (e.g. Big Data) can help to get a better understanding of personal augmented experiences (Schmidt et al. 2014).

**Practical implications**– Travel industry managers can also benefit from our research. Implementing such an information system can help to increase customer service level, satisfaction and reduce consumer complaints as well as increase the turnover.

**Originality/value** – Related to earlier insights (S. Vargo, Maglio, and Akaka 2008), our research findings shows that modern information technology can positively influence the different perspectives of value defined in the SD-Logic.

**Key words:** augmented reality, service dominant logic, consumer experience, Big Data,

**Paper type** –Research Paper

**The Customer Experience (CX): A Conceptual Framework**  
*Philipp Klaus, Kathrin Lemon, Timothy Keiningham, Arne De Keyser*

**Purpose** - In this paper we contribute to the much-needed conceptual advancement of the burgeoning CX-field. By circumscribing the customer experience domain, we aim to ‘see the CX forest for the trees.’

**Design/Methodology/Approach** - Based upon an extensive review of the literature, we develop an organizing framework defining CX and detailing its underlying conceptual grounds by means of four fundamental CX-properties. In the process, our study identifies knowledge gaps across CX-subdomains, generates research priorities, and identifies ways to strengthen CX strategy development and execution.

**Findings** - We submit CX as one of the three basic building blocks of the marketing environment together with ‘Customer Engagement’ and ‘Customer Value’, and explain their interrelationships based upon theoretical reasoning. The proposed framework draws on a rich collection of literature streams, integrating insights from marketing (service/customer-dominant logic and value theory), philosophy (existential phenomenology), psychology (experiential learning theory) and sociology (structuration, network and role theory).

**Originality/value** - Our study identifies knowledge gaps across CX-subdomains, generates research priorities, and identifies ways to strengthen CX strategy development and execution.

**Keywords** - Customer Experience, Customer Experience Strategy, Customer Experience Practice

## **Holistically Exploring the B2B Customer Experience (CX)**

*Philipp Klaus, Peter Beke*

**Purpose** - Our study discovers and validates the constituents of customer service experience in a high-involvement B2B service setting. Using a longitudinal approach, we explore the customer experience perceptions of both, service provider and client in a highly complex, multiple-service-encounter consultancy setting.

**Design/Methodology/Approach** – We conducted in-depth interviews lasting between 40 and 70 minutes with key representatives from both, the provider and client side. Using Emerging Consensus Technique, we identified the B2B CX main themes and constituents and explored their connection to loyalty and word-of-mouth behavior.

**Findings** –The primary driver of CX perceptions are emotions, which vary in focus and degree of behaviour influence throughout the project. Our findings highlight the importance of ‘CX emotion management’ throughout the project lifecycle. The findings assisted us in developing a B2B experience map, consisting of detailed ‘moments-of-truth’ from both perspectives.

**Practical and Theoretical Implications** - Our B2B experience model emphasizes the importance of tailored-made service offerings centred on CX emotion management content in order to achieve the best result. This disconfirms former CX B2B frameworks (e.g., Lemke et al., 2011) proposing the rational part of the experience as key driver in a B2B context. Moreover, the findings highlight that B2C customer experience is not that far from B2B as in both settings the interaction is basically human to human. Nothing proves this point more than the expressed values of our emotion management map, which is crucial to deliver the B2B experience a client/customer is looking for.

## **Understanding institutional complexity in service ecosystems – insights from social network theory and systems thinking**

*Kaisa Koskela-Huotari, Jaakko Siltaloppi, Stephen Vargo*

**Purpose** – The paper aims to synthesize some key insights from social network theory and systems thinking to better understand the existence and dynamics of institutional complexity – the source of institutional change and innovation – in service ecosystems.

**Design/Methodology/approach** – This conceptual paper integrates insights from social network theory (e.g., Burt, 1992; Granovetter, 1973) and systems thinking (e.g. Simon, 1996) to elaborate the service ecosystems perspective on institutional complexity and innovation.

**Findings** – S-D logic and its service ecosystem perspective (Lusch and Vargo, 2014; Vargo and Akaka, 2012; Vargo et al., 2015) imply that value is created by systems consisting of actors who fundamentally do the same thing: cocreate value by exchanging and integrating resources (Vargo and Lusch, 2011). This view results in a systemic notion of value cocreation that highlights the role of institutions as the ‘glue’ of service ecosystems that both enables and constrains value cocreation (Edvardsson et al., 2014; Vargo and Akaka, 2012). In this paper, we extend the service ecosystems perspective on innovation as institutional change in value cocreation by elaborating the dynamics of institutional complexity – the coexistence and interaction of numerous and partially conflicting institutional arrangements – crucial for agency and change in service ecosystems (Siltaloppi et al., 2014). Building on the notions of ‘weak ties’, ‘structural holes’ and ‘near-decomposability’ as well as the triadic view inherent in them, the paper argues that service ecosystems can be seen as complex systems characterized by near-decomposability. This implies that parts or subsystems of service ecosystem(s) interact with one another with varying frequency and tie ‘strengths’ resulting in inconsistencies and incompatibility of institutional arrangements between the subsystems that causes institutional complexity especially as actors can be simultaneously embedded in several subsystems and their respective institutional arrangements.

**Research implications** – The paper highlights the importance of 1) triads as a unit of analysis, 2) complexity in institutional arrangements, actors’ role constellations and mutual interactions, and 3) varying density of interaction between subsystems of service ecosystem for building a better understanding of institutional complexity, change and innovation in service ecosystems.

**Originality/value** – This paper is among the first to integrate insights from social network theory and systems thinking to elaborate institutional complexity in service ecosystems.

**Key words** – Service ecosystems, Institutions, Innovation, Social Network theory, Systems thinking, Triads

**Paper type** – Conceptual paper

## **Institutional perspective on value determination**

*Kaisa Koskela-Huotari, Heiko Wieland*

**Purpose** – We investigate the tension between individual and collective value perceptions using an institutional perspective. We point to the simultaneously systemic and phenomenological nature of value determination by conceptually integrating the notions of interpretive flexibility and institutional work into a service ecosystems framework.

**Design/Methodology/approach** – The paper, based on recent developments in S-D logic, conceptually revisits the topic of value determination. More specifically, it integrates the service ecosystems framework and its inherent institutional view (Lusch and Vargo, 2014; Vargo and Akaka, 2012; Vargo and Lusch, 2011; Vargo et al. 2014) with the concepts of interpretive flexibility (Pinch, 2008; Pinch and Bijker, 1984) and institutional work (Lawrence and Suddaby, 2006; Lawrence et al., 2009) to provide a deeper understanding of value determination.

**Findings** – The service ecosystems perspective of S-D logic points to both a systemic and a phenomenological (i.e. actor specific) view on value determination (Chandler and Vargo, 2011; Vargo and Lusch, 2008; Lusch and Vargo, 2014). We argue that an institutional perspective on value determination can reconcile these seemingly contradictory views. The institutional perspective allows seeing that, though value perceptions are contextual, they are neither random nor unstructured. Instead, institutions and institutional arrangements – socially constructed systems of practices, norms, values, and beliefs – guide the evaluation of value outcomes the same way that they enable and constrain the overall process of value co-creation (c.f. Edvardsson et al. 2011; Lusch and Vargo, 2014; Vargo et al. 2014). By integrating the concepts of interpretive flexibility and institutional work, we not only show how institutional arrangements influence value perceptions and bring forth differences in how value is perceived by individuals and collectives, but how these different institutional arrangements interact and influence each other also in a more systemic manner as actors through institutional work repair and conceal tensions and conflicts within and across imperfectly shared institutional arrangements.

**Research implications** – The institutional perspective adopted in this paper points to the simultaneously contextual and systemic nature of value determination and the notion that nested contradictions are foundational to all institutional arrangements and, thus, to value perceptions. Further research is needed to understand the nature and dynamics of such institutional complexity in service ecosystems and the mechanisms enabling actors to reconcile and deal with the institutional inconsistencies e.g. in the context of value determination.

**Originality/value** – This paper is among the first to explicitly use institutional perspectives in value determination and connect the notions of institutional work and interpretive flexibility with value perceptions and their change overtime.

**Key words** – Value-in-context, Value determination, Institutions, Service ecosystems, Interpretive flexibility

**Paper type** – Conceptual paper

## **Drivers and Outcomes of Value Co-creation Behaviours in Service Systems: Investigating Potential Boundary Conditions**

*Gauri Laud, Ingo O. Karpen, Raju Mulye, Kaleel Rahman*

**Purpose** - This study aims to advance the conceptual and empirical understanding of the boundary conditions that affect the impact of actors' embeddedness on value co-creation behaviours, and the respective impact of those behaviours on value-in-context outcomes. Understanding the forces that strengthen or weaken these relationships assists in developing systematic refinements to value co-creation frameworks as proposed by service-dominant (S-D) logic. Extant literature does not sufficiently account for social and psychological factors that influence actors' value co-creation efforts. Consequently, merely considering actors without an appreciation of their human qualities and constellations that influence their behaviours may limit the behavioural richness of value co-creation processes within service systems. Hence, this study investigates a research model that elaborates the important role played by actors' psychological factors: self-efficacy and innovativeness during resource integration. Indeed, we first highlight the relational nature of value co-creation in line with S-D logic through studying the role of actors' embeddedness and then test for psychological factors subsequently facilitating or hindering emerging co-creation behaviours and outcomes.

**Methodology/Approach** - We first link actors' embeddedness and its relational, structural and cultural dimensions to value co-creation behaviours, and then examine the impact of those behaviours on value-in-context. Further, this study specifically operationalises actors' self-efficacy and innovativeness as the representation of two types of psychological forces—agency and personality trait—and tests their relevance as boundary conditions on the above relationships. We link socio-cognitive theory with S-D logic to explore the interplay of these forces on value co-creation processes and outcomes. Data were collected in an online service environment of a leading international weight management firm based in Australia. A total of 202 respondents were analysed using structural equation modelling. In particular, multi-group analyses were performed to compare the findings from four distinct groups (high vs. low) self-efficacy and (high vs. low) innovativeness.

**Findings** - Results suggest that self-efficacy and innovativeness are moderating the relationship between embeddedness, value co-creation behaviours and their outcomes. Specifically, actors with high (vs. low) self-efficacy are more confident in their ability to evoke appropriate behaviours when engaging in co-creation. Moreover, actors with high (vs. low) innovativeness are more likely to demonstrate unique knowledge sharing behaviours and to take more risks to acquire resources.

**Research Implications** - This research builds a preliminary understanding of the role of psychological factors in moderating actors' resource integration efforts. In so doing, this research advances an in-depth understanding of the interplay between the intra- (psychological factors) and inter-personal (embeddedness) forces underlying actors' value co-creation behaviours. This helps managers to better understand the psychological composition of actors in a service system and provide avenues to leverage resource integration efforts for value realisations.

**Originality Value** - This study emphasises the need to better understand actors' resource integration efforts by considering the synergy between actors' embeddedness, psychological forces, and value co-creation behaviours.

**Key words** - value co-creation behaviour, embeddedness, value-in-context

## Evaluating Employees' Motivation to Live up to Value Propositions

*Helena Liewendahl*

**Purpose** - This research paper introduces a study that is designed to evaluate employees' motivation to live up to value propositions in value practices, in the employee-customer interface. Based on this an instrument; the Value Proposition Pulse (VPP) is created. Previous research argues that employee motivation is a prerequisite for accurate performance in face-to-face interaction with customers. A high level of employee motivation may therefore serve to benefit emergent value in the value co-creation process. For emotion workers value propositions are influential as these determine how they should act in the customer-employee interface. Further, to perform according to the firm's value propositions is essential for emotion workers since motivation in customer-interface work by and large comes from serving customers well, simultaneously as this interface may be a high stress or risk for employees, and does have a high impact factor on customers' experiences.

**Research Design** - The study takes a micro perspective as it sets out to explore the level of individual motivation in relation to value propositions. The study draws upon findings from a previous study that identified factors that employees experienced to impact their motivation in value practices. 15 motivating and 23 de-motivating factors were identified. In the current study these have been summarised into motivation parameters. Further, one significant impediment to motivation is a low level of employee co-active participation in value proposition work. The study is conducted in three Finnish firms in different business sectors (banking, cleaning services and comprehensive material services for contractors). Specific groups of employees have been chosen to participate in the study. A web-based questionnaire is used. Further dialogic group interviews are conducted to capture employees' experience of co-active participation in value proposition work and its impact on motivation. The working hypotheses for the study is: A high level of employee co-active participation in value propositions work influences employee motivation for living up to value propositions in customer interface positively, and vice versa.

**Analyses & Findings** - The correlation between the level of motivation and co-active participation is analysed. Further the validity and reliability of the VPP is analysed. Thirdly, the value of working with the VPP as a customer service development intervention is assessed.

**Practical Implications and Originality** - Until now a contextual motivation assessment instrument of this kind has not been developed.

**Keywords:** Value Propositions, Employee Motivation.

## **Exploring (accumulated) customer experiences with value creation – a holistic approach**

*Daniela Lundesgaard*

**Purpose** - The aim of this paper is to explore customer experiences with value creation and the way experiences are accumulated over time in the customer's sphere.

**Design/methodology/approach** - The paper draws on an empirical study among customers of banks. Data collection is based on a qualitative research using the event based narrative inquiry technique (EBNIT) (Helkkula and Pihlström, 2010).

**Findings** - It is expected to win insides about how experiences with value creation accumulate in the customer's sphere over time, including the role of the customer's own valuations, interactions with others and the customer's social context.

**Research limitations** - This research is based on one qualitative investigation, for one industry, and for offerings of services that can be used independently from each other. Further research is necessary in regard to several industries and several kinds of services.

**Practical implications** - Knowledge about the customer's valuation of experiences with value creation over time will lead to insides about how providers should adapt their offerings for value creation and interaction to the customer's at each time actual life context and the way value creation is valued in the customer's sphere.

**Originality/value** - Concepts on experience, understood in a phenomenological manner (Helkkula, 2011), and value creation from the lens of the service logic are tested. Insights about by the customer perceived roles of provider and customer and the accumulation of experiences in the customers sphere and its consequences are expected.

**Keywords** - Service experience, Value creation, Service (dominant) logic, Value creation spheres, Social context

**Paper type** - Research paper

## **Patient pathways into healthcare – the need for matching?**

*Lars Nordgren, Agneta Planander*

**Background** - Due to a lack of coordination of care flow events and uncertain capacity coordination, long patient waiting times for patients arise, entailing a medical risk and contributing towards capacity being utilized less effectively. Healthcare services are often said to be crucial to coordinate in order to create equally good availability for care-seekers. Could healthcare matching become the solution of this problem?

**Purpose** - One aim is to discuss the need for healthcare matching as the solution of the problem. Another is to discuss the main barriers to matching.

**Methodology** - Inspired by the concepts of matching and value co-creation and drawing on a detailed analysis of patient statements from studies in the Swedish healthcare, and experiences from the coordination of patients of Region Skåne in Sweden as well as research into the effects of the reform on a certain care guarantee the need for and barriers against healthcare matching is discussed.

**Findings** - There is a need for healthcare matching because many patients are waiting for care and because capacity should be used effectively. Healthcare matching is a service offered to the care-seeker and referrers increasing the prerequisites for equal availability to all care-seekers.

**Implications** - To achieve healthcare matching, several political and economic aspects must be put on the agenda for discussion.

**Key words:** barriers, capacity, co-ordination, healthcare, matching, value co-creation

## **Grounding and the service encounter**

*Paul Maglio, Jr Alfonso Montoya, Teenie Matlock*

**Purpose** – Using empirical data from a large set of face-to-face service encounters, this work explores the process of establishing common ground or grounding, whereby individuals interact through language to align expectations and mental models (Clark, 1996). Service encounters are prototypical examples of grounding, and we believe they can be best understood through Clark’s theory of language use.

**Approach** – We are currently conducting a field study of service encounters in local and national businesses in a small city in the US. In this ongoing work, we have already collected hundreds of examples of interactions between frontline service employees and service customers. We are audio recording encounters, transcribing the recordings, and are beginning to analyze them along several dimensions.

**Findings** – Our preliminary findings concern the opening of the service encounter: How frontline employees initiate interactions. Getting the opening right should set the service encounter on the path toward effective results (e.g., Brown & Sulzer-Azaroff, 1994). Analysis of service openings suggests that most start with a greeting, such as “Hello”, and a question, such as “What can I help you with today?” These openings help in establishing common ground by fitting with convention and putting the customer in control of the next contribution. When frontline employees flout convention, opening for instance with “I’ll be right with you, ok?”, it does not set up the customer to take the next conversational turn and does not push the service encounter forward effectively.

**Practical implications** – Understanding service encounters as grounding has a number of theoretical and practical implications. On the theory side, it establishes providers and customers as equal partners in the joint action of value co-creation. On the practical side, specific language contributions to an encounter can be interpreted as moving toward value creation (common ground) or away from value creation (misunderstanding).

**Originality** – Though others have used grounding to make sense of specific service interactions (e.g., Kandogan et al., 2012), this is the first empirical study of grounding in a variety of service settings. As such, it contributes to an emerging literature on language use in service (e.g., Holmquist & Gronroos, 2012), and provides support for the fundamental principle that service system entities coordinate activities through symbolic communication and establishing common ground (Maglio & Spohrer, 2013).

**Key words** – Language use, common ground, service encounter, service interaction

**Paper type** – Research paper

## **Derivation of a service typology and its implications for new service development**

*Thomas Meiren, Bo Edvardsson, Elina Jaakkola, Ilyas Khan, Javier Reynoso, Adrienne Schäfer, Roberta Sebastiani, Doris Weitlaner, Lars Witell*

**Purpose** – With the increasing importance of new services, various models for new service development (NSD) have been created in research (e.g. Scheuing and Johnson, 1989; Edvardsson and Olsson, 1996; Bullinger, Fähnrich and Meiren, 2003; Sakao and Shimomura, 2007). An analysis has shown that NSD models typically consist of a development process covering activities from idea creation to market launch (Kim and Meiren; 2010) – implicitly claiming that one single process fits to all kinds of services. However, factors like industry, company size, customer segment and innovation culture might have an impact on the way how new services are developed, but are rarely incorporated into the existing NSD processes. The present research addresses this gap and investigates the relationship between different types of services and their development.

**Design/methodology/approach** – A survey on new service development, in which 1,333 European and Mexican companies participated, formed the empirical basis for the analysis. Besides questions about strategy, organization and performance, the respondents described and characterized their newly developed services. In particular, they classified their services using eight criteria that have been elaborated in an expert workshop prior to the survey. The empirical data revealed some dependencies between the eight criteria, so that a factor analysis was used in order to derive independent criteria for subsequent typologisation. Finally, with the help of a cluster analysis four different “types” of services were identified and used for investigating their influence on new service development.

**Findings** – The results of the survey disclose strong relationships between the type of service on the one hand and the strategy and processes for new service development on the other. Additionally, significant differences can be observed when it comes to customer integration and performance of new service development.

**Originality/value** – The paper contributes both to the research areas of service typologies as well as of new service development. Besides a large number of existing typologies, it presents one of the first approaches that have been derived from a comprehensive empirical data set. Moreover, it shows that the type of service has a considerable impact on how companies develop their new offerings and it indicates a need for more research on flexible and configurable NSD models.

**Key words** – Typology, new service development, configuration

**Paper type** – Research paper

## **How service innovation shapes value creation in multi-stakeholder systems: A social construction approach**

*Cristina Mele, Daniela Corsaro, Roberta Sebastiani*

**Purpose** - Service innovation is more and more framed as a process of value co-creation within a multistakeholder service system. Due to the heterogeneity of actors and contexts involved in service innovation, the social dimension appears to be important, even if not adequately analyzed until now.

In this paper we adopt social construction theories as a lens to explore the relationship between service innovation and value co-creation in a multi-stakeholder setting. In particular, we focus on the role of sense-making and boundary objects in enabling service innovation through resource integration.

**Design/Methodology/Approach** - Close to relativist epistemology, this study is the outcome of contextual knowledge. An interactive, qualitative, multi-case-study approach is applied to gain insights into the investigated phenomena.

We studied service innovation in practice within networks of the service system. We deepened the role of social context and social structures affecting and being affected by value-enabling innovation. In this paper, findings concern a judgment sample formed by ten cases operating in the food market

**Findings** - In a multi-stakeholder system service innovation takes place through networked resource integration, where the resources to be integrated can be cultural, social, collective, and linked to live contextual experiences. As a matter of fact, in the cases investigated innovation is seen as a new value proposition about food provision that allows a different way of integrating resources for actors: the process of serving food changes, as well as the practices involved.

**Practical implications** - There is great potential in applying the concept of boundary objects to the food industry, where boundary objects could link not only the worlds of scientists and nonscientists, but those of (expert) producers and (lay) consumers.

**Originality** - Service innovation is framed as a collective phenomenon based on the creation and sharing of new meanings within multi-stakeholder systems.

**Keywords** - Service innovation, value co-creation, sense-making, meaning, social construction

## **Well-being: a new dimension to address in business models**

*Monia Melia, Marina Candi, Maria Colurcio*

**Purpose** – The aim of the work is to contribute to the theoretical debate on business model innovation (Chesbrough, 2010; Zott et al., 2011) examining the interplay with a social innovation perspective (Rubalcaba et al., 2013; Russo Spina et al., 2015; Osburg and Schmidpeter, 2013). Specifically the study aims to analyze the relationship between business model innovation for service firms and efforts to improve the well-being of society.

**Design/methodology approach** – Using quantitative survey data collected from a sample of 184 Northern European service firms, this research explores the relationships among social innovation, service innovation and business model innovation.

**Findings** – The findings suggest that social innovation and business model innovation are positively related. More specifically, firms that invest effort in business model innovation – which usually involves a holistic approach to a firm's business – are likely to put effort into improving the well-being of society. The tentative conclusion that can be drawn from this research is that it is those firms that are actively involved in developing new business models that are more likely to take the social dimension into account than firms that focus more narrowly on service innovation.

**Main implications** – The paper contributes to the scientific debate on business model innovation in service firms by taking into account the possibility of a social dimension. This work adds to the existing discourses on business model innovation and social innovation by providing a broader perspective that includes the social dimension as a potential part of, or indeed a goal of, service business model innovation.

**Originality/value** – This work provides a broader perspective of business model innovation that includes the social dimension. Despite the lively debate in the literature on business model innovation (Chesbrough, 2010; Zott et al., 2011) — as a key to reach business success and higher performance (Boons et al. 2013), and on social innovation — as a new way to resolve societal changes (Osburg and Schmidpeter, 2013), considering these two elements together is a novel approach.

**Keywords** – Business model innovation, social innovation, service firms.

**Paper type** – Research paper

## **Cyber-Physical Systems as Service Systems: Implications for S-D Logic**

*Martin Mikusz*

**Purpose** – According to the current state of research, the present predominant understanding of cyberphysical systems (CPS) is technical and not driven by service related abstractions. To address this research gap, the author developed an alternative view of CPS in the form of a conceptual framework informed by S-D logic. It considers CPS as service systems in the sense of S-D logic. The present paper focuses on how the framework contributes to the advancement of S-D logic itself.

**Design/Methodology/approach** – The methodological approach of this research is conceptual and inductive in the sense that findings from the application of S-D logic to the field of CPS are passed back to the general orientation of S-D logic.

**Findings** – The paper provides three main implications for the general orientation of S-D logic, drawn through its application to the field of CPS: First, the service system abstraction is a proper abstraction to understand and characterize actors or resource integrators involved in value co-creation. Second, bridging S-D logic and management research on technological platforms can advance S-D logic's efforts to clarify the conceptual interplay between the service ecosystem abstraction, the value co-creation network, indirect service exchange, and value. Third, the anatomy of platform-mediated value co-creation in the framework reveals that (the overall) value-in-context consists of “indirect value-in-context”, “option value-in-context”, and “direct value-in-context”.

**Research limitations/implications** – The research implications from S-D logic perspective are limited by its exploratory, inductive and conceptual nature.

**Originality/value** –S-D logic is often reported to be less concrete, on a level of abstraction too far away from theoretical and practical analysis, and hard to operationalize. This research is a first exploratory attempt to apply S-D logic to the field of CPS. It is an example of how S-D logic can be operationalized, i.e. applied in a concrete context and at a low level of abstraction. S-D logic's final conceptualization is still in progress. The presented implications for the general orientation of S-D logic, drawn through its application to the field of CPS, contribute to the advancement of S-D logic.

**Key words** – S-D logic, service system, cyber-physical system

**Paper type** –Conceptual research paper

## **International networks and internationalization processes of the SMEs: a CAS approach**

*Andrea Moretta Tartaglione, Roberto Bruni*

**Purpose** - The aim of the paper is to reflect upon the role of international networks in the internationalization process of the SMEs highlighting the analogisms between the international networks and the Complex Adaptive Systems. The research question is: could the Complex Adaptive System approach be useful to explain the dynamics among the agents in the international networks during the internationalization processes of the SMEs?

**Design/Methodology/approach** - The work is developed by integrating the contribution of two relevant perspectives: the CAS approach and the internationalization processes of the SMEs through the international networks.

**Findings** - Various situations and business models affect the internationalization of SMEs.

The internationalization of a company is a complex phenomenon that can follow models based on linear processes and sequential phases as in the case of the paradigm of incremental change (or "models of the stages"), inspired by the model of Uppsala, models based on the ability of firms to be "born global", and others based on the participation of firms in international networks.

The CAS approach could be useful to understand the dynamics and the complexity that emerge from the internationalization process inside international networks with dynamics that depend on turbulent markets and, therefore, characterized by actors (actors/agents of the internationalization network) who require continuous adaptation to the contexts as in a CAS logic.

**Research limitations/implications** – The conceptual approach developed in the paper should be further supported by empirical research that has to include differences among markets and dimensions of the firms. Nevertheless the work could be a first conceptual step for future researches.

**Practical implications** – The work could be useful to find new approaches in the management of internationalization processes for the managers that work in complex markets and to better understand determinants of the dynamics in international networks.

**Originality** - The process of internationalization of firms is the result of learning and knowledge of international markets; the internationalization is the result of an internal strategy of the companies that has effects in international networks characterized by multiple agents with specific relations. The CAS approach can help to improve the analysis of relations (adaptive relations) of the agents in the network in the current market turbulence and global economies.

The CAS approach might be useful to know the international networks dynamics involving SMEs in their internationalization processes.

**Key words:** internationalization processes, CAS, variability, business dynamics

**Paper type** – Conceptual paper

## **Improving Customer Participation in Knowledge Intensive Business Services**

*Mekhail Mustak*

**Purpose** - As customers generally possess significant share of knowledge and resources necessary for creation of knowledge intensive business services, their participation is of utmost importance to create the services successfully. However, little is known about how to achieve superior customer participation. *Hence, the purpose of this study is to empirically investigate how to improve customer participation in knowledge intensive business services.*

**Approach** - This study used a multiple case study methodology. Empirical data have been collected from two dyadic cases, each case containing one service provider and one customer organization. With the help of NVivo 10 software, data has been analyzed through the stages of coding, categorization, comparison, and further analysis.

**Findings** - In this study, special attention has been paid not to focus only on one side, and bring the acts and behaviors of both the customer's and bring the service provider's under the spotlight. Our findings show that joint need assessment and solution design, extent of importance from the customer, elimination of customer's internal challenges, emphasis from the service provider, and appropriate value propositions and core offerings developments play essential roles in improving customer participation.

**Research implications** - We show the limitations of existing knowledge on improving customer participation especially in business-to-business settings, and identify different areas which require meaningful scientific contributions. A detailed agenda for future research is presented.

**Practical implications** - For practitioners, the study offers concrete advice on how customer participation can be improved in different phases of creating services, especially in technical projects.

**Originality/value** - The study extends empirical understanding on customer participation, and proposes a framework of critical elements that should be included in creation of knowledge intensive business services to support customer participation.

**Type of paper** - Case study

**Keywords** - customer management, customer participation, knowledge intensive business services

## Coordinating collective consumption networks – the supplier’s perspective

*Elina Närvänen, Saara Huotari, Pauliina Koivisto*

**Purpose** – Consumer collectives such as brand communities, consumption tribes and other consumer groupings have an increasingly active role in marketing today (Goulding, Shankar and Canniford 2013; Cova and Dalli 2009; Schau, Muñoz and Arnould 2009). Customer-to-customer (C2C) interaction taking place in consumption collectives facilitates the integration of resources, creates emotional bonds and increases customer loyalty. Recently, it has been argued that collective consumption takes place in networks consisting of heterogeneous consumption collectives where people co-create value through interacting and consuming together repetitively (Närvänen, Gummesson and Kuusela 2014). While often very beneficial for suppliers, these networks are difficult to manage because they are emergent and self-organizing. Suppliers need to learn to adopt a different role if they wish to facilitate and organize these activities (Gummesson, Kuusela and Närvänen 2014). This paper examines the ways in which suppliers may coordinate activities of collective consumption networks.

**Design/Methodology/approach** This conceptual paper builds on theories of consumer communities, resource integration, value co-creation and networks. To complement the literature review, insights from several case studies are used to illustrate the variety of ways in which suppliers can coordinate the activities of consumer communities.

**Findings** – The paper introduces a conceptual typology of key supplier practices to coordinate the activities of collective consumption networks.

**Practical implications** – Previous literature on consumer communities often has little advice to offer for suppliers that wish to coordinate and facilitate consumers’ collective activities (Goulding *et al.* 2013). This paper offers guidelines for suppliers that wish to adopt a new role as facilitators and supporters of consumption collectives.

**Originality/value** – The paper differs from previous research by taking the supplier’s perspective and focusing on practices that help them facilitate, support and organize consumers’ activities in collective consumption networks.

**Key words** – Collective consumption, C2C, organizing, networks, roles

**Paper type** – Conceptual paper

## Design elements for market-driving strategies: a managerial perspective

*Suvi Nenonen, Kaj Storbacka*

**Purpose** - Viewing markets as socially constructed (Kjellberg & Helgesson 2006; Araujo, 2007; Aspers, 2009; Geiger et al., 2012; Kjellberg et al., 2012; Storbacka & Nenonen, 2011; Layton, 2014; Lusch & Vargo, 2014; Mele et al., 2014), and thus consciously reconstructable value-creating systems, opens up interesting new avenues for strategists. Decisions regarding markets are no longer limited to market selection but markets themselves can be designed for higher value creation, growth and profitability. In marketing, the literature on market-driving strategies has focused on such deliberate efforts to influence market systems. The extant literature has investigated both the outcomes (e.g. changes in market system structure, actors' behaviour, and/or rules of the game) and the antecedents (e.g. entrepreneurial organizational culture) of market-driving strategies (Jaworski et al., 2000; Kumar et al., 2000; Carrillat et al., 2004; Schindehutte et al., 2008; Chen et al., 2012; Van Vuuren & Wörgötter, 2013). However, what lies between the antecedents and outcomes of market-driving strategies remains largely unspecified. Hence, the purpose of this paper is to (1) identify design elements that a focal firm wanting to shape existing or make new market systems can focus on, and (2) synthesise these design elements into a cohesive and actionable framework for market design.

**Methodology** – The present research is based on an abductive research process, involving 63 executives from 16 firms in two countries.

**Findings** – We have identified 14 distinct design elements that a focal firm wanting to shape existing or make new markets can focus on. These design elements are further categorized into six design layers: market frame, value propositions, exchange, network, representations, and norms. Each of the design layers is illustrated with an empirical example.

**Practical implications** – First, in addition to creating strategies on product, business unit and corporate levels, companies should also craft strategies for their market systems. Second, viewing markets as malleable value-creating systems broadens the traditional definition for market intelligence. Third, shaping and making markets highlights the importance of action in strategy over the traditional strategic analysis and planning (Wiltbank et al., 2006). Finally, extending strategy work to cover also markets blurs the functional boundaries between strategic management and marketing.

**Originality/value** The developed market design framework provides an organised and actionable overview of the elements that can form the content of market-driving strategies, thus illuminating the “black box” between previously explored antecedents and outcomes.

**Key words** – Markets, networks, ecosystems, market shaping, market-driving

**Paper type** – Research paper

## **Engineering a Platform for Personal Data as a Service: The Economic model for the HAT (hub of all things)**

*Irene C.L. Ng; Susan Y.L. Wakenshaw*

**Purpose** - This paper depicts an economic model as part of engineering a multi-sided market platform for personal data. This model describes ‘who does what and who gains what’ in terms of value creation and appropriation of value on the platform for personal data use and exchanges.

**Methodology/Approach** - Thomas et al (2011) describes the two common features of all platforms such as “leverage” (‘... generating an important impact with relatively little input’, p.9) and “architecture” (‘a set of low variety components surrounded by high variety components’, p.10). Their “Architectural Leveraging” model depicts how to create and leverage the platform by addressing the architectures of the platform, value creation and appropriation of value in the platform through control mechanisms. According to Thomas et al (2011), three architectural factors need to be considered as boundary conditions for regulating the creation of the platform including “technological architecture” (design aspects , p.11); “activity architecture” (activities required for operating platforms ...coherently p.13); value architecture (sets of value drivers for supply side... demand...)(p.15). The resulting platforms can be leveraged for value creation through manipulating the boundary conditions by control mechanism by firms. Firms can thus create the conditions for value creation and appropriation of value that are most suitable for them. The three salient control mechanisms include (1) ownership of property rights (‘control of the critical platform components and interface...’) (p.18); (2) architectural control (‘adjusting the level of modularity, level of access and adding functionality’) (p.18) and (3) trend leadership (... maintaining the continued relevance of the platform to all participants both in the past and in the future, reputation management build identity, reputation, trust, and legitimacy’) (p.21).

**Findings** - Our research design, engineers and creates a multi-sided platform for personal data and propose an economic model for the platform that align incentives for all sides so that an ecosystem for personal data use and exchanges may occur. The model explicitly describes participants’ engagement in the platform in terms of technological architecture, activity architecture and value architecture and what they can gain through their engagement. The model also reveals the regulatory roles of the platform leader would take and the control mechanisms for value creation and appropriation in the platform.

**Research implications** - Two core implications for research emerge from the findings. First, architectural features of the platform are boundary conditions for creation of platforms, which has significant implications for platform strategies such as leveraging the platform through manipulating the elements in these architectures. Second, regulatory roles are crucial for platform owners in terms of viability and evolution of the platform and value creation and appropriation of value in platform.

**Originality/value** - This research contributes to the multi-sided platform and economic models for personal data.

**Key words** - Multi-sided market, control mechanism, leveraging, architecture, economic model, personal data.

**Paper type** – Research paper.

## **Patient pathways into healthcare – the need for matching?**

*Lars Nordgren, Agneta Planander*

**Background** - Due to a lack of coordination of care flow events and uncertain capacity coordination, long patient waiting times for patients arise, entailing a medical risk and contributing towards capacity being utilized less effectively. Healthcare services are often said to be crucial to coordinate in order to create equally good availability for care-seekers. Could healthcare matching become the solution of this problem?

**Purpose** - One aim is to discuss the need for healthcare matching as the solution of the problem. Another is to discuss the main barriers to matching.

**Methodology** - Inspired by the concepts of matching and value co-creation and drawing on a detailed analysis of patient statements from studies in the Swedish healthcare, and experiences from the coordination of patients of Region Skåne in Sweden as well as research into the effects of the reform on a certain care guarantee the need for and barriers against healthcare matching is discussed.

**Findings** - There is a need for healthcare matching because many patients are waiting for care and because capacity should be used effectively. Healthcare matching is a service offered to the care-seeker and referrers increasing the prerequisites for equal availability to all care-seekers.

**Implications** - To achieve healthcare matching, several political and economic aspects must be put on the agenda for discussion.

**Key words:** barriers, capacity, co-ordination, healthcare, matching, value co-creation

## **Brand identity and the network– a longitudinal study of brand and relationship development**

*Anu Norrgrann*

**Purpose:** The purpose of this paper is to examine brand identity as a network outcome.

**Design/Methodology/approach** –Recent research in marketing has drawn increasing attention to the role of stakeholders as contributors to brand identity development, instead of seeing brands merely as entities that are outcomes of managerial processes. This paper adopts a network perspective on brand identity development, and explores, through an extensive, longitudinal case study, how different actors connected to a focal brand affect it. Thereby, it discusses how brand identity can be seen as a network outcome. The case study used to illuminate the phenomenon of brand identity, concerns a furniture brand and involves an examination of its most important supplier and customer relationships, during a time period from 1999 to 2014. The longitudinal approach provides a unique possibility to identify process nature of brand development, including the launch of products, designs and other brand development efforts, against the parallel processes of relationship developments and interactions in the business network.

**Findings** - The paper illustrates how network actors shape the identity of the brand, pinpointing the nature of brands as results of interactive processes. Brands provide sign systems that symbolise meaning for different actors in the marketing network and hence also function as fundamental resources. Our empirical account shows that in order for a firm to survive on the market, it must continuously be able to provide resources that its customers perceive as valuable. On the brand management level, this draws attention to the dynamics of the brand and the need to evaluate it against the firm's network of relationships and the changes occurring in them.

**Limitations/implications** – The empirical material is limited to a focal firm perspective, whereby the interaction and co-creation processes have not been studied from other stakeholders' or consumers' viewpoints.

**Practical implications** – The paper draws managerial attention to the need to regard and manage brands as dynamic and interacting resources, taking into consideration the network in which they are embedded.

**Originality/value** – The paper contributes to the knowledge on interaction in brand identity development through new empirical evidence. Conceptually, it integrates S-D logic perspectives on brands with network theory's views on relationships and interaction. The use of longitudinal and semiotic analyses provide a methodological contribution.

**Paper type** – research paper

## Value Co-Creation in Everyday Life

*Akira Ohyabu, Takashi Taguchi*

**Purpose** – The main purpose of this paper is to provide a conceptual framework for understanding value co-creation in customers' daily lives. S-D Logic suggests that all actors are part of the value creation process and value is uniquely determined through their experiences. However, in customer experience studies, most of researches have ever targeted on extraordinary experience and determined value ( Helkkula and Keller, 2010). Though value-in-context is constantly co-created in customers' daily lives, the attention has not been paid much to co-created value and practices of such situation. Then we focus on Japanese customers who visit a theme park as a part of their everyday lives.

**Design/Methodology/approach** – This paper investigates how the customers, who visit a theme park everyday, co-create and experience value. Based on conceptual discussions, we provide a conceptual framework for studying value co-creation, through integrating S-D logic, practice theory and actor-network theory. The characteristics of this framework include various elements (e.g. roles of actors, physical environments), as well as multiple actors in A-to-A network.

**Findings** – The combination of S-D logic, practice theory and actor network theory provide a conceptual framework for understanding the co-creation of value and the emergence of practices at micro level and meso level. And other actors, the roles of customers in society (e.g. mothers, high school girls), goods, services, and physical environments affect the characteristic of value-in-context and practices.

**Research limitations/implications** – The provided framework will be used to discuss both how the value-in-context is co-created and how practices are emerged at various level. This paper is the starting point for further analyzing the co-creation value and practices from the customers' points of view.

**Practical implications** Service providers need to understand how value-in-context is formed in their customer's daily lives, and pay attentions to elements by they are surrounded.

**Originality/value** – The paper depicts how value-in-context is co-created in customers' daily lives at micro and meso level, and contributes to the network discussions in S-D logic by expanding the concept of network.

**Key words** – Value-in-Context, Everyday Life, Practice Theory, Actor-Network Theory

**Paper type** – Conceptual paper

## Using Service Logic Business Model Canvas in Lean Service Development

*Jukka Ojasalo, Katri Ojasalo*

**Purpose** - The purpose of this paper is to propose an approach for using Service Logic Business Model Canvas in the lean service development, and visa versa. So far, the literature on business logics for service or business models does not utilize the ideas of lean development. There is a clear knowledge gap in the intersections of the three research areas: business logics for service, business models, and lean development. The present article addresses this knowledge gap.

**Design/methodology/approach** - The present conceptual paper is based on an extensive literature analysis on business logics for service, as well as business models, and lean development.

**Findings** - The paper proposes a model of lean service development. It integrates the model in the process of using the Service Logic Business Model Canvas.

**Research limitations/implications** - The paper shows how a new service is iteratively developed through several improvement rounds into a final business model, it shows the important role of rapid testing and learning in the iterative service development process, it supports the implementation of the fundamental philosophy of business logics for service in business development, and encourages using multiple service design methods in the service development, if needed.

**Practical implications** - The ideas of lean or agile development have been used for a long time in software development. In addition, the ideas were later adopted in the business development of startups. Agile and lean development principles have dramatically changed the managerial thinking and practice in these areas. The present paper develops an application of these approaches to be used in service development, business model development, and implementation of business logics for service in practice.

**Originality/value** - This paper contributes by (1) developing and introducing the lean service development model, and by (2) integrating it to the process model of using Service Logic Business Model Canvas.

**Keywords** - Business model, service-dominant logic, service logic, lean development, lean enterprise, service innovation, agile business development

## **Designing Service Platforms for Service Ecosystems: An Application to Health Care**

*Lia Patricio, Raymond Fisk, Jim Spohrer, Gabriela Beirao*

Service organizations need to design their service offerings and manage their service system, but increasingly they need to manage their position in the broader network of systems of service systems (Spohrer, Piciocchi et al. 2012), in a many-to-many context (Gummesson 2007). Such broader networks form service ecosystems, functioning together through value co-creating interactions. Service ecosystems can be defined as relatively self-contained systems of resource integrating actors connected through service exchange (Akaka, Vargo et al. 2012, Lusch and Vargo 2014). Ecosystems have also been explored as business ecosystems (Iansiti and Levien 2004) or IT ecosystems (Adomavicius, Bockstedt et al. 2008), but these different ecosystem approaches have not been integrated together (Manikas and Hansen 2013).

Within a service ecosystem, one organization typically emerges as the keystone player from among the set of actors. A keystone player seeks to create a service platform that attracts customers and a variety of contributors. Each contributor adds new services to the platform and thereby enhances the value of the overall offering. Designing a service platform for an ecosystem, enabling value co-creation for end-customers, contributors and the keystone player is a challenge still to be addressed in the service literature. Previous approaches have addressed service design in the context of value networks (Patricio, Fisk et al. 2011), but keystone players need to design a service platform that enables multiple network actors to co-create value (Pinho, Beirão et al. 2014) and the ecosystem as a whole to prosper.

Through the multidisciplinary integration of various literatures, this paper elaborates a service-dominant logic approach for designing service platforms for service ecosystems that can be used by organizations aspiring to be keystone players. From this perspective, service ecosystems are complex sets of interdependent actors (keystone player, contributors and customers) that interact to co-create value around broad customer needs, such as IT solutions or health care. We posit that three elements (actors, value co-creation interactions, and value co-creation outcomes) form the service ecosystem. Such service ecosystems are enabled by the keystone player's creation of a service platform, upon which a community of contributors co-creates new services to enhance and expand the overall offerings to customers. This service platform comprises a technology platform, a set of business models and standards, and boundary definitions. We posit that these three constituent elements of the service platform are the design area of the service ecosystem from the perspective of the keystone player. These service platform elements can be designed and managed by the keystone player, to support and shape the growth of the ecosystem (Teece 2007). The keystone player cannot control the emergent behavior of the service ecosystem, but through a well-designed service platform, it can carefully influence its evolution.

This paper proposes an approach to designing service platforms for service ecosystems with an application to the design and implementation of a national electronic health record service in Portugal, where the Ministry of Health plays the keystone player role. Building upon a four-year project that supported the development and implementation of the first release of national electronic health records, a new round of 48 interviews with key actors in the ecosystem (citizens, physicians, nurses, pharmacists, hospital managers, hospital information system managers) was conducted. These interviews allowed better understanding of the complex network of value cocreating interactions. Data analysis and participatory design workshops with key ecosystem actors also allowed exploring how the electronic health record could evolve to a service platform that enables the different actors to cocreate value.

This study highlights the need for developing new service design approaches that help keystone players better manage their role in service ecosystems. We also show that a service ecosystem approach is crucial for keystone players to recognize their role and to recognize that they should design their service platform for end customers, but also for contributors and the ecosystem as a whole.

## **Designing services for value co-creation among interdependent actors: from blood donation to blood transfusion**

*Lia Patricio*

Today's service offerings are enabled by complex service systems, where service value is co-created through supplier networks interacting with customer networks (Gummesson 2007). In this context, value emerges from the collaboration of actors in interactive configurations of mutual exchange (Vargo, Maglio et al. 2008). To tackle this challenge, service design should go beyond dyadic interactions between a single provider and a single customer, to create services that support and enable multiple actors in their mutual value co-creation interactions (Pinho, Beirão et al. 2014).

Previous research has addressed service design and management in the context of value networks (Normann 2001), designing the service concept taking into account the customer value constellation (Patricio, Fisk et al. 2011), or designing integrated service concepts for the value network as a whole (Pinho, Patricio et al. 2014). However, further research is needed to better understand and design services as enablers of value co-creating interactions among interdependent actors in value networks.

This paper contributes to fill this void, with a health care application to the design of a new service that supports the interdependent actors in the blood value network, from blood donors, to blood health care practitioners and blood transfusion patients. Health care was considered a rich empirical setting as it is a complex service environment and a critical sector for society and well-being.

A qualitative study with 60 actors in this value network revealed a complex web of interdependencies and value co-creation interactions among actors. For example, study results showed that interactions and information exchange of health care practitioners with donors was key to ensure the right type and quality of blood donations. Moreover, knowing that their blood may be used to save lives is an important factor motivating blood donors to continue their contribution.

Based on this understanding, a new service was designed through an iterative participatory design process involving a set of donors, health care practitioners and blood transfusion patients. This service design process focused on supporting, not only each actor in isolation, but also different actors and their value co-creation interactions. This process enabled the design of an integrated service that connected donors, healthcare practitioners and blood patients, enhancing the experience of each actor while pursuing balanced centrality and value co-creation for the network as a whole. Study results highlight the importance of moving the focus from dyadic to many-to-many relationships in value networks and systems.

## Understanding service ecosystems and doing Dialectic: What it is and why it matters

*Linda Peters, Marie Taillard, Jaqueline Pels, Cristina Mele*

**Purpose** – We expand our understanding of how service ecosystems are created and maintained by exploring the dialectic of presence and absence. Including absence poses a challenge to the common view that it is only the positive or the present that is of interest (known as monovalence; Bhaskar, 2008). The origins of monovalence lie in Plato’s account of negation and change in terms of difference as being only in relation to what is present (Hartwig, 2007:497). By choosing a dialectical approach to understanding how service ecosystems emerge, we allow for the possibility that absence (or negation, or negativity) is as necessary to understanding stability, difference and change in service ecosystems as presence (or positivity). One of the reasons for focusing on a dialectic approach is that we are then able to examine the contradictions that may arise in service ecosystem creation, maintenance, and development. Dialectical contradictions may be more or less antagonistic to the extent that they represent or constitute the opposed interests of (or between) agents or collectives.

**Design/Methodology/approach** – We explore four key types of presence and absence. In the realm of creation/non-creation (ontological dialectic) we identify both the **presence of absence** (real determinate absence and non-being) and the **presence of presence** (the emergence new, unique, and novel properties of being). In the realm of change and difference (actual dialectic) we identify both the **absence of presence** (where an existing property is absented from a domain of being) and the **absence of absence** (the transformation of a thing, property, or state of affairs). We present these not a mutually exclusive categories, but as rich and distinctive aspects of the overall dialectic of presence and absence.

**Research implications** – One of the reasons that negation is such an important concept is that it helps to understand the motivation for change. As Hartwig notes: “Desire is propelled by absence or lack, and informed desire drives praxis on to absent constraints and ills, which, as blocks on well-being, may themselves be seen as absences.” (2007:12). Here we see the link between motivation and desire, and the enacting, embodiment, or realisation of some presence (i.e. praxis) that may foster value co-creation and service ecosystem functionality.

**Originality/value** – The concept of negation helps us to understand its opposite, presence, and how and why participants in service ecosystems might chose (consciously or not) to act in the ways they do. The concept of absence is one that has a great deal of promise in the understanding of systems, although it is often neglected (Mingers, 2014).

**Key words** - Dialectic, Service Ecosystems, Presence, Absence.

**Paper type** – Conceptual paper.

## **Building relationships and fostering learning and innovation with knowledgeable clients**

*Linda Peters, Andrew Pressey, Alan Gilchrist, Wesley Johnston*

**Purpose** – There remains a gap in our understanding of how client involvement may influence relationship building and collaborative learning and innovation processes, particularly where clients are very knowledgeable (or expert). This paper seeks to address this gap and extend knowledge in the field by examining two aspects of expert client involvement; their knowledgeability and their agency. Knowledgeability and agency are vexing questions, for they go to the heart of being human. Structuration theory asserts that individuals are active agents - knowledgeable individuals - with the capacity to transform their setting through action (Giddens<sup>1</sup>).

**Design/Methodology/approach** – Our data consists of three case studies of relationships between service providers and their clients. Two of these cases were involved in the delivery of large scale projects in the UK construction industry. The third case was one of the ‘Big Four’ global professional accounting firms in a major city located in the north-east of the US. Sampling of these cases was theoretical based on the opportunities they provided to discuss relationship development and learning and innovation processes which included very knowledgeable (or expert) clients.

**Findings** – To support our investigation of client knowledgeability and agency, we explore three boundaries (semantic, syntactic, and pragmatic: Carlile<sup>2</sup>) across which relationship development occurs and which may facilitate and/or inhibit value co-creation, collaborative learning, and innovation processes. Semantic (interpretive) boundaries relate to an individual’s capacity to *translate* information, syntactic boundaries refer to information-processing boundaries where the challenge is to *transfer* knowledge across boundaries, and pragmatic (or political) boundaries refer to the ability to *leverage* knowledge between participants with different interests and dependencies; thus, the capacity to *transform* knowledge through the development of common interests. We explore a number of key findings in relation to these boundaries.

**Research implications** – The formal training or specific expertise of knowledgeable clients may significantly influence their approach to relationship building, and is a significant factor in value co-creation, collaborative learning, and innovation processes. There is yet a limited understanding of how to innovate and learn with clients. Thus, businesses lose important opportunities to learn and innovate, and thus value for the client and the firm will be far from optimal.

**Practical implications** – The interaction of knowledgeable individuals often instigates change precisely because they are able to act with intention and purpose. However, change may also be the result of unacknowledged preconditions and unintended consequences of action. Therefore the results of interactions between actors can never be wholly predictable.

**Originality/value** – This research will make an important contribution to the field in that it will investigate how the inclusion of the client in business networks alters current assumptions and practices.

**Key words** - Knowledgeability, Agency, Expert Clients, Learning, Innovation.

**Paper type** – Research paper.

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<sup>1</sup> Giddens, A. (1984). *The Constitution of Society: Outline of the Theory of Structuration*. Polity Press, Chicago.

<sup>2</sup> Carlile, P. R., (2004). “Transferring, translating, and transforming: An integrative framework for managing knowledge across boundaries”, *Organization Science*, 15 (5), 555-568.

## **Personal values, attitudes and value cocreation in hobbies.**

*Theodoro Peters*

**Purpose** – Considered the S-D logic axioms and premises (Vargo and Lusch, 2006) this paper enriches the knowledge on customer value through the study of cocreation process occurred in communities of hobby practitioners created to foster hobby activity practice, integration and relationship with other members. These individuals are expected to be cocreators in the activity they are involved in, and relevant to be studied in their in-use and in-context activity.

The object of study is participants in communities of *BMW* motorcycles' owners, photography students and air model aficionados. The problem of research includes personal values of these individuals and their correspondent attitudes directed to service loyalty – considered here as *self-image/brand image*, *motivation for relationship*, *overall satisfaction*, *W.O.M.* and *repurchase*.

The question of research is: What is the individual's attitude in direction of loyalty depending on individual's personal values, in the process of cocreation of hobby practitioners' communities?

**Methodology** – The hypothesis is: Personal values of the individual influences loyalty attitudes in the process of cocreation (loyalty attitudes depend on personal value type).

We used a structured questionnaire with items of Personal Values from Schwartz (1992; 2001), and items for loyalty from customer value assessment literature (Cronin Jr. Brady and Hult, 2000; Sweeney and Soutar, 2001; and Leroy-Werelds, Streukens, Brady and Swinnen, 2013). The sample was achieved by convenience in the aforementioned communities in a total of 192 valid respondents from april to october, 2014, in the city of Sao Paulo, Brazil. Data was analyzed via matrix of correlations, ANOVA, and multiple regression.

**Findings** – Main personal values found were *hedonism*, *benevolence* and *universalism*, included in motivational poles of *autotranscendence* and *openness to change*, and showed correlation with some of loyalty attitudes, mainly *overall satisfaction*, *W.O.M.* and *repurchase*, moderately with *motivation for relationship*, and weak with *self-image/brand image*. Explanations may be in the sample characteristics related to hobby practitioners and their specific goals.

**Limitations/ Implications** – Main limitation is in the sample, which shall be amplified in these same groups of hobby practitioners and others to gain consistency. Implications can be considered, for academia and practice, the additional construct of personal values, and the relevance of this psychological knowledge in services cocreation.

**Originality/value** – Value is in the continuation of studies and introduction of new constructs in search of new relations in S-D logic cocreation process domain.

**Key words** - Personal values, attitudes, co-creation.

**Research paper** - Sessions: S-D-L, value co-creation.

## **Development and empirical evaluation of a comprehensive service productivity model for knowledge intensive services**

*Andreas Petz, Sönke Duckwitz, Christopher M. Schlick*

**Purpose** - Knowledge intensive services play a crucial role in developing and developed countries. In order to raise service profitability, increasing service productivity as well as identifying influencing factors of service productivity is prerequisite. This paper aims to bridge the gap between traditional, manufacturing oriented productivity and service productivity by presenting a comprehensive knowledge intensive service productivity model and by identifying relevant influencing factors on service success.

**Design/Methodology/Approach** - The paper presents the evaluation of a novel service productivity model. The comprehensive model proposed by the authors considers the service system from two relevant points of views: 1) from the customer's perspective and 2) from the provider's perspective over all three dimensions of service provision (the potential, the process and the outcome). Service dimension specific value drivers and success criteria were defined and specified by influencing factors resulting from two explorative studies investigating engineering companies in Germany.

Furthermore, a broad empirical study was carried out and analyzed by second generation multivariate data analysis methods. The partial least square (PLS) path modeling technique was used in order to statistically analyze the results. Therefore, a measurement model with exogenous and endogenous variables based on the identified influencing factors as well as the structural model of the hypothesized relationships between value drivers and service success was modeled and evaluated. The measurement and the structural model were analyzed by using the smartpls analysis software tool.

**Findings** - The reflective measurement of service success was found to be highly reliable and valid. Some other formative measured constructs were nonsignificant. The majority of the hypothesized relationships proved to be significant. The phase specific efficiency and effectiveness latent constructs explained more than 50% of the variance of service success.

**Research limitations/implications** - Due to the complexity of the productivity model merely a partial validation was possible. The research focuses on the service provider's perspective.

### **Practical implications**

Relevant leverage factors and relationships were empirically identified and proved to be significant. Based on a valid and comprehensive productivity model, knowledge intensive service providers are able to assess and improve their services.

**Originality/value** - The paper presents a novel comprehensive service productivity model which identifies relevant influencing factors and also proves the relationships between different constructs statistically.

**Keywords** - Service productivity model, service effectiveness and efficiency, partial least square structural equation modeling.

**Paper type** - Research paper

## **Value proposition as a framework for value co-creation in crowd-funding ecosystem**

*José Quero Maria, Carol Kelleher, Rafael Ventura*

**Purpose** – The aim of the present paper is to explore whether the phenomenon of crowd funding can be considered a service ecosystem, where the constituent actors generate resources and co-create value for and within the system.

**Design/Methodology/approach** – A qualitative, multiple case-study approach is used to analyze the two most representative crowdfunding platforms in Spain, Verkami and Lánzanos, in terms of amounts of funds provided

**Findings** –The findings reveal how six categories of value propositions frame eight types of value co-creation processes when different actors interact and integrate resources at three levels: micro–meso–macro within crowdfunding service ecosystems

**Research limitations/implications** – Certain limitations to the study arise from the research context. We chose to analyse specific cases of crowd-funding in the arts and cultural sector through the most representative platforms in Spain. The sampling design could be improved by broadening the type of cultural projects considered and by including experiences of crowd-funding projects in other countries in the analysis.

**Practical implications** – From the present study, we can conclude that crowd-funding in the cultural sector in Spain acts as a service ecosystem. The unique approach that links the micro-meso and macro levels with specific types of value propositions assists service managers and practitioners, co-create value propositions and value with different actors within the service ecosystem.

**Originality/value** – The present paper suggests that crowd-funding in the arts and cultural sector occurs within a complex service ecosystem, where six categories of value propositions frame eight value co-creation processes, namely through ideation, evaluation, design, testing, launch, financing and authorship. Managerial contributions include the development of a crowd-funding service ecosystem model for arts managers, which offers not only a method of financing or economic value, but which also offers opportunities for strengthening bonds with customers and other stakeholders. Our paper is innovative in that we integrate value propositions categories with the micro – meso and macro contexts and analyse the different kind of co-creation are framed in the crowdfunding context.

**Key words:** Service ecosystems, network, crowd-funding, service-dominant logic, value propositions, value co-creation.

**Paper type** – Research paper

### Value co-creation in the age of customer analytics 3.0

*Birgit Rettinger*

**Purpose** – The changing role of the customer and its growing importance as co-creator of value becomes gradually more apparent in business and society. In addition, the field of marketing has become to a greater extent dependent on technology. A separation between marketing and ICT is claimed to become increasingly inappropriate (e.g., Brinker and McLellan 2014). Nowadays, individual behaviour can be recorded through means such as data deriving from self-service technologies, GPS, and sensory data. Smart algorithms facilitating the analysis of small and big data combined with machine learning capabilities may enable firms to identify patterns. Large amounts of structured as well as unstructured data can be transformed into sophisticated models for predicting customer behaviour and trends (Rayport 2012). Findings may specifically be useful to enhance customers' role clarity, enabling them to use a service more effectively. As a consequence, the amount of value-in-use that could be attained is affected. Several leading academics and business executives stress an emerging need for research in the field (e.g., Akaka and Vargo 2013; George et al. 2014; Stonebraker et al. 2013). Notwithstanding, there is a paucity of conceptual work. The paper is intended to provide new insights.

**Design/Methodology/approach** – Drawing from a service-dominant logic perspective, the topic is approached by linking literature on value co-creation, customer analytics, and customer participation. Practice based method and tools are included in order to serve as illustrative research case studies.

**Findings** – A theoretical framework is presented linking value co-creation, technology as an operant resource, customer analytics, and customer participation. Forms of customer analytics, insights gained and reasons for using them are presented. Future research directions are outlined.

**Research limitations/implications** – The conceptual framework provides an interdisciplinary perspective, serving as a starting point for future research addressing the role of customer analytics and ICT in value co-creation.

**Practical implications** – For a managerial audience it is important to be aware of the factors influencing customer behaviour in order to satisfy customers as co-creators of value. Firms especially have to ensure that the customer knows how to perform his/her particular role successfully by providing appropriate guidance.

**Originality/value** – The paper contributes to the theoretical development of service-dominant logic by (1) bridging research from value co-creation and ICT research. (2) offering new research perspectives on value co-creation by integrating practice based customer analytics methods and tools into conceptual service-based frameworks.

**Key words** – Big data, customer analytics, customer participation, ICT, value co-creation.

**Paper type** – Conceptual paper.

## **Designing for Service Logic: when Service Design informs and engages with cultural change in organisations**

*Daniela Sangiorgi, Alison Prendiville, Jeyon Jung*

**Purpose** – This article discusses insights from a six-month AHRC-funded research project into the role of Design for Service Innovation and Development (DeSID). The aim of DeSID was to provide systematic evidence on how Service Design agencies operate in different contexts and to position their contribution within the wider literature on Service Innovation and New Service Development (NSD). This article in particular discusses differences in design agencies' work and relationships with their clients, to reflect on how and when designers actually contribute to the development of Service Logic in organisations.

**Design/methodology/approach** – This research undertook a multiple case study approach, starting with a literature review from Service Innovation and New Service Development to formulate the theoretical framework that guided the data collection. The research has delivered six case studies from the public, private and digital sectors to capture and illuminate the decisions and practices of a Service Design agency and the client organisation. The unit of analysis of each case study was a project selected by the design agency with the support of the client organization that best reflected their approach. The data has been analysed against the theoretical framework, using qualitative analysis software Nvivo.

**Findings** – According to Edvardsson, Gustafsson and Roos (2005), there are essentially two different approaches in service research: one perceives “service as a category of market offerings,” whereas the other describes “service as a perspective on value creation” (p. 118). Furthermore Grönroos (2008) suggests a third approach, which describes “service as a perspective on the provider’s activities (business logic)” (p. 300). Insights from case studies indicate how these perspectives on service can be recognized also in the ways designers work for and with organisations: e.g. treating services as discrete objects of design, distinct from how organisations innovate and think, and that designers help shape and specify; or approaching service as a way of conducting innovation and business that organisations can learn and develop while collaborating with the agency.

**Research implications** – This article provides initial evidence for a more informed understanding of how Design operates and can be applied to assist a Service Logic in organisations; it creates a common ground which can lead to better interdisciplinary work and collaborations as required by the development of a Service Science.

**Originality/value** – “Enhancing Service Design” has been recognised as one of the research priorities for the Science of Services (Ostrom et al., 2010). This study provides a first systematic study into Service Design practices revealing the nuances of how designers operate for Service Innovation and Development, the client-designers dynamics, and their relation with the different interpretations of ‘service’.

**Key words** - Service Design, New Service development, Service Logic, Service innovation.

**Paper type** - Research paper.

## **The relationships between the advanced marketing tools and the risk management: an empirical study on the banking sector**

*Sergio Barile, Marcello Sansone, Vincenzo Formisano*

**Purpose** - The present work is the first part of a research project which aims to analyze the growing trend of the banking sector to have own tools and marketing skills that have long been the preserve of industrial production and, in more recent years, of retailers. In particular, the aim of the paper is to analyze how the marketing, communication and new technologies influence, on the one hand, the management of banks, and on the other hand, the skills and the attitude of these to acquire new customers and to retain current ones, with a focus on a single case that turns out to be a "best practice" in this regard, performing benchmark with other specific cases.

**Design/Methodology/approach** - As anticipated, the survey methodology involves analyzing a single case excellent in the implementation of marketing strategies and customer care services. The methodology used involves the analysis of a single case study (Yin, 1994; Dubois e Gadde, 2002), suitable technique to develop theories about phenomena still little known in the context in which they take place. The use of cases also has the advantage of allowing the study of issues related to the "how" and "why" of recent and contemporary events over which the researcher has little control (Sturman, 1998; Ceconi, 2002; Yin, 2003).

In particular, the quantitative survey provides direct interviews with bank management and analysis of indicators of customer acquisition and retention of existing customers both, by comparing the data in the periods before and after important strategic political marketing, management and customer loyalty both in store that out store - *technological innovations, flagship store, sponsorship, organization of events* -.

**Findings** - The financial crisis has shown that if the ability to orient to the customer and to understand the expressed and latent needs lacks in banks and insurance companies, the risk is that the financial system becomes self-referential to their own needs and subject of expertise that make the system even more complex and closed for consumers (Ancarani, Tanzi 2012). In this context it's evident the need to apply paradigms and practices typical of the sale of consumer goods to the service sector, highlighting an area that appears to be characterized by a horizontal differentiation related to accessory services and a greater degree of opening to the consumer.

In particular, the analysis shows that integrated and long-term strategic planning from banking sector determines a positioning of the bank clear and well defined for the consumer, and therefore, the establishment of stable and lasting relationships, which, in addition to customer loyalty, allow a better knowledge of the consumer, resulting in a reduction of information asymmetries and helping to better manage the risk of insolvency by customer funded.

This allows the bank to choose the target customers depending on a risk target, called RAF (Risk Appetite Framework), and this is critical to the determination of capital adequacy (Internal Capital Assessment Process) and a prerequisite for the formulation of the strategic plan.

In this way the bank becomes an important player in the development process of the place, alongside the public authorities in the dynamics of value creation and spread in the reference area, and in the development of the value that is actually being perceived by local stakeholders; therefore sometimes it appears to have a role active in the process described, determining mechanisms of value co-creation.

**Research limitations / implications** - The paper turns out to have the limitations associated with the methodology used, since the generalization of considerations resulting from the study of a single case, can sometimes be questionable, considering the role of the specific context and local stakeholders on the process of development of the sector services. However, as anticipated, this method appears to be consistent and adequate to investigate of phenomena still poorly studied and formalized, such as the one in question.

**Practical implications** - The analysis has important implications for banking managers because, notwithstanding the considerations about the methodology, it highlights best practices and strategies that can be transposed in other contexts and in other territories, thereby growing replicable and reproducible strategic banking sector models. In addition it also has important implications on local policy makers and generally on the development of the place, because the bank can play a strategic role of value co-creator: it is clear the importance of the fact that local authorities understand their role and share strategic development plans with banks.

**Originality** - The work contains a qualitative and quantitative analysis, oriented to investigate the marketing skills of the bank management and the impact of marketing strategies on the development of a sector that appears to be still little studied and formalized; the work then can provide important information about it and create further development of analysis.

**Key words** - Bank marketing, banking management, services marketing, services management.

**Paper type** – Empirical paper.

## **Value Co-Creation and marketing in manufacturing industry**

*Satoshi Seino*

**Purpose** – The purpose of this paper is to apply value co-creation concept to manufacturing industry and propose practical draft. The issues in application to manufacturing industry are specified. Some resolution for these issues are described based on research of servitization cases in manufacturing industry..

**Design/Methodology/approach** – Focusing on the differences environment between goods marketing and service marketing, difficulties in applying value co-creation to manufacture industry are extracted. Solutions are explored based on the means some cases of servitized companies adopt.

**Findings** – Manufacture industry faces 4 realistic difficulty for applying value co-creation to goods marketing; huge number of customer, distance between customers and manufacture, understanding of knowledge and skill of customer, and necessity of extension of supplier knowledge and skill. IT technology has possibility for one of good means. It requires bonds between customers and company like social network system and the cooperation of different industries.

**Research limitations/implications** – To transit from value in exchange to value in use, it is necessary to make environment for direct interaction to customers and concentrate company resource. Moreover manufacture should not produce high quality goods but goods for supporting value co-creation.

**Practical implications** – It is important that companies make direct contact with customers in use. IT system is useful for interaction between customers and companies.

**Originality/value** – In this article it is showed that difficulty of G-D logic marketing in manufacture industry is caused by supposing customer value prior to use and that co-creation has possibility to overcome difficulty. Furthermore a thought examination is conducted in application example as realistic things.

**Key words** - Value co-creation, Manufacturing industry, Application trial.

**Paper type** – Conceptual paper.

## Switching of actor roles in an a2a network: investigation of blogger as an actor role

*Marianne Sepp*

**Purpose** –Actors are known to have multiple roles in a service network (see A2A, Wieland et al., 2012; Gummesson and Grönroos, 2012). These roles are contextually related to specific resource integration activities (Vargo and Lusch, 2008). There has been scant research attention, however, on the switching of actor roles. The purpose of this paper is to investigate the switching of the roles that actors acquire in multiple resource integration activities in a blogging network.

**Design/Methodology/approach** – This study is based on participant observations of the social media launch campaign of two internationally acclaimed beauty products. The participant observation data consists of: a.) 16 semi-structured interviews with actors who took the roles of a blogger, a reader, a customer and a business partner in the campaign, b.) blog posts that discussed the campaign or the campaign products, c.) the actors' comments about the campaign on each others' blogs and on other social media sites.

**Findings** – Analysis of the data revealed that actors switch between the roles of being the blogger, the customer, the business partner and the reader. These multiple roles can be taken by the same actor in different contexts. Actors co-create value in blogging networks by integration of resources, such as, consumption of campaign products, writing blogs, reviewing other blogs and promoting the products. The roles switch when the context of resource integration changes, for e.g., actors, as bloggers, switch the role from being an independent reviewer to becoming a business partner when offered collaboration through a campaign. In this role, actors are analogous to being part-time marketers (Gummesson, 1991). Frequently, the transition from one role to another is not clearly defined and actors perform different roles simultaneously.

**Research limitations/implications** – This paper focuses on the actors whose predominant role is to be a blogger. This paper illustrates the ways in which actors switch roles depending on context and interaction with other actors, thus contributing to A2A research.

**Practical implications** – Managers should take into account that an actor may switch between multiple roles and consider this when planning their marketing campaign.

**Originality/value** – To the best of our knowledge this is the first study which investigates the switching of actor roles in a blogging context. The study conceptualizes 'blogger' as a specific role that actors acquire in their resource integration activities.

**Key words** - Actor-to-Actor (A2A), resource integration, bloggers, service network, roles

**Paper type** –Research paper

## **Review on Resource Integration in Service Ecosystem: Mascot characters as keystone in Japan**

*Masato Shoji Takashi Taguchi, Takamichi Inoue*

**Purpose** - After Vargo and Lusch introduced the service-dominant (S-D) logic (Vargo and Lusch 2004), value co-creation by service started to gain much attention in marketing academics. Traditionally, many studies have expressed interest in value-in-exchange. However, in S-D logic, service co-creation in value-in-context is an important concept. To raise value-in-context, the customer who is a beneficiary of value utilizes not only private resources but also public resources (Lusch and Vargo 2014; Vargo et al. 2008). Conventionally, past research hardly argued about the utilization of public resources. The researchers sometimes argued about the scope of the resources, which can control itself. However, the practical use of the resources, which many people can exploit, and the influence that it has on the activity of a company, was not discussed. In value co-creation by service, the role of public resources is quite large. The mascot characters (yuru-chara), used as means for regional vitalization, are popular in Japan. Therefore, this report examines the importance of public resources by analyzing their role in resource integration.

**Design/methodology/approach** - The mascot character installed by the local government serves as a resource that can be exploited comparatively freely, when beneficial for the practical use of the region. Thus, in this paper, the local character used comparatively often is positioned as a public resource and analyzed. Here, the activity of the region is positioned as a service ecosystem based on the argument on the S-D logic, and a qualitative approach is deployed to analyze the service called regional vitalization in the local character in Japan.

**Findings** - The character used as public resource is combined and used with the knowledge or skill of each organization. While private resources are restricted, it is demonstrated that utilizing public resources effectively affects organizational performance.

**Research limitations/implications** - This research is aimed at the public resources created for the purpose of activating an area. Although it is suitable for the usage corresponding to its purpose, other than that, it is alike; therefore, further examination is needed.

**Originality/value** - Studies so far have seldom argued about resource integration. Moreover, the scope of the studies was limited to the importance of private resources and has been discussed in terms of only service and management. Here, the role of public resources in the service ecosystem is examined by considering the practical use of such resources.

**Keywords** - Service ecosystem, service, resource integration

**Paper type** - Research paper

## **Review of process orientation in international markets: A case study of Japanese firms**

*Masato Shoji, Hiroto Soga, Toshihiko Shinohara*

**Purpose** – This research into Japanese companies operating in a global market shows the importance of a process orientation toward service application. Current research in this area to date focuses on product manufacturers, discussing topics such as the comparative advantage of production, where to base manufacturing operations, and how to sell the products in an international market (Ford & Leonidou, 2013; Kotabe & Helsen, 2014). This viewpoint is based on goods-dominant logic (GDL), which stresses value is embedded in goods and this is how it is delivered (Akaka, Vargo, & Lusch, 2013; Lusch & Vargo, 2014; Vargo & Lusch, 2004; Vargo & Lusch, 2008). However, there is a clear trend towards a service economy where service-dominant logic, which emphasizes processes, has attracted attention. This study therefore considers process orientation in an international market from the service viewpoint.

**Design/Methodology/approach** – This research takes a case study approach focusing on Japanese companies, many of which are highly competitive in international markets. To improve objectivity, analysis is added about the importance of the process in internationalization by case analysis using annual reports.

**Findings** – This study is limited by its small sample from a specific region. However, the Japanese companies targeted in the analysis are suitable objects as a means to examine an international market.

**Research limitations/implications (if applicable)** – The results suggest the importance of process management to for companies looking to expand internationally. Companies with these goals must focus on both quality and the processes within their businesses.

**Practical implications (if applicable)** – The result of this research suggests the importance of process management to the company which is going to advance internationalization. It is required for that the company which is conscious of an international market enhances the concern not only about improvement in quality but a process.

**Originality/value** – This study contributes an international perspective on service research, an approach seldom applied to this discussion in the current literature.

**Key words** - Service, International competitiveness, Process orientation, Service-Dominant Logic

**Paper type** – Research paper

## **The relative contribution of love and trust toward customer loyalty**

*Chen Shu-Ching, Pascale Quester*

**Purpose** - Customer experience of value in use from the service encounter is crucial for the formation of customer loyalty. This study examines the respective role of two constructs, love and trust, as drivers of customer loyalty in a business-to-consumer service context. A review of the psychology and marketing literature suggests prominent roles for both love and trust in relation to long-term interpersonal relationships. The likely interaction between love and trust foreshadowed in prior studies also suggests the need of studying both factors simultaneously. Yet, to the authors' knowledge, the relative contribution of love and trust to loyalty has never been examined in the context of B2C service relationships.

**Design/methodology/approach** - This study collected 293 valid consumer self-administered questionnaires in a personal care service setting. Structural equation modelling was used for data analysis.

**Findings** - Analysis results show that customer experience of love, and trust, are both significant predictors of customer loyalty and their relative contribution toward loyalty. Love is a stronger driver of customer loyalty than trust.

**Research limitations/implications** - The study makes a cross-disciplinary contribution to the literature on loyalty, love and trust, in marketing and psychology. Both of the concepts love and trust are relevant to the business context and are not limited to personal relationships. Especially, this study provides empirical evidence of the applicability of the concept of love in the business context.

**Originality/value** - This study offers a novel explanation of why customers stay loyal in a business relationship using the constructs of love and trust from the perspective of customer experience of value in use. This study contributes to our understanding of consumers' unspoken needs or wants for love and confirms their need for trust in service encounters, helping frontline employees and managers to perform better in their efforts to generate and maintain customer loyalty.

**Keywords** - Loyalty, Love, Trust, Service encounter.

**Paper type** - Research paper.

## **Social value co-creation: findings and implications from Mageires the social restaurant**

*Marianna Sigala*

**Purpose** - This study adopts a market approach for exploring how social restaurants develop their value propositions and ecosystems for creating social value and transformation.

**Design/methodology** - A literature review revealed that a market approach is an appropriate lens for understanding social entrepreneurship, and a framework based on "learning with the market" is developed for identifying ways for identifying, managing and also creating (new) market opportunities for generating social value and change. Findings from various stakeholders (customers, employees, suppliers, owners/founders and other business partners) of Mageires (a social restaurant) are collected for demonstrating the applicability and usefulness of this framework.

**Findings** - The framework identifies three capabilities that can generate social value and transformation: network structure (building networks with various stakeholders); market practices (e.g. institutionalization of a 'new currencies' for conducting economic transactions, adoption of ethical, flexible and all inclusive recruiting practices); and market pictures (e.g. use of a common terminology and performance metrics, generation of stakeholders' dialogues for creating inter-subjective meanings).

**Research limitations/ Implications** - The paper used a case study for investigating how a 'learning with the market' approach can enhance our understanding of social value co-creation processes. Thus, future research should replicate and refine the findings in different industries, countries and cultures.

**Originality/value** - the paper provides a market approach for understanding how social enterprises can shape, manage and engage with markets for co-creating social value. The case study also confirmed the role of social restaurants on driving social transformation by changing "customers'/citizens'" behaviours, market pictures and practices towards the generation of social change.

**Practical implications** - The paper provides practical guidelines to social enterprises for: understanding their role in social value co-creating; identifying the capabilities that they need to develop for motivating the market actors and driving their market pictures and behaviours towards the exchange and integration of resources for social value co-creation.

**Keywords** - social value; social entrepreneurship; co-creation; social restaurants; market view; learning with the market

## **Exploring the role of context and adaptability on customer value co-recovery behaviour**

*George Skourtis, Ioannis Assiouras, Elif Karaosmanoglu*

**Purpose** – While past research has focused on consequences of co-creation in service recovery, this article contributes to services marketing literature by examining the role of context and adaptability on customer value co-recovery behaviour. Drawing on S-D logic, Viable Systems Approach (VSA) and process theories, the authors propose a theoretical model in order to explicate the impact of context and adaptability on customer value co-recovery behaviour. It further explains how customer value co-recovery behaviour unfolds over the resource integration process.

**Design/Methodology/approach** – This is a conceptual paper that discusses the role of context, adaptability, and their relationship with the customer value co-recovery behaviour from the angle of four streams of literature: Service-Dominant Logic, Viable Systems Approach (VSA), process theories, and service recovery.

**Findings** – Customer value co-recovery behaviour unfolds during direct interactions as a sequence of incidents, events or activities and stages between actors. Therefore, customer value co-recovery behaviour is a dynamic adjustment (auto-regulation) resource-integration process, which highly depends on its context as well as on its adaptability to its environment. Customers as viable systems can successfully co-recover value by adapting themselves in structural and systemic changes in their service ecosystems. Therefore, it is claimed that consumers' adaptability influences the co-recovery behavior during service failures something that is conditioned by the context that service failure takes place (e.g. with the attendance of different consumers or not, interactive or not servicescape, etc).

**Research limitations/implications** – This paper is purely conceptual and exploratory, therefore empirical examination of the findings is required. Considerable attention has been devoted recently to consequences of co-recovery process whereas the antecedents are largely neglected. The present research is an igniter for future studies on the determinants of customers' value co-recovery behaviour.

**Practical implications** – Our paper can help marketers understand the importance of personal adaptability and context in customer value co-recovery behaviour, and hence can move them to co-create recovery solutions.

**Originality/value** – This conceptual paper is one of the first of its kind, which introduces the notion of customer value co-recovery behaviour into the conceptual framework of S-D logic by examining the role of context and adaptability. Moreover, contrary to previous authors who limit service co-recovery to participation, we treat co-recovery behaviour as a multifaceted construct as to capture its dynamic nature.

**Key words** - S-D logic, Viable Systems Approach (VSA), process theories, customer value co-recovery behaviour, Service Recovery.

**Paper type** - Conceptual paper.

## **When employee co-destroyed customers' well-being**

*George Skourtis, Ioannis Assiouras, Elif Karaosmanoglu, Jean-Marc Decaudin*

**Purpose** – Drawing on S-D logic, Service Encounter Needs Theory (SENT), and service sabotage behavior literature this paper seeks to investigate how poor (less) engagement in customer value co-creation behaviour may lead to employees' service sabotage behaviour through the violation of their psychosocial needs described by SENT. Specifically, we explore why employees while enhance well-being for themselves by co-creating value, intentionally diminish value for customers in resource integration process.

**Design/Methodology/approach** – This study draws attention to the relatively under-researched topic of value co-destruction process from companies' perspective based on SENT. Building upon value co-destruction in S-D logic and service sabotage behaviour literature, it proposes a conceptual perspective as to explore the role of employees in customer's value co-destruction process.

**Findings** – The study proposes that violation of employees' psychosocial needs in resource integration process may lead to customer value co-destruction process. Employees deliberately co-destroy customer value by engaging in service sabotage behaviours. Moreover, it describes in detail the process by which it occurs, explaining why value can also be co-destroyed intentionally except the condition of resource misuse as previous research revealed. Satisfaction of employees' psychosocial needs is necessary for value co-creation among the different systems in resource integration process. Therefore, SENT provides an explanation of the mechanism through which sabotage behaviors are produced.

**Research limitations/implications** – Previous studies have largely neglected the company's perspective of value co-destruction but rather examined customers' perspective. That is why, the present research focuses on this gap i.e. value co-destruction process from companies' sphere. Since, an elaborate understanding of the phenomena has not been achieved yet; this paper is limited to a conceptual and exploratory approach. However, it has a potential to offer a framework for explaining how value co-destruction occur when misalignment of resources takes place between employees and customers due to violated psychosocial needs of employees as SENT claims.

**Practical implications** – Our paper provides insights into how employees co-destroy customers' well-being in practice, describing the sabotage behaviors and their drivers while in parallel providing explanations to help practitioners minimize these potentially damaging behaviors. Practical lessons for managers are provided.

**Originality/value** – This is the first study to explore why employees during resource integration intentionally diminish value for customers and consequently their well-being. By doing so, we add on customer value co-destruction literature within S-D logic framework.

**Key word** - S-D logic, customer value co-destruction, service sabotage behavior, Service Encounter Needs Theory (SENT).

**Paper type** - Conceptual paper.

## Perspectives on value in use and in (social) context

*Paolo Stampacchia, Maria Colurcio, Maria Rosaria Coppola, Bo Edvardsson*

**Aim** - Recent insights from Service Dominant Logic (Edvardsson, Tronvoll and Gruber, 2011) call for further research on what is value in a (social) context. Such an issue highlights that although value co-creation is a widely researched topic, some concepts and mechanisms are neither conceptually clear nor empirically grounded. This study addresses the challenges of defining the meaning and the essence of value according to an S-D logic ecosystems approach (Vargo, Akaka, 2012). We aim to contribute to the ongoing discussion on where, how, for, and with whom value is co-created and assessed.

**Theoretical background** - The theoretical framework is based on multiple research streams concerning the concept of service and the value co-creation and emphasizes their interconnection to identify the foundational elements for the definition of a value-in-use formula.

1. The concept of service

We considered the main contributions on i) studies on servitization (Vandermerwe & Rada, 1989; Baines et al. 2009) and ii) studies on SDL that propose an ecosystems approach (Sphorer, Maglio, 2010; Vargo, Lusch, 2011) for understanding value co-creation and systems (re)formation (Vargo, Akaka, 2012) and stress the *reconsideration of the scope of value co-creation and how it influences the actions and interactions of individual actors* (Vargo, Lusch, 2011; Ostrom, 2010).

2. The concept of value

We focused mainly on contributions that emphasizes the integration of resources (Vargo, Lusch, 2008) as a central component to value co-creation in S-D logic (Vargo, Lusch 2010; Vargo, Akaka, 2012) as the creation of value depends on social context made of interconnected relationship (Chandler and Vargo 2011) *as well as social structures—rules, and resources* (Edvardsson et al. 2011).

We define our theoretical framework through the lens of the ARA Model (Håkansson, Snehota, 1989). In this section we emphasize the role and typology of Actors, Resources and Activities which we have defined on the basis of the literature review in the above section.

**Methodology** - The paper is theoretical with some illustrations.

**Main Implications** - We agree that value is generated in use, and is generating also in (social) context. Value in use depends for individuals on the balance of (becoming) resources used and generated in use through the interaction with other providers of resources.

Value that individuals assign to goods or services depends on their expectation of value-in-use.

**Originality** - The paper advances knowledge both on the theory and the practice side. It contributes to marketing research as we provide a value-in-use formula which allows scholar's to pinpoint the sources and the modalities of the formation of value-in-use. From the managerial point of view, the value-in-use formula offers a tool for the arrangement of suitable value proposals.

## **Service-based business model in high-tech cultural districts.**

*Lorenza Stanziano, Cristina Caterina Amitrano, Francesco Bifulco*

**Purpose** - The research aims to analyse the services system offered by technology cultural districts and their common business model to create competitive advantage. We want to identify their possible sub typology and to understand if they have the same purpose, as the enhancement of cultural heritage in order to develop tourism experience. Technological cultural districts in their very nature make high-tech systems the core of their offering. However, it is necessary to understand how the high technological solutions can create competitive advantages.

**Design/Methodology/approach** – The research is carried out through a comparative multiple cases study developed in Italy, with a focus on the districts technology for the cultural heritage of Lazio and Campania. The analysis considers some parameters of districts, such as the governance model, the role of citizens, the entrepreneurship, territorial stakeholders' engagement, typologies and level of technology, and the strategy developed in order to apply a matrix that can shows the differences and the similarities between them.

**Findings** – The research shows the different typologies and purposes followed by districts and the different business models applied. It is possible to identify a relevant difference among the cultural districts, so there is a need to describe sub-typology through the findings generated from the matrix. However, every district has chosen to specialize his business area and the technology is a tool to create competitive advantage and to enable territorial development.

**Research limitations/implications** - The services offered by technological cultural districts are very broad and they aim to enhance the territory through the valorization of the cultural resources. It is necessary to research how this models impact on the area, and whether they could generate competitive advantage and regional development.

**Practical implications** - A qualitative analysis supported by a field test should be done in order to investigate the real impact of technological cultural districts on the territory and if they can contribute in generating value by a tourist experience that can satisfy user's expectation.

**Originality/value** – The high-tech cultural district concept has emerged only in the last decade, and today there is not yet a single definition. In that eco-system the identification of the service-based business models in that eco-system is a topic to explore.

**Key words** - Innovation management, business model, technological cultural district, service systems.

**Paper type** - Research paper.

## **Actor engagement as the micro-foundation of service systems emergence**

*Kaj Storbacka, Suvi Nenonen, Rod Brodie*

**Purpose** - Recently, Mars et al. (2012) argued that organizational ecosystems are partly designed and partly a result of emergence. With the exception of Storbacka & Nenonen (2011) little research within SDL has, however, focused on how service ecosystems emerge and evolve. Within strategic management, Thomas and Autio (2014) studied the emergence of six digital service ecosystems and concluded that the “early influence of [...] stakeholders, can have a strong influence on the structure [...] of an ecosystem due to the amplification effect of structuration processes” (p. 30). This suggests that actor engagement is a key micro-foundation of ecosystem emergence. Thus, the purpose of this paper is to explore the role of actor engagement in service ecosystem emergence.

**Design/approach** - The topic is address by a literature review of literature pertinent to SDL, (customer) engagement (Brodie et al., 2011; Chandler & Lusch, 2014), service systems (Maglio & Spohrer, 2008), institutional entrepreneurship and institutional work (Lawrence, Suddaby & Leca, 2011; Gawer & Phillips, 2013), and strategic entrepreneurship (Ireland, Hitt & Sirmon, 2003).

**Findings** - First, we define actor engagement as a meta-construct that involves both the actor’s disposition to engage (Chandler & Lusch, 2014) and the actor’s activity of engagement. Second, building on the idea of generic actors (Vargo & Lusch, 2011) we seek to deliniate the actor. Building on actor-network-theory (Latour, 2005) and practice theory (see Korkman et al., 2010), we posit that actors can be viewed as humans, machines or processes/practices, and various collections of humans, machines, and processes/practices (i.e., organizations). Third, as service ecosystems emerge through engagement of generic, service-for-service providing, resourceintegrating actors, no value can be created without actor engagement. Hence, engagement can be viewed as an antecedent to value creation. Actors’ engagement occurs within shared institutional logics (Lusch & Vargo, 2014), and simultaneously builds and sustains such logics. Hence, we argue that the structuration of service ecosystems happens through engagement (Phillips et al., 2000).

**Practical implications** - Actors’ engagement with other actors can be viewed as an antecedent to ecosystem emergence. Focal actors can attempt to design mechanisms for engagement in a service ecosystem, but also need to plan for emergence due to un-controllable engagement.

**Originality/value** - For a scholarly audience the article contributes to the discussion on how markets emerge and evolve. For a practitioner audience it offers ideas on how firms can both design markets and plan for emergence.

**Key words** - Actor, engagement, market emergence, resource integration

**Paper type** - Conceptual paper

## **Effects of the Focus on Goals versus Processes of Actions on Consumers' Perceptions of Service Recovery Efforts**

*Satoko Suzuki, Kosuke Takemura, Takeshi Hamamura*

**Purpose** – The purpose of this paper is to understand how construing actions influences consumers' perceptions of service recovery efforts. When construing an action, some people focus more on the goal whereas others focus more on the process. We propose that these individual differences affect consumers' perceptions of firms' service recovery efforts. In particular, consumers having tendency to focus on the process (rather than the goal) of actions will place more importance on apology than on compensation.

**Methodology** – Two studies were conducted to test our prediction. In Study 1, participants read two scenarios (a restaurant that provide an apology but no compensation, and another restaurant that provide a compensation but no apology), then answered their likeability of each restaurant. The BIF (Vallacher & Wegner, 1989) was used to measure participants' focus on goal vs. process. In Study 2, a survey approach was used to examine naturally occurring responses within the population of interest (i.e., customers who had experienced a service recovery within a past year). Respondents were asked to recall a service recovery encounter (gained compensation, but bad service recovery process and/or did not gain compensation, but good service recovery process) and evaluate the recovery experience as well as report their focus on the goal or process (measured with the BIF).

**Findings** – Two studies provide support for our prediction. Individuals who are more likely to focus on the process (rather than the goal) of actions better evaluate the firms' service recovery efforts focusing on process / apology than on compensation.

**Research limitations/implications** – This paper contributes to the service recovery literature by shedding light on the role of construal level to service failures. Further studies are needed to show the underlying processes of these effects.

**Practical implications** – This paper demonstrates that the effectiveness of service recovery efforts, compensation and apology in particular, may vary among the individuals. Our findings offer a new perspective, suggesting that managers should consider the consumers' construal level implications when designing service recovery efforts.

**Originality/value** – Understanding how customers evaluate firms' service recovery efforts is important from customer relationship management perspective. However, researches on how firms respond to a complaint is still limited (Davidow, 2003). This paper aims to fill such research gaps. In addition, this paper is the first research to empirically show the effect of construal level on service recovery efforts.

**Key words** – Service recovery, construal levels.

**Paper type** – Research paper.

## **The completion level of offerings and the consumer's creativities**

*Takashi Taguchi, Masato Shoji, Akira Ohyabu*

**Purpose** – The purpose of this paper is to extend an idea on the value evaluation of Service-Dominant (S-D) logic to the offering evaluation. In Service-Dominant logic, all of transactions is viewed B2B, and then firms and customers is viewed generic, resource integrating actors overthrowing division between them (Lusch and Vargo 2014). According to Vargo and Lusch (2004), S-D logic suggests that the enterprise can only make value propositions (FP7), then this paper proposes that the firm's offerings is also perceived subjectively and evaluated uniquely from the customer perspective.

**Design/Methodology/approach** – From Customer Culture theory (Arnould 2007; Arnould et al. 2006), this study interviews with the firm's managers and their customers and explores how creative consumers evaluate firm's offerings. Based on the interviews, we develop a conceptual model in related the consumer evaluation of the offerings.

**Findings** – The completeness of firm's offerings is perceived and evaluated from the customer's view point. If creative customers perceive firm's offerings as an incomplete one, then their creativity will be inspired to complete them along with their own taste. Therefore, the way of co-creation of value between firms and customers is also vary.

**Research limitations/implications** – This paper directs to focus on customer's creativity on value co-creation practices. Although traditional consumer behavior research usually implies that firms should consider the involvement level of their customers, based on the idea of the value co-creation of S-D logic, consumer behavior researchers is needed to explore the creativity level of consumers.

**Practical implications** – Managers must adjust their product offerings to the creativity level of their consumers. If the creativity level of customers is higher, managers should decrease the completion level of their offerings. This paper implies that when firms present the low completeness of offerings, manager should establish value creation supporting networks around the customer's social context (Edvardsson et al. 2011).

**Originality/value** – This study focuses on the value propositions from the consumer perspective. This paper also emphasizes the creativity level of consumers to make value propositions. The implication of this study opens great opportunity to understand the value co-creation phenomena.

**Key words** - Value propositions, Incomplete offerings, secondarily creation, creativity level, value co-creation.

**Paper type** – Conceptual paper / Research paper / Conceptual paper.

## **The role of shared intentionality in the emergence of (service) ecosystems**

*Marie Taillard, Linda Peters, Jaqueline Pels, Cristina Mele*

**Purpose** - As Service Dominant Logic continues to explore the role of (service ecosystems), one important area to explore is collective agency and specifically collective intentionality in these systems. The extant literature on the emergence of ecosystems generally, and service ecosystems more specifically, has identified some form of shared intentionality as one of the features or possibly conditions for such emergence (Wieland et al., 2012; Vargo & Lusch, 2011; Moore, 2013). It is thought that if their goals are aligned, different agents (or systems) can act together to integrate resources and create value to improve their own state and that of others. Beyond this basic premise however, not much has been written on how much alignment there should be, the nature of these goals, how they develop, or the role they play in the emergence of (service) ecosystems. The emergence of collective agency and intentionality is a topic which has preoccupied psychologists (Tomasello, 2009; Tomasello and Carpenter, 2007), sociologists (Bourdieu) and philosophers (Bratman, 1995; Bratman, 2014; Searle, 1983) for much longer than it has management scholars, and we therefore turn to their literatures for answers to these questions. In general, they outline a range of possible types of shared intentionality that can go from simple coincidence of goals (e.g., two people walking at the same time along the same street can be said to have the same intention) all the way to complete collaboration without which the joint project ceases to exist (e.g., playing a piano duo). Based on these literatures, we posit certain propositions regarding the role and nature of shared intentionality in the emergence of (service) ecosystems and begin to evaluate them empirically.

**Design/Methodology/approach** – This paper will consist of a thorough review of the literature on shared intentions in psychology, sociology and philosophy, and its application to work on (service) ecosystems. Having developed propositions, we will evaluate them by using managerial interviews.

**Research limitations/implications** – The paper is seen as a first step in the development of a collective agency framework for (service) ecosystems. Future research will require further empirical research.

**Practical implications** – Understanding the role of shared intentions in ecosystems, how they develop and what can facilitate them offers important insights into how to create and nurture an (service) ecosystem.

**Originality/value** – Little work has been done integrating psychology, sociology and philosophy literatures into this area.

**Key words** – Service ecosystems, shared intentionality, agency.

**Paper type** – Conceptual and empirical.

## **Customer value co-creation: a conceptual measurement model in a Service Dominant Logic perspective**

*Aurelio Tommasetti, Orlando Troisi, Massimiliano Vesci*

**Purpose** – The main purpose of the paper is to try a development of a scale of customer value co-creation based on behavioral and cognitive activities. We would like to address the call by Payne, Storbacka, and Frow (2008) and Schau, Muniz, and Arnould (2009) to understand what customers actually do when they co-create value but even more the stimulation of Mc-Coll Kennedy et al. (2012) that in their theoretical and qualitative work underpin the need of a scale development and validation.

**Design/Methodology/approach** – The study is based on Value Co-Creation Approach, using S-D logic framework. Our works start from the eight broad themes of value co-creation activities identified in the study of Mc-Coll Kennedy et al. (2012). For the development of the scale we use the methodology proposed by Churchill (1979) using an exploratory factor analysis and if necessary to a structural equation model for the estimation of a confirmatory factor model.

**Findings** –The paper underpin the idea to develop a scale of customer value co-creation based on behavioral and cognitive activities. We starts from a validation in the health care sector, but we retain that such a scale may not be a lot different in other service settings such as education or legal services. The scale would be useful in better understanding customer value co-creation conceptualization in a service-dominant logic.

**Research limitations/implications** – The main implication is the availability of a validated construct usable to verify new research framework in all the field of service marketing, testing for example the fit of customer value co-creation with customer satisfaction, behavioral intention, relationship continuance and loyalty.

**Practical implications** – The paper helps entrepreneurs, managers to better understand the specific tasks that customer has to do in value co-creation in a specific context.

**Originality/value** – The paper originality is the development of a scale in the area of customer value co-creation.

**Key words** - Value Co-creation – Scale – Service Dominant Logic –

**Paper type** – Conceptual paper / Research paper /

## The silent contribution of flexibility to service systems

*Marco Tregua, Danilo Brozovic*

**Purpose:** Previous literature tackling service systems only sporadically mentions flexibility as one of the factors necessary for the well-being of such systems (Sheu *et al.*, 2003; Basket *et al.*, 2011); some recent contributions started to highlight the linkages between flexibility and service systems (Polyvyanyy *et al.*, 2011). The purpose of this article is to delineate the “silent” contribution of flexibility to service systems, by addressing how and why service systems can benefit from this ability. The search for common features in the two literature fields is aligned with the suggestion from literature encouraging research about flexible service systems.

**Design/methodology/approach:** Extant literature in flexibility of/and/in service systems is scarce. In order to establish a firmer ground for future research, this article applies two methods. One, a bibliometric analysis through Bibexcel (Persson, 2008) assessing relevant literature is conducted; and two, conclusions based on the in-depth analysis of literature is performed to illustrate the implications of flexibility in strategizing and the ties emerging among the most relevant elements from literature both on service science and on flexibility.

**Findings:** The literature that explicitly addresses how flexibility benefits service systems is limited, as the efficiency seems to be the only dimension affected by the positive contribution of flexibility (Metters and Vargas, 2000; Belvedere *et al.*, 2013). The two literature frameworks highlighted in this research showed some common points, opening research avenues to better frame flexibility in the context of service science. This paper provides the proposal of a theoretical model illustrated by taking into account the most relevant contributions from scholars.

**Research limitations/implications:** This article is based on relatively scarce body of incoherent literature, which nevertheless does not diminish its relevance. Possible research avenues are thus established in the research implications.

**Practical implications:** This article establishes the basis for a practically applicable flexibility perspective of service systems. A potential further development of this research stands on the illustrative example of smart cities, due to the pivotal role played by flexibility in the so-called smart interventions.

**Originality/value:** This paper emphasizes one previously relatively unaddressed mechanism of service systems and thus presents a new theoretical perspective.

**Keywords:** flexibility, service systems, strategy

**Paper type** – Theoretical paper

## **Innovation in multiple contexts: searching in the jungle of innovation conceptualisations**

*Marco Tregua, Tiziana Russo Spina, Francesco Bifulco*

**Purpose** – In recent years, a growing interest in innovation literature has been captured by studies depicting the increasing complexity of this phenomenon that largely involves a great variety of actors and their contexts. So different innovation labels have started to affirm contributing a great deal to obscuring what innovation really means in highly interconnected contexts.

This research aims to review the multiplicity of contexts as natural *loci* where innovation takes place; due to the several labels shaped by scholars, the authors here pinpointed three main concepts: innovation system (Lundvall 1985; Freeman 1995), innovation network (Powell *et al.*, 1994; Ahuja, 2000, Ritter and Gemünden, 2003), and innovation ecosystem (Moore, 1993; Adner, 2006; Lusch and Nambisan, 2014).

The paper goes in depth in the analysis of how the studies grouped under different labels interpret the contexts and processes enabling innovation to take form. Through the means of literature review, the paper examines theoretical foundations, outcomes, and patterns of contributions to which each innovation label is tied and depict differences and similarities among them.

**Design/Methodology/approach** – A first overview through a query on Web of Knowledge led to the focus on scholars' contributions about innovation system, innovation network, and innovation ecosystem. The authors focused on the most relevant issues through a content analysis thanks to NVivo; then the top 50 articles were in-depth analysed to describe the features used to define and frame innovation.

**Findings** –The comparison among the selected definitions from the three research streams on innovation led the authors to focus on some features, useful to mark the common basis and the differences among three innovation labels.

Regarding innovation, it is thought as based on different contexts that are pivotal to understand innovation in each perspective. Actors appear as the key element in considering why innovation was firstly framed through a system approach, then as in a network, and more recently as in an ecosystem. The role of knowledge and technology is another crucial aspect to favour a better depiction of actors and to extent the vision from system to network and ecosystem innovation mainly in the perspectives of complex service and platform innovation literature. Finally, strategy and performance are also elements useful to depicting differences in the path leading from innovation system to innovation ecosystem.

**Research limitations/implications** – The investigation focused on three innovation labels and on the top cited articles, hence it can be complemented with a full analysis through a bibliometric approach to test if the features emerging from the study are linked to other relevant elements.

**Originality/value** – This research fills the gap about the different ways innovation in a multiple contexts is framed. It provides a useful way to appreciate how the academic debate is different around the concept of system, network and ecosystem innovation. It also provides a framework to move towards a more unified understanding of innovation as systemic and multi-actors phenomenon.

**Keywords** – network, ecosystem, system, knowledge, technology

**Paper type** – Conceptual paper

## The application of service-dominant logic in sport services

Rodoula Tsiotsou, Stephen L. Vargo

**Purpose** – The purpose of the paper is to propose the application of a service ecosystem approach in sport services which is based on the service-dominant logic and its foundations.

**Approach** – A basic tenet of S-D logic is that value is co-created among social/economic actors, and value is actualized (co-created) and determined by the customer – rather than value being embedded in the offering by a firm (Vargo and Lusch, 2004; 2008). The notion that value is co-created is especially applicable to sports as social/cultural and economic phenomena concerning sport fans, because various parties or entities are explicitly or implicitly involved in all phases of the sport experience –from actual sport experience in a sport event where sport consumers interact with employees and other consumers, to discussions with friends, families, and other social networks. The S-D logic has been extended by Vargo and Lusch (2011) to a more systemic and dynamic view by introducing the concept of a service ecosystem, which focuses on the interactions and exchanges of service among various stakeholders. *Service ecosystems* have been considered as “relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional logics and mutual value creation through service exchange” (Vargo and Akaka 2012, p. 207). Sports can be considered as service ecosystems where market interactions take place throughout networks of sport organizations, sport fans/participants and other stakeholders (e.g. sponsors) which are governed by values, rules, rituals, social norms and cultures.

**Research Implications** – The introduction of a service ecosystem approach in sports based on the S-D logic will strengthen the theoretical foundations of sport marketing and provide directions for future research.

**Practical implications** – The S-D logic approach can help sport businesses/organizations recognize the joint roles of the business/organization, the sport fans, and sport participants and elements in the value co-creation process in a larger picture. Moreover, the service ecosystem approach can provide a comprehensive approach in the role and influences of the actors involved in sports.

**Originality/value** – In this paper, we discuss an overview of S-D logic and the implications of the S-D logic’s key FPs for sports in setting marketing objectives, allocating resources, and fostering competitive advantage. Moreover, we link the S-D logic to the service ecosystem paradigm to explain how the influences and relationships developed among the actors involved shape sport experiences.

**Key words** - Service-Dominant logic, service ecosystem, sport marketing.

**Paper type** – Conceptual paper.

## **A new perspective on port supply chain management according to the Service Dominant logic**

*Carmela Tuccillo, Orlando Troisi*

**Purpose of the Paper** – The increasing role of ports in the whole logistics system invites a more detailed examination of port supply chain management (Christopher, 1992; Meersman and Van de Voorde, 1996; Coyle *et al.*, 2003; De Martino and Morvillo, 2009). The purpose of this paper is to provide a new perspective on port supply chain management according to the Service Dominant logic (S-D logic) perspective (Lusch *et al.*, 2010; Lusch, 2011). Thus, the concepts of service, value co-creation, value propositions, operant resources, networks, service ecosystems and information technology are explored through a case study approach.

**Approach** – A systematic analysis of the current supply chain (SCM) and port-related literature is carried out through the lens of the value co-creation process (actors, resources, actions for practice/service development and value). Drawing from the Service Dominant Logic perspective (Vargo and Lusch, 2008; Vargo, 2008; Gummesson *et al.*, 2010) and the Service Science, this paper offers a more complete understanding of SCM in an innovative way which potentially lead to co-create value. The study takes a qualitative approach adopting a case study (Yin, 2003) to understand and explain the role of S-D Logic in the conceptualization of port supply chain management.

**Findings** – The adoption of S-D logic perspective to port supply chain management enables identifying a system of value co-creation and competitiveness development, individualized according to the key stakeholders involved and the purpose it is created for. As this paper demonstrates, the port supply chain is re-conceptualized as a network of service systems each representing distinct (mostly operant) resource according to the service-dominant logic perspective (Lusch and Vargo, 2006).

**Practical Implications** – Hence, the main practical implication of this paper is the definition of a value co-creation process as a suitable perspective to develop ports' competitiveness. The use of the model of S-D logic enables to design a comprehensive framework which allows planning the creation of competitive supply chains.

**Originality/value** – The study represents a first attempt to analyse relations between port supply chain management according to the S-D logic perspective. This enables a more rigorous and comprehensive approach to understand ports' competitiveness development.

**Type of paper** – Case study paper/Research paper.

**Key words** - S-D logic, service science, port supply chain management, ports' competitiveness.

## Small firm challenges in developing value partner relationships

*Tiina Valjakka, Inka Lappainen*

**Purpose** – In service research, the widely adopted theoretical argumentation has been based on the transition from Goods-dominant logic (G-D logic) towards Service-dominant logic (S-D logic). However, the growing debate on S-D logic still lacks empirical evidence concerning complex transformation processes of long term business relations. The objective of this paper is to explore challenges a small firm faces during the transformation process from product provider to value partner and identify the critical factors in the development process, especially the focus is on the changing customer relationship and collaborative process of defining the value proposition.

**Methodology/approach** – The research methodology used in this study is qualitative case study. The selected cases consist of seven business relationships (one provider and seven customers) in different development phases. Empirical research data is gathered by in-depth interviews of key persons in the companies. We utilize a framework of defined development steps from product provider to value partner to analyze the history and current state of the relationship as well as the objectives of both parties in the relationship.

**Findings** – The need for customer understanding increases and the interface between companies broadens as a company moves up the development steps. During the transformation process a company needs to build up certain capabilities and also to modify the value proposition process accordingly. The effect of the history of the relationship in the development seems twofold: it builds trust and increases understanding but it may also hinder development if a customer has a strong view of the provider's role in customer's business processes.

**Practical implications** – The framework and results of this paper provide practical examples and guidelines to firms, especially to multi-skilled SMEs that aim at becoming value partners with customers. Thus a profound change is called for in both provider's and customer's orientation towards continuous value co-creation and innovation as well as concrete organizational and managerial practices enhancing mutual understanding and collaboration.

**Originality/value** – The paper contributes to the discussion on service transformation by bringing needed empirical insight into the complex challenges of a small company in relationships with its customers.

**Key words** Transformation, value partner, development steps.

**Paper type** – Research paper.

## **The Relations between Service Science and IT**

*Leonard Wallezký*

**Purpose** – After more than 10 years of the history of service science there should be answered the question of the relation between Service Science and information technologies. Service Science was born on IT background, but is it now independent science? Is the parent-child relation only one link between those disciplines? Or does information technology play some other role in Service Science that could not be replaced?

This problem is also strongly related to the teaching methodology and the way of creating new, modern, multi and transdisciplinary study programs on universities, based on idea of Service Science.

After more than 3-years of research and consultations there were three basic relations described. The aim of the article is to describe them with all developed consequences, including practical applications.

**Design/Methodology/approach** – Theoretical framework and comparison with the literature. Combining ICT and economics point of view to the topics.

**Findings** –Relationships between service science and information technologies that could help with solving particular problems in service design, managing the project teams and creating study programs.

**Research limitations/implications (if applicable)** – This study can become a base for the further study of complex problems, related with Service Science

**Practical implications (if applicable)** – The article is useful for everyone who wants to develop new approach to services, use service science idea.

**Originality/value** – Using the recommendations could help with solving service development problems not only on IT field

**Key words** (max 5) Service Science, Information technology

**Paper type** – Conceptual paper

## Understanding virtual co-creation activities in a teen virtual world environment

*Janet Ward, Johanna Gummerus*

**Purpose** – Nascent marketing literature highlights that value is co-created when a customer uses a good or a service (Vargo and Lusch, 2004), and that the customer's role in value co-creation needs to be mapped (Lusch et al, 2007). We are interested in the customer co-creation that takes place in a marketer-created interactive-services environment (Bolton & Saxena-Iyer, 2009) of the teen virtual world Habbo Hotel. Users truly act as resource creators, producing much of the content/activities such as socializing, building rooms, game playing, holding events and trading, which we argue are in the domain of co-creation (Prahalad and Ramaswamy, 2004).

**Design** – Eisenbeiss et al (2012) find user segments of socializers, refugees, creativity seekers and specialists in Second Life but suggest the teenage focus in Habbo Hotel would moderate these results. This research extends research into the teen virtual worlds and makes a comparison between UK and Finnish users. An initial period of participant observation led to the design of an online survey. Questions were taken from previous studies and also developed based on our participant observations. A survey link was placed on Habbo Hotel's Finnish and English-speaking portals. This paper analyses and interprets the activities that take place in-world using factor analysis.

**Findings** – Initial findings show eight activities emerging although there appear to be differences between the two portals. We will discuss the activities and their co-creation element. Importantly some may be perceived as negative. There will also be a detailed analysis of the similarities and differences between the activities in the UK and Finnish portals at the conference.

**Research limitations/implication** - There is a difference in the number of responses received between the portals N=1090 UK and N= 229 Finland, that relates to the size of the user base in each portal. Compared to extant research our research suggests there is a wider range of activities. This may relate to differences between virtual worlds for different age groups, or may suggest that new activities are developing, that there are cross-cultural differences and/or that extant research has only sought to identify positive co-creation activities.

**Practical implications** – To develop future co-creation activities in teen online environments, for co-creation across cultures and in highlighting dimensions useful in profiling within virtual worlds.

**Originality** – This research gives a far more detailed mapping into customer roles in co-creation in teen-focused co-creation virtual environments and uniquely compares users from different countries. 402.

**Key words** – Co-creation, Habbo Hotel, Virtual world, Cross-cultural, Factor analysis.

**Paper type** – Research paper.

## **The impact of resource integrating practices in collaborative innovation on service beneficiaries' value creation**

*Carolin Wernicke*

**Purpose** - Due to its widely recognized advantages, many organizations innovate in collaboration with partners. However, a high percentage of these innovation collaborations fails, and thus poses a severe economic risk to the participating organizations. Since the process of innovation consists of continuous co-creation practices, in which resources are integrated and thus value is created, these practices are analyzed to gain a detailed understanding of the circumstances the collaborative innovation takes place in. In line with this, the objective of this study is to develop a framework of practices that are required to overcome these frequent failures and achieve successful innovation results, and thereby create value for the parties involved in the collaboration.

**Design/methodology/approach** - This paper draws on innovation and Service-dominant logic literature and conceptually reviews how innovation and other forms of collaboration have been approached from a practice-based perspective. As a result, a theoretical framework for resource-integrating practices in collaborative innovation is developed. The elements of the framework are subsequently abductively revised based on an empirical study comprising interviews with experts in the field of collaborative innovation.

**Findings** - S-D logic based (collaborative) innovation considers the customer and other stakeholders as highly relevant actors in the innovation process. Therefore, the underlying resource-integrating practices have to be reconsidered to particularly take the joint and relational practices in the innovation process into account.

**Originality/value** - This paper extends extant practice perspectives in innovation processes in combining S-D logic and practice theory to develop a framework for value creating resource-integration practices. As such, it offers a starting point to revise existing practices in collaborative innovation and detect potential weaknesses.

**Keywords** - Collaborative Innovation, Service-Dominant Logic, Practices, Resource Integration, Value Creation

**Type** - Research paper

## **Multichannel customer journeys as service systems – implications for S-D Logic**

*Julia Wolny*

**Purpose** – People are exposed to increasingly complex multi-channel shopping journeys, at times generating new behaviors such as showrooming and webrooming. This complexity, however, seems to be added primarily from the marketer’s perspective. From a consumer perspective, these new behaviours emerged as a way of simplifying the decision-making processes in the ever-expanding digital universe. This paper aims to address the question of how this shift in consumption practice affects the traditional service system and its locus of control, and thus draw implications in light of the pillars of SD logic.

**Methodology / Approach** – The research draws on an inductive study. First-hand reports of consumer shopping journeys for cosmetic products were obtained using two data collection methods: (1) personal diary and (2) interview. Twenty respondents (all women) were asked to complete a cosmetics shopping diary, recording their thoughts, feelings and actions related to cosmetics products over 2 weeks, using everyday, personal language. As it was an electronic diary, respondents were encouraged to incorporate multimedia — photos, videos, links – relating to their purchase and consumption journeys.

**Findings** – The aggregate analysis of reported shopping journeys helped identify key multi-channel influences across different stages. The readiness and usefulness of the firm, and consumers themselves, as operant resources, to shape the multichannel experience at each stage is explored, and hence the locus of control. The analysis also demonstrates how customer journeys focus on value-in-use and so blur the distinctions between products and services, leading to (self)managed experiences.

**Originality / Value** –Through inductive analysis, our research allows for realistic patterns to emerge of how consumers use and react to different media, channels and devices in their shopping journeys, thus helping in theory building. We recognize (1) actor-to-actor interaction as an integral aspect of social-mediated shopping, (2) the interdependencies between products and services in constructing multichannel journeys and (3) the complexity of the design, management and improvement of multichannel shopping journeys as service systems.

In terms of practical contribution, customer journeys are increasingly used for marketing automation purposes to guide customers through the purchase funnel by matching marketing activities against stages in the buyer journey. This indicates that there are strong links between customer journeys on one hand and customer experience management (CX) on the other. Hence deeper understanding of the former explored in our paper, aims to help build more responsive firms and ecosystems.

**Keywords** – customer journey, experience design, multi-channel marketing, digital marketing, service system, Web 2.0

**Paper Type** – empirical paper

## **Poster Session**

## **New insights on Financial Sector Marketing: confirmation of a Region-of-Origin Effect**

*José Manuel García-Gallego, Antonio Chamorro Mera*

**Purpose** – Globalization has made the origin an attractive attribute in differentiating products in many sectors. For this reason, research on the place-of-origin effect has proliferated in recent decades. Nevertheless, there are still gaps in this field, especially in relation to the region-of-origin effect and to the influence of certain moderating variables on it. Beyond that, scholars have paid little attention to the place-of-origin effect in the services sector. The current situation in southern Europe financial sector obliges many small financial entities to undertake mergers in order to face the stability and solvency policies established by the European Central Bank. In this sense, behind the economic and financial decision to integrate with erstwhile competitors, there exists, albeit implicitly, some marketing decisions related to brands of origin that have to be made by these institutions. This paper aims to study how variables as the region's overall image, the perceived quality of its services, and consumer ethnocentrism affect the intention to choose a regional financial entity. Special attention is paid to the moderating role played by familiarity.

**Design/Methodology/approach** – A structural equation model was applied to identify the variables that explain and moderate the intention to choose regional financial entities.

**Findings** – The results show the region's overall image, the perceived quality of its services, and consumer ethnocentrism to affect this intention directly and indirectly.

**Research limitations/implications** – Place-of-origin effect is not universal. Due to this fact, the results of the studies focused on this research topic are difficult to extrapolate to other geographical areas.

**Practical implications** – The results of this paper will contribute to guiding decision-making on brand management for financial entities.

**Originality/value** – There is a need for research on the place-of-origin effect in the services sector. The current situation in southern Europe financial sector strongly justifies this fact. This paper provides a starting point for further research about this effect in the financial sector.

**Key words** - region of origin, financial sector, preferences, structural equation modeling.

**Paper type** – Research paper

## **Assessing the firm's self-service technology (SST) readiness: an empirically grounded explanatory model**

*Peter Ekman, Randle Raggio, Steven Thompson*

**Purpose** - The paper develops a conceptual model that supports an assessment of the self-service technology (SST) readiness of a firm. The simultaneous development of technology and services gives firms the opportunity to leverage their value offerings to customers but it also requires that the adopting firm master both systems and service-dominant (S-D) logic thinking. The SST readiness model depicts which of these capabilities are required when a firm adopts SST.

**Design/methodology/approach** - The paper builds on S-D logic and systems thinking. Through a case study spanning multiple actors in the real estate sector, it utilizes systemic combining to develop a conceptual model.

**Findings** - The resulting SST readiness model incorporates the firm, its partners, and customers in the firm's context (including societal institutions), where the firm needs to leverage capabilities both within the organization and through external partners. SST readiness is established on three levels: (1) the orientation level (business model, information strategy, and infrastructure), (2) the implementation level (organization and partners), and (3) the value proposition level (platform).

**Practical implications** - The SST readiness model allows firms to determine the necessary resources and capabilities needed to incorporate SST as part of their value propositions.

**Social implications** - The model is empirically based on a SST initiative for sustainability within the real estate sector, and incorporates the positive and negative affect that institutions have on firms seeking to adopt SST within a specific industry.

**Originality/value** - The paper bridges S-D logic and systems science which is needed to get a holistic, yet understandable and compact, model that depicts the complex capability structure needed for firms that adopts SSTs. As such, it links the individual conditions captured by e.g. the technology acceptance model (TAM) with the organizational conditions focused in systems research. Furthermore, the SST readiness model includes consideration of the adopting firm's wider industry context.

## **Servitization - transition from manufacturer to service provider**

*Natalia Kryvinska, Sebastian Kaczor, Christine Strauss, Michal Gregus*

**Purpose** –The concept of servitization is driven by general business environment aspects like decreasing profit margins and revenues in manufacturing and equally internal drivers concerning financial, strategic and marketing aspects emerged. Consequently, higher margins on services tempt financial consideration, whilst the competitive advantage due to differentiation drives strategic aspects. Also marketing issues are tackled since servitization pushes sales and tightens customer relationships. In fact, it is necessary to be aware that although servitization exclusively deals with services, its origin and motivation arises from the manufacturing industry, since services are augmented elements of the tangible products offer.

**Design/Methodology/approach** –The aim of a company applying servitization is constituted by gaining certain advantages concerning financial, strategic or marketing tasks, through operating somewhere on the transition line between the product service continuum. In order to maintain this, a three-level approach is proposed. The initial level introduces the first step to go on with the transition from a strategic point of view, via a four-step framework. Consequently, the second level operates on the strategic business unit (SBU) stage, examining companies existing capabilities to choose the proper implementation of servitization. Ultimately, the third level elaborates a six-step framework concerning success factors in service and completes the transition.

**Findings** –The paper provides guidelines for conducting the transition towards servitization. Accordingly, it elaborates a certain route map to ease the access for this approach. Consequently, it examines strategic considerations concerning prospective businesses, with regard to existing capabilities in companies. It also depicts success factors considering a service business to complete the transition to servitization.

**Research limitations/implications** – This is a conceptual paper, based on a detailed literature review. Thus, it proposes a route map for the transition toward servitization, which in turn opens possibilities for further research in this area.

**Practical implications** – The aim of servitization is to co-create value with the customer in order to gain benefits by enriching its product offers with services. And, since the desired value co-creation is carried out by the underlying services, it is crucial to know about their characteristics and modes.

**Originality/value** – The servitization does not represent a certain mode of applying a service to a good, but a transition from a manufacturer to a service provider. Thus, the paper contributes to the understanding of organizational restructuring, developing new capabilities; and a change of the business model from transaction- to relationship-based.

**Key words** - Service, Service Science, Servitization, Service Economy, Value Co-Creation

**Paper type** –Conceptual paper

## Value Propositions and a Human Service Logic

*Helena Liewendahl*

**Purpose** This conceptual paper presents an integrative, cross-disciplinary conceptual framework on employees' motivation to live up to value propositions in value practices. In practice firms make all kinds of value promises and often these psychological contracts are broken. Employees, in particular emotion workers, who interact with customers, do still, despite the increase of technology-based services with less personal interaction, have a substantial impact on customer experiences in particular in face-to-face interaction. In the customers' eyes emotion workers still represent a firm as its "brand ambassadors". Therefore their motivation to participate in the emergent value process is still pivotal.

**Research Design** An abductive approach was used to develop the framework. It draws upon findings from a longitudinal, qualitative action based case study. It combines the empirical findings (factors employees experienced motivating and de-motivating) and a set of theoretical frameworks; co-workership, humanistic management, motivation science and third and fourth force of psychology, as its informants.

**Findings** The suggested conceptual framework, the Human Service Logic (HSL) emphasizes the human factor in value creation and sees emotion workers as actors in the process. Therefore their capabilities and motivation for performing in accordance with their firm's value promises, as uttered in its official discourse, is argued to be of significant importance. The HSL is summarized as six core principles, e.g. co-active power sharing and agency to participate, integrating experiences, a practical circular ontology and authentic promises. Further the HSL suggests firm-internal social- and service competence as central to employee motivation.

The HSL represents an employee discourse on motivation and thereby deviates from the common assumption in service research; that managers are able to order subjectivity towards employees and see to it that employees are motivated. In regard to value propositions it departs in particular from the Nordic School and its longstanding traditions of placing value propositions in a central position "as promises of potential future value creation" and the pivotal role of employees as facilitators in value co-creation, and the effective use of supplier-customer interaction as a means of directly influencing customer value fulfilment and value co-creation.

**Originality and Value** The framework brings together several theories that have not been previously jointly connected within service research. By its humanistic and systemic approach it advances the understanding of *integration and management of resources and capabilities* as well as the human factor involved in living up to *value propositions*.

## Location-based crowdsourcing services – a taxonomy of value-co-creation

Andreas Mladenow, Christine Bauer, Christine Strauss, Michal Greguš

**Purpose** – As different types of crowdsourcing services emerge on the market, we emphasize that the important aspect of location-dependency is more complex than assumed. Hence, in terms of crowdsourcing services, the issue of ‘location’ has to be systematically elaborated and integrated into existing frameworks on a conceptual level. This paper aims at bridging this research gap and presents a taxonomy of crowdsourcing alongside the dimensions of locality and interaction (cf. Table 1), and underpins these combinations by pointing to real-world applications currently on the market. In practise, different combinations of collaboration-based and tournament-based crowdsourcing along the dimensions of locality occur. In order to implement crowdsourcing concepts, we argue that a systematic approach is needed for further research on crowdsourcing, its (present and future) services as well as coordination of potential participants at the right time at the right place.

**Tab 1: Four types of crowdsourcing based on locality and interaction**

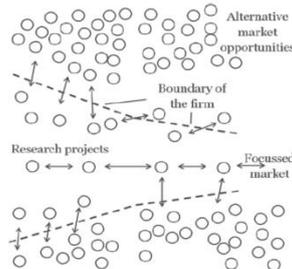
Interaction between crowdsourcees	Type of search	
	Local	Remote
Interaction	Collaboration-based crowdsourcing with local participants	Collaboration-based crowdsourcing with remote participants
No interaction	Tournament-based crowdsourcing with local participants	Tournament-based crowdsourcing with remote participants

**Design/Methodology/Approach** – Based on a five-step morphological analysis we suggest a generic taxonomy; the resulting types of crowdsourcing services are underpinned by real-world examples. Potential advantages and challenges of the different types are discussed, particularly with respect to value co-creation (efficiency, complementarity, lock-in, and novelty). Another part of the analysis refers to whether or not crowdsourcees interact while being collocated or dispersed.

**Findings** – The paper will present relevant theoretical background, including the recent shift towards location-dependency and discussed typologies of crowdsourcing services in recent literature. Built on this, it introduces a taxonomy of location-based crowdsourcing services, and pinpoints its interplay with the tournament-based and with the collaboration-based variant of crowdsourcing. Future research directions are derived from opportunities and challenges which will be discussed from a business and from an individual’s perspective.

**Research limitations/implications** – In determining the alternatives to be considered in the taxonomy, we focus on problem-specific characteristics of location-based crowdsourcing services, the participants and their knowledge required to solve a certain problem, and the solutions to be evaluated by the venue crowdsourcer. As this is a conceptual paper, based on real-world examples and a literature review, it proposes a route map for further research in this area.

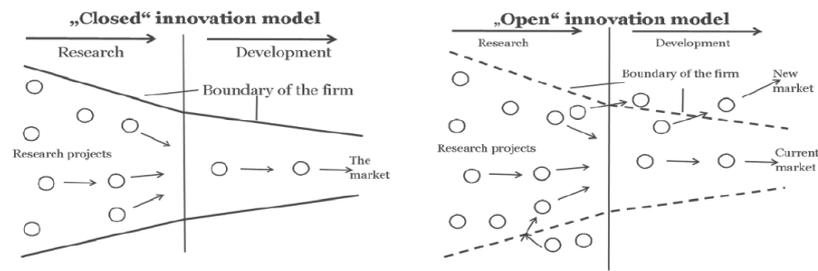
**Practical implications** – As novel technologies are able to exploit location-sensing capabilities of mobile devices, the so-called location-based crowdsourcing (LBCS) developed as a new approach. Depending on the concept and the way the participants provide their input, the crowd offers a variety of advantages to a company such as achieving goals with more efficient and higher quality results, having access to a large knowledge and skills pool, while cost savings are generated. Furthermore, from a business perspective it is essential to generate appropriate incentives for the crowd in various situations that people might be in; this implies the explicit consideration of the location of the crowdsourcee. Figure 1 shows an example of the application of the crowdsourcing innovation model and illustrates how the crowd could be used and coordinated at a specific place for research and development.



**Fig 1: Crowdsourcing Innovation Model**

For reasons of comparison both classic and well-established models, i.e. the closed and the open

innovation model are given in Figure 3.



**Fig 2: Open vs Closed Innovation Model**

**Originality/Value** – The suggested taxonomy provides the necessary basis for future intradisciplinary and/or multi-disciplinary research, as a systematic approach is essential to enable, yield and foster sustainability in a novel and highly interdisciplinary research field like location-based crowdsourcing. Location-based crowdsourcing is highly suitable to be systematically developed as a showcase for applied service science for several reasons: (1) the value generation follows service science paradigm, (2) it is an innovative IT-driven concept attracting crowdsourcers and crowdsources, (3) it is a highly multi-disciplinary approach (logistics, marketing, informatics, social sciences, etc.), and (4) collecting empirical data is approach-inherent (simple way to collect data, high data availability, tracking and tracing).

**Key words** Location-based Crowdsourcing, Service Science, Value-Co-Creation, Crowdsourcing Service, LBCS

**Paper type** – Conceptual paper

## Service Science, Service System and Service Innovation

*Marina Stoshikj, Natalia Kryvinska, Christine Strauss, Michal Gregus*

**Purpose** – Services have become significant value contributors in economies. Different approaches in defining service science recognize the importance of the service system as its fundamental element. A service system has a specific structure, and creates value through interaction between its entities, as well as through interaction with external systems and their elements. The services we use are provided through a certain service system and represent systems of relations involving processes of exchange between the provider and the client for a defined value. On a large scale, the global economy may be considered as one big service system containing various entities and interrelated sub-systems. An important field of research in service science deals with the interaction within and between service systems, which in turn creates value. Service science has gained research importance due to the rapid development of service industry. Thus, the final target may provide the basis for service innovation, through which competitive advantage, sustainability, cost efficiency and value creation is enabled. The theory of service systems consists of three parts: (1) science - what are service systems and their impacts, how do they evolve; (2) management – what are relevant economic drivers of service systems, how to gain competitive advantage e.g. by efficiency, sustainability, and innovation; and (3) engineering - how to design and exploit new technologies to improve the system (cf. Figure 1).

**Design/Methodology/Approach** – Service science is a systematic, interdisciplinary study approach of service and service innovation, service quality and productivity. Service science usually focuses on services that involve multiple clients and providers, and that are usually conducted in multi-phase business processes applying ICT. Value may be interpreted as an improvement in the system state, and can be measured through the service system's ability to adapt to a dynamic environment. The value created is determined by the rate and frequency of resources exchange. The interactive and network effect of the service is covered by the premises of service dominant logic. Whereas the good-dominant logic has the product in focus; its value is generated in the product creation process, and then passed on from the manufacturer to a non-involved consumer for a certain price, i.e. its value. However, service-dominant logic interprets the product rather as a distribution mechanism and assumes a closer connection between the roles of the producer and consumer. Here the value is dependent on the perception of the service recipient (customer). The manufacturer can only make a value proposition to the customer. Therefore, the customer is seen as a co-producer; such a service-centered view is customer-oriented and relational.

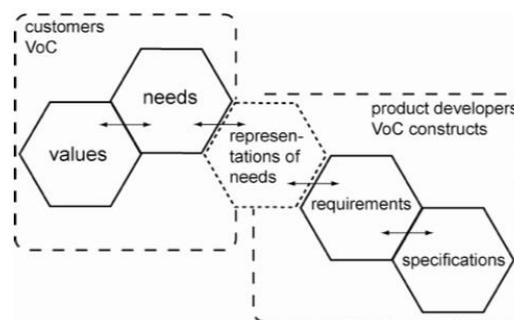


Fig. 1: Transformation of the “Voice of the Customer” (VoC) (from Ericson et al., 2009).

Service innovation is seen as a driving force of service science, as it focuses on the development and delivery of improved services. Service innovation represents a key driver for socio-economic growth. It can also be defined as a combination of innovations in terms of business model, technology, social-organizational innovation and demand, used in order to improve existing systems, create new value propositions or create new systems. It brings incremental improvements and/or radical changes to the service systems, so that despite the increasing complexity of customer- producer relation and limited availability of resources, further growth is granted. The information and communication technological development has an impact on the service industry and high contribution to innovation. As services touch different disciplines and are present in different spheres of life, an integrated multi-disciplinary approach is needed.

**Findings** – Service science, as one of its major elements, aims to explain what service systems are, how they evolve and mutually interact; specifies types of roles, technology, value propositions, and shared information

in the system. In such way, we explore understanding about service systems, and use this knowledge further for the improvement of business and societal goals. Services have grown to become important parts in economy and significant value contributors. We are used to receive many services in our everyday lives: transport, water, education, e-mail, phone connection, medical service, banking service etc. Because of their high impact and potential, the services need to be further studied. A lot of academic disciplines are closely connected with the service science (cf. Figure 2).

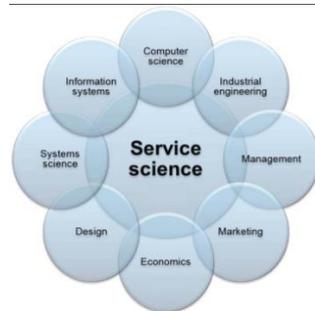


Fig. 2: Examples of academic disciplines that have had important contribution to the emergence of service science (Wallin, 2013).

**Research limitations/Implications** – This conceptual paper is based on an extensive literature review. Thus, it provides an overview analysis and identifies promising interdisciplinary directions for further research of underlying drivers of service science. An integrated approach in researching service and the service system is needed.

**Practical implications** – Service science has gained on importance as a research field due to the rapid development of service industries and due to the switch in industry from having services only as complements to the offered goods to services as the major value offering requests for constant service innovation. The possibilities offered by the new electronic means of communication and collaboration should be exploited for service enhancement. Many services are based on and/or closely related to information and communication technologies. That opens up additional opportunities for service innovation and improvement, which in turn leads to improved quality and productivity levels. Still, the challenge of service innovation comes from the diversified nature of services and the different demands of the actors involved. That again emphasizes the importance of service science as an integrated approach of innovation.

**Originality/Value** – This paper demonstrates the importance of service science and contributes to the analysis of the service sector. The focus is service science and its crucial concepts: the service system as the core of the study, and the service innovation as an aspect holding the service improvement potential.

**Key words:** Service, Service Science, Service System, Value Co-Creation, Service Innovation

**Paper type** Conceptual paper

# **Doctorial Workshop**

## **THE 2015 NAPLES FORUM ON SERVICE – DOCTORAL WORKSHOP**

To stimulate academic scholarship, discussions of ideas and dialogue among students and researchers from different countries, in the field of service, we invited doctoral students to attend a doctoral workshop.

PhD students in early and middle stages of their PhD research project were particularly encouraged to participate and therefore will present their research proposals, preliminary results and their reflexions on issues related to theory, methods and analysis, highlighting: introduction, review of the literature, methodology, findings (if there are), discussion and conclusions.

The doctoral session chair will stimulate discussion and will attempt the deepening of some of the research dilemmas and open questions.

<b>AUTHORS</b>	<b>TITLES</b>
<b>Sara Martins Gonçalves, Rui Vinhas da Silva</b>	Corporate reputation's contribution to the co-creation of value from stakeholders' perspective - the case of customers and employees
<b>Kaisa Koskela-Huotari</b>	The evolution of the artificial – a service ecosystems perspective
<b>Kayak Murat</b>	Creating brand trust with sustaining innovation
<b>Paivi Pelli</b>	Rethinking Service Logic in the Forest-based Sector – an Unrecognized Opportunity for the Bioeconomy
<b>Andreas Petz</b>	Development and Empirical Evaluation of a Comprehensive Service Productivity Model for Knowledge Intensive Services
<b>Luigi Servadio</b>	Rituals of value co-creation. A wine-market study
<b>Oksana Tokar</b>	Service Systems Integration in Mental Health Care
<b>Martina Toni</b>	Innovation, co-creation and sustainability in tourism service ecosystem

**Evert Gummesson** is Professor Emeritus of Service Marketing and Management at the Stockholm Business School, Sweden, and is its former Research Director. He is a Fellow and Honorary Doctor of Hanken School of Economics, Helsinki, Finland, and a Fellow of the University of Tampere, Finland. Evert Gummesson is an international pioneer in the fields of service, relationships with special focus on many-to-many marketing and networks and is a cofounder of the Naples Forum on Service. He currently spends his time writing books and articles and is now finalising a book for Sage on case study research where he introduces an upgraded version called case theory. He has received the American Marketing Association's (AMA) Award for Leadership in Services, and was the first winner of the S-D Logic Award and the Grönroos Service Research Award. The Chartered Institute of Marketing (CIM), UK, has listed him as one of the 50 most important contributors to the development of marketing.

**Cristina Mele (PhD)** is Full Professor of Management at the University of Napoli "Federico II". She is the coordinator of the PhD in Management at University of Naples "Federico II". Her main research interests are service innovation, value creation, markets and service ecosystems. Her articles have appeared in leading international journals, including Journal of The Academy of Marketing Science, Marketing Theory, Industrial Marketing Management, Journal of Service Management, Journal of Service Theory and Practice and Managing Service Quality. She has served as co-editors of special issues of Journal of Service Theory and Practice, Journal of Service Management, Service Science, International Journal of Quality and Service Science and Journal of Business Market Management.

**Francesco Polese** is Associate professor of Business Management at Salerno University where he teaches health management, service management in biological and health context, business management. He is founder and Director of Simas\*Lab\* (Interdept. Centre for Innovation Systems and Health Management) of Salerno University and author of three books and of more than 70 articles published in International Journal as expert in Service Research, Systems thinking and the Viable Systems Approach. He was guest editor of several International journal such as Journal of Service Management, Service Science, International Journal of Quality and Service Sciences, Journal of Business Market Management, Managing Service Quality, Journal of Service Theory and Practice.

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