Servitization challenges in transforming service ecosystems:
An empirical analysis of firms' responses and a conceptual framework

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Purpose: Digitalization is revolutionizing manufacturing firms, as it becomes a driving force to innovate, compete and transform service ecosystems. Therefore, manufacturing firms face challenges and opportunities in developing their service business. This paper aims to (a) empirically identify critical servitization challenges and (b) develop a conceptual framework explaining how digitalization enables servitization responses in transforming service ecosystems.

Method: The empirical basis is data from personal, in-depth interviews with 20 leaders and experts representing five B2B firms in the transportation industry. Data is analyzed using open coding, constant comparative analysis resulting in First and Second-order themes, focusing on firm responses to their servitization challenges.

Findings: The empirical findings are presented in the form of a transformation journey map. This map summarizes empirically grounded themes on how firms respond to and try to benefit from digital-enabled service ecosystem transformation. Building on service ecosystem transformation research and the transformation journey map, a conceptual framework focusing on firms' servitization responses is developed.

Implications: This empirical study and suggested conceptual framework on servitization in transforming service ecosystems extends the understanding of firms' responses to servitization challenges. Furthermore, this paper discusses how to institutionalize new ways of co-creating value that unleash engaged actors' access to and integration of resources to develop new servitization practices.

Value: This paper proposes an empirically grounded conceptual framework to explain firms' responses to internal and external servitization challenges and opportunities in transforming service ecosystems. Three sets of concepts are used: (i) Mindset tensions and aligning, (ii) resource matching and integration, and (iii) value proposition development and value capturing. Suggestions for future research on digital enabled servitization in transforming service ecosystems are provided.

Keywords: Service ecosystem transformation, servitization, challenges, digitalization, resource integration, mindset, value proposition, value capture.