

Naples forum on service: The 10<sup>th</sup> Year

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the  
NAPLES  
FORUM  
on  
SERVICE



SERVICE DOMINANT LOGIC, NETWORK & SYSTEMS THEORY AND SERVICE SCIENCE

edited by

**EVERT GUMMESSON, CRISTINA MELE, FRANCESCO POLESE**

Evert Gummesson, Cristina Mele, Francesco Polese



the NAPLES FORUM on SERVICE 2019

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# **THE 10 YEARS NAPLES FORUM ON SERVICE**

SERVICE DOMINANT LOGIC,  
NETWORK & SYSTEMS THEORY AND SERVICE SCIENCE:  
INTEGRATING THREE PERSPECTIVES  
FOR A NEW SERVICE AGENDA

**ISCHIA NAPLES ITALY 4 - 7 JUNE 2019**

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

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Author | Evert Gummesson, Cristina Mele, Francesco Polese  
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Via Marco Biagi 6, 73100 Lecce  
[www.youcanprint.it](http://www.youcanprint.it)  
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## THE NAPLES FORUM ON SERVICE: TEN YEARS EDITION

The Naples Forum on Service has reached its ten years edition and, after the success of its past experiences (see [www.naplesforumonservice.it](http://www.naplesforumonservice.it)) is about to start its organization with inspiring scientific premises and great expectations for it to be the best edition ever organized. For the 2019 Forum, we continue moving our locations around the gulf of Naples and come back to Ischia in an elegant and fascinating venue.

The Naples Forum is an effort to keep developing service research and theory, and in particular S-D logic, Systems Theory and Service Science and connect research fragments in the direction of grand theory. This is a long-term challenge. The community will open up constructive win/win dialogs among service researchers and restrain destructive win/lose debates. With their open codes, S-D logic and Service Science invite a dialog by stressing the need to synthesize research fragments and the mass of free-wheeling categories, concepts, terms and empirical studies into a grand view. 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. A major challenge comes from the digital transformation and the opportunities arising from cognitive technologies (Mele, Russo Spena and Peschiera, 2018, Russo Spena and Mele, 2018). The recognition of complexity is emerging – 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*

The most critical change proposed by S-D logic focus on the shift from goods/services differences to goods/service interdependencies, and marketing activity is best understood in terms of service-for-service exchanges rather than goods-for-goods or goods-for-money. Originally described through 10 foundational premises, later synthesized into 5 axioms, S-D logic represents a meta-theoretical framework with a straightforward narrative: resource-integrating actors involved in reciprocal service exchange coordinated by institutions and institutional arrangements in service ecosystems involved in value co-creation. 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 co-creators and resource integrators (axiom 3), implying that value creation takes place through interaction in complex networks and systems. The ultimate goal and future advances in S-D logic could provide an understanding of value co-creation extends beyond a general theory of the market to inform economics and other business, as well as other, non-business disciplines dealing with value co-creation.

Steve Vargo, who designed S-D logic altogether with his friend and colleague Bob Lusch, keeps developing it and treats it as an open code where everyone is welcome to make constructive contributions. The community has recently published *The SAGE Handbook of Service Dominant Logic*.

### *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.

Rapid technological change, natural disasters, and human migration are just three examples of a wide range of complex urgent challenges confronting today's services systems, from individuals to businesses to cities and even nations. Every service system is both a provider and client of service that is connected by value propositions in value-creating networks.

The global Service Science community has been recently further galvanized by the release of the Handbook of Service Science, Volume 2 (Springer). The book's chapters reflect the multidisciplinary, open-source program based on computer science, industrial engineering, organizational theory, business strategy and more, including the humanities, and its community is rapidly growing. Service science is based on a Service-Dominant logic world view, and service system entities are resource integrators. Service science is an emerging discipline that studies the evolving ecology of service system entities, their capabilities, constraints, rights, and responsibilities, including their value co-creation and capability co-elevation mechanisms. Service systems are defined as dynamic configurations of resources (people, technology, organizations, information) interconnected by value propositions. All service system entities have a focal resource, which is a person with rights and responsibilities. Service Science studies complex service systems and its growing community is embracing various other cultural communities such as Service Science, Management Engineering and Design (SSMED), Artificial Intelligence (AI) and experts in Applied Human Factors and Ergonomics (AHFE), Human-Side of Service Engineering (HSSE), Hawaiian International Conference on Systems Sciences (HICSS), the International Society of Service Innovation Professionals (ISSIP) and others, in order to capture the powerful insights and the essence of service in technological setting and in today life. The Naples Forum on Service is also an important conference for the service science community, and the seeds of future chapters in coming volumes of the Handbook of Service Science originate at the Forum.

### ***Systems Theory and Complexity***

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

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

The event aims to merge Nordic and Mediterranean research traditions and philosophy within an international and global format. The program and the venue open up for personal engagement, interaction and shared value experiences. The Naples Forum on Service is ‘a community of practice where people convey a sense of belonging by engaging in doing things together, talking, producing

artifacts' (Gummesson, Mele and Polese, 2016). Yet the Forum is more than a community of practice, as it fosters the 'practices of a community' (Gherardi, 2009). The focus moves from the community, to the practices the people performs; such shift from 'community of practice' to 'practices of a community' states a change of perspective and epistemology (Mele, Russo Spena and Nuutinen, 2016). The Forum community fosters a situated learning enabled by interacting and co-creating when the event is 'on stage', and this co-creation continues thanks to the scientific production related to the Naples Forum on Service. Within the 3 Pillars lots of activities including extensive publishing takes place. Vargo has 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, edited in 2018 by Steve Vargo, has recently gathered numerous contributions from the service community to describe SD logic advances and future directions. Jim Spohrer and his colleagues, together with Forum participants publish continuously on Service Science, including three recent books, and the Service Science Handbook (II<sup>nd</sup> edition). Network and systems theory are increasingly integrated with the two other pillars and are the lead theme for several authors, not least from Italian researchers, the Nordic School and the IMP Group. The Naples Forum stimulates service 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 100 articles were published in 13 journal special issues of among the others, *Journal of Service Management*, *Marketing Theory*, *Journal of Service Theory and Practice*, *Service Science* and *Journal of Marketing Management*.

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## STIGMA AND MOTIVATION: USING THE DIVERGENCY MODEL TO IDENTIFY PERCEIVED RISK VERSUS CONFORMITY IN UX RESEARCH

*Abel Troy, Satterfiled Debra*

**Purpose** – A variety of factors influence the level of enthusiasm for participation and the quality of the responses of UX participants. In order to gather the highest quality and most complete data, a participant must have some degree of interest or familiarity with the content and a level of trust in the process of data collection. The most desirable situation involves a motivated participant who has a relatively low level of perceived threat from the UX data gathering process.

The Divergency Model identifies and evaluates the perceived risk versus conformity with regard to the relative similarity or difference between a member of the UX target audience from the culturally expected norm.

**Design/Methodology/approach** – The purpose of The Divergency Model is to identify and lower perceived risk and lack of interest in the UX participants. It will address the tendency to over represent homogenous user groups while under representing or dismissing other idiosyncratic groups based on factors such as stigma or perceived risk associated with revealing more accurate aspects of conditions, beliefs or lifestyles. It will also identify risk through inherent bias that may be presented when a target audience feels compelled to respond to questions in a manner consistent with the status quo. This over representation of the normative population negatively impacts the outcomes of the UX data and the quality of designed products or services. Therefore, identify perceived risk and stigma in idiosyncratic populations is critical to UX research.

**Findings** – The authors propose a solution for gauging the risk associated with a particular UX group / persona. This solution consists of the Divergency Model. This model can be utilized to analyze possible risk factors associated with particular groups of individuals who may want to participate in a particular UX study, but are apprehensive or simply can not due to constraints. Additionally, when triangulating data points from a study, researchers can inadvertently expose participants to biases inferred through the triangulation. These biases can further influence the findings of any UX study in both negative and positive aspects.

**Practical implications (if applicable)** – By understanding trust and motivation as they impact the perceived risk by a UX participant, an idiosyncratic and stigmatized target audience member can be moved towards becoming a more motivated UX participant.

**Key words** (max 5) Usability, Stigmatized Populations, Divergency Model, Perceived Risk Usability

**Paper type** - Research paper

## The Role of Global Institutions in Service Ecosystems: Servicescapes as Structures of Common Difference

*Akaka Melissa, Schau Hope Jensen*

**Purpose** - Meshing global signs and symbols within local communities poses a challenge for companies wanting to engage with a variety of cultures in a cost-effective way. Servicescapes often emerge at these intersections of global and local institutions, and organize materiality to create value-laden interaction opportunities (Arnould, Price and Tierney 1998). These places and spaces are embedded within broader service ecosystems, constituted of multiple levels of nested institutions that are framed by local communities, national borders, and global meanings (Akaka, Vargo and Lusch 2013; Akaka, Vargo and Schau 2015). Although it's clear that global forces influence service ecosystems, the role of global institutions in shaping local servicescapes is not well understood. To explore this glocal relationship, we conceptualize a servicescape as a "structure of common difference" (SCD) (Wilk 1995), which points towards global institutions as common cultural *form* and enables us to identify differences across local cultural *content*.

We address the following research questions:

- How do global brands construct global narratives through their local servicescapes?
- How do global institutions support service ecosystems that span local and global boundaries?

**Design/Methodology/approach** - We examine the glocal nature of surf retailing, specifically design and organization of materiality within local surf shops. Observation of surf retailers reveals a distinct pattern to the store layout, product assortment and aesthetic that supports a particular global market mythology.

**Findings** - By examining surf retailers for global common structures and local meanings, we see how global surf brands reify and perpetuate myths of 1960s California and the idealized/updated figure of the Hawaiian surfer, through their servicescapes. Surf-related products utilize the common myth to shape the global surfing market, rather than promoting a single brand or product. Local communities rely on global institutions to distinguish themselves from other locals engaging in surfing and the market.

**Research limitations/implications** - This research explores retail-based servicescapes within the context of surfing. Other types of servicescapes and other cultural contexts could reveal variation in the balance of global and local institutions and their role in developing a glocalized narrative.

**Practical implications** - Our findings have important implications for managers seeking to design servicescapes for global brands and integrating those brands into local communities and cultures.

**Originality/value** - This study helps researchers to understand how a global brand can appeal to different cultures, maintain brand continuity, and support a specific global market. It provides insights into the role of global institutions in shaping local understandings within glocalized markets.

**Key words** (max 5) Servicescapes, structures of common difference, service ecosystems

**Paper type** – Research Paper (Qualitative)

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## **Changing role of suppliers-customers and smart technologies: a systematic review on energy management**

*Amitrano Cristina Caterina, Bifulco Francesco*

**Purpose** – The aim of this research is to adopt the Service-Dominant (S-D) logic lens (Vargo et al., 2008; Akaka & Vargo, 2014) to analyse a particular service industry, namely energy, in order to identify the ongoing and future trajectories. The main empirical contexts analysed in service scholars' studies are usually retail (Willems et al., 2016; Balaji & Roy, 2017), healthcare (McColl-Kennedy et al., 2017), and tourism (Carlson et al., 2016) while energy is mainly studied by engineers with research published in non-service journals. However, energy management is a field of study strictly related to the changing role of suppliers and customers where the concept of prosumer (Chandler & Chen, 2015) is widely adopted (Espe et al., 2018; Zafar et al., 2018). So, the S-D logic can be very useful in order to better understand this phenomenon, stimulating service scholars' attention to energy management as a particular context of analysis for empirical research.

**Methodology** – In line with the conceptual purpose, this research is based on a systematic literature review. We started the literature queries using Web of Science (WOS), as typically used in service research (Eloranta & Turunen, 2015). The search terms identified for the research were “energy management” AND “prosumer\*”. The first database (n. 139 articles) obtained was restricted to the results whose source titles appeared more than 5 times, delimiting the final dataset of 25 articles.

**Findings** – The changing role between producers and customers clearly emerges in the energy management especially thanks to the established role of smart technologies, such as smart grids and micro-grids (Espe et al., 2018; Zafar et al., 2018) that integrate photovoltaic panels, heat pumps and even electric vehicles. Through the S-D logic lens, the smart technologies used for energy production, storage, consumption, and sharing can be explained as operant resources so as an actor in the wider service (eco)system of energy.

**Research limitations/implications** – This paper follows the recent calls for research on the role of technologies in service (Huang & Rust, 2017; Amitrano et al., 2018; Matzner et al., 2018). It allows to explain the concept of prosumer used in the examined papers as non-service scholars' attempt to analyse value co-creation between householders and energy provider companies.

**Practical implications** – This work provides insights into the role of customers as co-creators with energy provider companies, so that the latter can find advices in the development of their policies with the important consideration of the active participation of micro-energy producers in a wider service (eco)system.

**Originality/value** – The main contribution of this paper is to analyse smart energy (eco)system as an empirical context in service research, with the exploration of resource integration between suppliers (i.e., energy provider companies) and customers, namely householders as prosumers. Further, the S-D logic can enhance the analysis of value co-creation in the smart energy management (eco)systems.

**Keywords** (max 5) – Smart technologies; energy management; S-D logic; prosumer.

**Paper type** – Conceptual paper



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## How emotions affect millennial customer journey

*Amitrano Cristina Caterina, Mele Cristina, Russo Spina Tiziana, Tregua Marco*

**Purpose** - Value is experienced by customers in context (Helkkula et al., 2012) as a multidimensional construct consisting of cognitive, behavioural, emotional, social and sensorial responses through multiple touch points (Lemon & Verhoef, 2016; McColl-Kennedy et al. 2019). Interactions at touch points are affected by emotions (Bolton et al., 2018), particularly for Millennials, due to their being confident and assertive (Bolton et al., 2013) to digital context. Studies on the role of emotions are at the infancy and there is need to address how digital technologies, as mobile applications (Muskat et al., 2013), impact on emotions and experience in customer journey. This paper addresses the role of emotions in customer journey.

**Methodology** - A qualitative methodology (Gummesson, 2017) is suitable to focus on customers and their emotions (Johnston & Kong, 2011). We collected data through an experimental method to track 75 Millennials' journeys performing concrete tasks and offering insights through notes and an online software mapping the journeys. Saturation led data collection until no new categories emerged (Glaser & Strauss, 2017).

**Findings** - Millennials' journeys consist of four moments – connect, explore, buy, use – affected by emotions and shaping the value creation process. Customers' journeys are sequences of emotions driven by choices, information, interactions, and value outcomes. These emotions are roller coasting along a journey and every emotion describes the tie between customer journey and value. Physical and virtual touchpoints and social interactions affect customers' reactions, thus they are the *locus* of emotions, hosting the value creation process.

**Research limitations/implications** - The moments of Millennials' journeys led to identify a phygital experience, combining emotions (Johnston & Kong, 2011) and choices in both physical and digital contexts. The journey (Følstad & Kvale, 2018) leads to co-created experience as a combination of emotions, practical benefits, and social consequences, depending on physical and digital context. Further research is called for to deepen the emotional side of the customer journey even through a cross-fertilized approach.

**Practical implications** - Emotions are drivers of value outcome for Millennials journeys and value-in-experience; thus, managers should pay attention in shaping value propositions to Millennials through multiple touchpoints. Involvement techniques and emotion-based goals should be sought in addressing value propositions to Millennials.

**Originality/value** - The intersection between digital and physical context has been proposed by scholars (e.g. Bolton et al., 2018), but empirical evidences were still missing, particularly on Millennials. Data collection took place through a new tool favouring the emerging of emotions in an unbiased way and through the combination of various sources.

**Keywords** - Customer experience, Customer journey, Value creation, Emotions, Millennials.

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## A Multi-Disciplinary Approach to Understand the Social Dimension of Service Innovation

*Anderson Laura, Kieliszewski Cheryl*

**Purpose** – Building an understanding of service innovation, and how to foster it, continues to be an important topic to both academics and service professionals. The social dimension of value co-creation, with a focus on the human aspect of both individuals and networks, has been recognized in previous research as an important factor in creating service innovation but has been an elusive target for systematic data gathering and study. It is our belief that information sharing and knowledge integration activities serve a role in advancing the substance of service activities and influencing the innovation of service teams. This work emphasizes the social aspects of service innovation by examining the activities of the service team and customer using a novel research framework.

**Design/Methodology/approach** – We discuss the theoretical and pragmatic aspects of our novel research framework, developed to illuminate service innovation “in the wild” using digital trace data. The framework aligns and integrates the service system (from service science) and the activity system (from cultural-historical activity theory) theoretical constructs with a digital ethnographic approach that uses digital trace data as the raw material for analysis.

**Findings** – We include usage examples which illustrate the application of our research framework with a variety of digital trace data sources such as meeting transcripts and team communications that highlight activity and potential emergence of innovation. The analysis of the digital trace data affords insights into interactions of actors that may impact service innovation.

**Originality/value** – Novel theoretical and pragmatic contributions, future research directions. We have done exploratory research in this area and identified future research opportunities which include the development and validation of metrics to measure service innovation, automating the activity system analysis, and the incorporation of an economic perspective regarding value co-creation.

**Key words** (max 5) Service Science, Service System, Service Innovation

**Paper type** – Conceptual paper / Research paper /



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## THE SOCIAL SIDE OF INNOVATION IN THE CASE OF AN “ENGAGED” UNIVERSITY HUB

*Angrisani Mariarosalba*

**Purpose** – The paper combines contributions from the service ecosystems perspective, the social innovation and the civic university approaches, to analyse an emerging phenomenon occurring in the East area of Naples (Italy) and involving the implementation of a knowledge intensive hub in the San Giovanni a Teduccio site of the Federico II University. The study aims at providing an insight in the innovation and knowledge transfer mechanisms engendered by the Federico II University San Giovanni Hub (SGH), herein also referred to as the “Hub”, by detecting the most relevant performance indicators in the framework of service and social innovation conceptualisations.

**Design/Methodology/approach** – Following the civic university approach, the main research question guiding the investigation concerns whether the San Giovanni Hub third mission experience can be considered both a social and a business mission in nature. Hence, the analysis emphasises the specific patterns characterising the Hub and the related policy instruments and entrepreneurial experiences (i.e. Apple, Cisco, Deloitte) implemented within it. Therefore, technology and knowledge transfer characteristics in the case of the SGH deserve a specific notice.

In order to achieve such purposes, a qualitative analysis has been performed by means of a case study methodology on the SGH, where data have been gathered by participant observation, narrative documents and 25 in-depth interviews to the main stakeholders of the Hub. The rationale for the selection is a peripheral and less developed urban area hosting a knowledge-intensive site and the target population is derived from the Stakeholder map of the San Giovanni Hub, mainly involving: Academic staff working in hub, supporting staff, firms located in the area or connected by relational proximity, Apple Academy and Digita Academy organisational staff, students sample; Local government representative; further primary Stakeholders; selected entrepreneurial organisations located in the surrounding area.

**Findings** – The investigation on the role of the University as partner and collaborator in peripheral/deprived urban provides a thorough understanding of: i. the nature of the Hub in terms of service innovation; and ii. the innovation strategy implemented or planned by the university governance and local government institutions according to civic university purposes.

**Research limitations/implications (if applicable)** – The gap to be filled and the contribution to the theoretical framework reside in assessing the value co-creation of a knowledge intensive site embedded in a peripheral and less developed urban context.

**Practical implications (if applicable)** – The outcomes of the analysis can be used as a valuable tool for both the University governance and managers of local urban institutions to promote or enhance knowledge transfer and entrepreneurial activities in the selected area.

**Originality/value** – By blending together contributions drawn from social innovation and the civic university perspective, our study attempts to provide an insight in the innovation and knowledge transfer mechanisms engendered by the SHG, eventually detecting relevant qualitative indicators in the framework of service and social innovation conceptualisations.

**Key words** (max 5): Social Innovation, University Engagement, Service innovation

**Paper type** –Research paper



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## Applications, Acceptance, and Challenges of AI for Creative Tasks in Service

*Auer Christine, Bartsch Silke*

Although creativity is often regarded as a quintessential aspect of human identities (Gustavi & Jändel, 2013), AI-based tools are increasingly able to generate creative and empathic outcomes (Huang & Rust, 2018; IBM, 2018) which can be separated into "systems for artistic production or performance" and "efforts for creative problem solving or models of creative cognitive ability" (Besold et al., 2015a, p. 1). In this paper, we take an outlook on computational creativity (CC) in service by conducting literature research and qualitative interviews. We examine how CC can be applied in service, how its application is accepted by consumers, decision makers and service providers and uncover potential challenges. Our literature analysis provides definitions of AI, human creativity and CC (Siemon et al., 2015; Runco & Jaeger, 2012; Riedl, 2014; Colton and Wiggins, 2012) and discusses extents of creativity. We outline current trends of the service landscape (Vargo & Lusch, 2017) and discuss the potential of CC applications. Then, in drawing on the literature of anthropomorphism (Mori, MacDorman & Kageki, 2012; Epley, Waytz & Cacioppo, 2007), we look at human perceptions of CC. Thirdly, we look into issues such as AI-malfunctions (Bright, 2016), machine integration (Davis, 2013) and human replacement (Pophal, 2017). In addition to our review, we conduct qualitative interviews with experts and consumers. We find that while CC provides autonomous solutions for creative production and problem-solving, they are still costly and face social resistance on the sides of managerial decision makers and consumers. Additionally, decision makers want to leave strategic matters in human hands and players with limited data access and more stringent privacy laws are at a disadvantage in AI and CC applications. Our subsequent research agenda opens up topics on applied aspects, brings into focus questions for consumer research and psychology and, finally, introduces topics concerning political, ethical and regulatory issues. Our paper reflects the Marketing Science Institute's research priorities of 2018-2020 in which the question, "How can one employ artificial intelligence (AI) for better advertising (and customer) engagement?", is brought forward (MSI, 2018, p. 7). We contribute to current research by examining possible application areas, by shedding light on the acceptance of AI usage for creative tasks from a company and a consumer perspective, by demonstrating key challenges, and by stimulating future research.

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## Customer accents and grammar accuracy in service encounters

*Azab Carolin, Holmqvist Jonas*

**Purpose** - We examine the influence of customers' accents and language correctness on service employee recovery behavior. Specifically, we study whether customers' accents might result in accent discrimination bias or preferential treatment that extend beyond their role requirements.

**Design/Methodology/approach** - We use 3x2between-subject design with scenario-based audio manipulation of a service setting, testing how respondents correspond to the service complaint by customers using an American accent (neutral condition in our US context), a British accent, and an Indian accent. Our sample consists of 269 service retail managers to increase realism by using respondents who regularly deal with the situation we study.

**Findings** - Our findings show that customers speaking with an accent when filing a complaint are deemed as less credible than customers not having an accent (speaking US English in a US context). We further find that company representatives are more likely to respond positively to complaining customers without a noticeable accent.

**Contributions** - We contribute to the field of both service research and corporate social responsibility by uncovering a worrying trends: customers speaking with an accent are deemed less credible just because of the way they are speaking. Finally, our study also contributes to showing the need for hiring employees with higher cultural understanding.

**Research limitations** - Our study focuses on one language in one country, and reactions to three different accents. Future research could study the same effects in different cultural contexts.

**Practical implications** - We show the importance of training employees to go beyond stereotypes and serve all customers equally. Perceptions of distributive, procedural and interactional justice are crucial to win customers back and regain their satisfaction.

**Originality** - This is the first study to examine whether customers' accents influence service employee perceptions and recovery behavior. In an increasingly globalized world, and faced with the very real threat of discrimination, our finding that customers speaking with an accent are deemed less credible, and treated less positively when complaining, is both important and worrying.



## EMERGENCE OF CO-CREATION FROM SERVICE ECOSTRUCTURES

*Badinelli Ralph*

**Purpose** – The purpose of this research is the derivation of principles for the design of viable service systems and predictions of their performance in value co-creation. These principles are derived from the integration of sound theoretical constructs of transformation functions, decision analysis, service ecostructure, Normalized Systems Theory (NST) and Viable Systems Approach (VSA). The research models the performance of service journeys under different service ecostructures and demonstrates the variety of outcomes that emerge as a function of ecostructure design.

**Design/Methodology/approach** – This research begins with a literature review to establish a model of a service journey as a sequence of contexts, each of which integrates components of a service ecosystem. The service ecostructure is defined as a precondition for the emergence of an ecosystem (Badinelli et al 2019). Features of ecostructure that engender features of normalized systems are identified. By invoking the properties of evolvability and observability of Normalized Systems Theory (De Bruyn, P., 2014; Mannaert, H. and Verelst, J., 2009) the properties of homeostasis, autopoiesis, equifinality of VSA (Golinelli, G. M., 2010) are derived for the emergent ecosystems. The ecostructure model construct is extended by introducing nonlinearity, uncertainty and fuzziness to the actors' models of engagement decisions that determine the trajectory of the service through the service ecosystem (Badinelli et al, 2012; Badinelli, 2012, 2013). Finally, the methodology of computer simulation is applied to provide experimental results of the performance of different ecostructures and forms of indeterminacy.

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

1. A model of service journeys as functions of service ecostructure.
2. An integration of the theoretical constructs of transformation functions, decision analysis, service ecostructure, Normalized Systems Theory and Viable Systems Approach.
3. An elucidation of emergence through the modeling of the effects of nonlinearity, randomness and fuzziness on the outcomes of a service journey.
4. Prescriptions for the design of service ecostructures for viability.

**Practical implications** – This research introduces prescriptions for the design of service systems and an exposition of the variety and variability of the outcomes that emerge from a service ecosystem as functions of the design of the service ecostructure.

**Originality/value** – The integration of ecostructure, NST with VSA is a promising research initiative.

**Key words** - Service ecosystem, Emergence, Viable Systems Approach, Normalized System Theory

**Paper type** – Research paper



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## Rapid market shaping through competitor collaboration

*Baker Jonathan, Brodie Roderick, Nenonen Suvi*

**Purpose** – The nascent area of market-shaping research has predominantly taken either a (macro) systems-level perspective (Humphreys, 2010), or a (micro) practice-level perspective (Kjellberg & Helgesson, 2007). Instead, we look at the role of a temporary meso-level collaboration by small, geographically isolated competitors to change the incumbent logic in wine markets globally. In the early 2000s, due to frustration at wine-cork failures, a small group of entrepreneurial winemakers in New Zealand formed a collective to institutionalize the screwcap as an acceptable closure on premium wines. Undertaking various forms of ‘market (institutional) work’ (Nenonen, Storbacka, & Frethey-Bentham, 2018) the collective initially coalesced around a shared problem, then gradually evolved from an ephemeral entity into a stable entity, progressively targeting greater numbers of other market actors. In toto, the collective modified logics in several markets globally.

**Design/Methodology/approach** – The study follows a qualitative inductive approach, drawing on 25 hours of interview data, organizational documents, and secondary data, e.g., websites, books, etc. The study synthesizes ‘market work’ and Sawyer’s (2005) theory of social emergence to explore the different types of market work undertaken at different stages of a collective’s evolution.

**Findings** – Outcomes of market work manifest at different levels of the market as a collective moves from being ephemeral to stable. Early market work focuses on visioning and negotiating through multi-directional communication patterns as goals and objectives are agreed (Zietsma & McKnight, 2009). Additionally, building legitimacy through the careful selection of alternative practices and collaborators is key in the early stages (Battilana & D'Aunno, 2009). Later, once a collaboration is stabilized and respected, communication patterns can become more one-way and coercive (Lawrence, Hardy, & Phillips, 2002). Additionally, market work involving demonizing incumbent practices changes long-held belief systems; while market work involving promoting and educating diffuses new meanings and understandings (Lawrence & Suddaby, 2006). Bundling these two types of market work appears key to rapid market-shaping (Hargrave & Van de Ven, 2009).

**Research limitations/implications (if applicable)** – As a single case study, generalizability is problematic.

**Practical implications (if applicable)** – Although large players have typically been found to be drivers of market change (Greenwood & Suddaby, 2006), we find small, isolated market actors also have the capacity to shape a market. However, when developing collaborations, who *not* to collaborate with is as important as who to collaborate with.

**Originality/value** – Little attention has been paid to how business collaborations attempt to modify previously accepted institutionalized elements in markets (Christiansen & Kroezen, 2016). An institutional lens coupled with emergence theory proves particularly valuable for examining strategic steps taken to change incumbent market practices, expectations and beliefs.

**Key words** – market-shaping, market work, competitor collaboration, social emergence, meso-level

**Paper type** – Research paper

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## Dispelling the Myth of Product-Market Fit

*Barbeau Brad, Wieland Heiko*

**Purpose** – We argue that the commonly-used concept of product-market fit is limited in that it implies that a (fixed) market exists and that therefore demand can be “discovered,” that value propositions exist independently of the institutional arrangements that shape both the perceptions of these value propositions and the business models that guide resource integration processes, and that the right objective in entering “the market” is to “succeed,” to rapidly achieve a high level of sales growth.

**Design/Methodology/approach** – Conceptual/theory development article with case examples.

**Findings** – Using a service ecosystems perspective, we propose an alternative conceptualization, employing a dynamic and interactive view of markets and an evolutionary view of generating a scalable market offering. In this view, the goal of the entrepreneur is not to “find” product-market fit, but rather to engage in institutional work processes to create institutional alignments among broad sets of actors. Viewed from this perspective, even the creation of a value proposition is not a unitary process but needs to consider that the actions of the entrepreneurs themselves are shaped by the institutional and technological building blocks of the service ecosystem and in turn shape the evolution of the service ecosystem.

**Research limitations/implications (if applicable)** – The value in this approach lies in dispelling the notion of searching for the right product, replacing it with a notion of institutional work processes that shape perceptions of value propositions, business models and markets. The objective function of the entrepreneur remains to achieve a scalable business, but the process of getting there we suggest is fundamentally different from the received seek-and-find process.

**Practical implications (if applicable)** – We replace the search process with a constructive process: a co-creative evolutionary process in which the various institutions in the market system are brought into alignment through experiments and adaptation in both demand and supply. This alters the goals and expectations of the entrepreneur from attempting to discover what already exists to influencing the evolution of the market to create a viable ecological niche.

**Key words** (max 5) service ecosystems; entrepreneurship; S-D logic, institutional work, market formation

**Paper type** – Conceptual paper / Research paper /

## **Towards a new logic of value co-creation in the digital age: Doing more and agreeing less**

*Barile Sergio, Piciocchi Paolo, Saviano Marialuisa, Bassano Clara, Pietronudo Mariacristina,  
Spohrer James C.*

**Purpose** - Technology has greatly accelerated socio-economic processes (Arthur 2011, 2017; Harari 2014). As a result of Artificial Intelligence (AI) advances, we are witnessing a change in perspective in value co-creation logics. Technologies are more appropriate for some tasks, and perhaps less for tasks that require aligning people and organizations to co-create value. For the first type of task (performance) the question is can businesses provide customers “performance, scalability, and availability” (Thompson 2019). For the second type of task (consensus), the question is what can businesses provide customers (or governments provide citizens, or family leaders provide their families)? Regarding reaching agreement on the value to be co-created – consensus on desired changes in the world – how can groups of people at multiple scales get better faster?

**Methodology** – According to an integrated framework based on Viable Systems Approach (VSA) & Service Science (SS) new rules should be discovered that improve service systems architectures and allow local optimizations to lead to global optimizations more often (Spohrer et al, 2012). However, additional study and an integrative methodology is required to better comprehend how and why technological growth justifies the social shift from value collinearity to value co-creation processes (Barile, 2009; Barile et al, 2018; Golinelli 2010; Spohrer and Maglio, 2008; Spohrer et al., 2017).

**Findings** – Increasing technological capabilities may be making reaching consensus more and more difficult, even while it is becoming technologically easier and easier to realize any one of many different outcomes. This is a paradox of increasing levels of technology-mediated value co-creation in business and society – we can do more, but agree less on what needs to be done.

**Practical implications** – In the digital age, the search for a new logic of value co-creation means transforming the traditional concepts of resources/workers to include both biological and digital forms. This implies focusing on not just smarter service systems, but wiser service systems (increase worker quality-of-life over multiple generations of workers). Wiser service systems will depend on AI applied for IA (Intelligence Augmentation) to reach both smarter and wiser consensus on value co-creation goals. Therefore, it is relevant that a human component (problem solver and/or decision maker) should be able to ensure sustainable decisions for a common welfare (Nonaka, 2011).

**Originality** – The paper highlights the awareness in the service science, viable systems, and service-dominant logic communities to focus on understanding and extending value co-creation logics from a systems perspective, integrating resources/workers across human cultures, academic disciplines, and industrial systems.

**Key words:** Value creation, Wise System, Artificial Intelligence, Artificial Augmentation, Digital Thinkers.

**Paper type** – Conceptual paper

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## **A systems based interpretative framework for approaching exaptation and bricolage in decision making and value co-creation**

*Barile Sergio, Saviano Marialuisa, Di Nauta Primiano, Caputo Francesco, Lettieri Mattia*

**Purpose** – The increasing variety and variability of social and economic dynamics is pushing both researchers and practitioners in developing approaches, models, and tools for supporting decision makers in observing, interpreting, understanding and managing emergent dynamics. For contributing to the ongoing debate, the paper aims at discussing possible paths for facing the challenges of the increasing complexity through flexible decisional and behavioral approaches.

**Methodology/approach** – The paper adopts a qualitative approach for systematizing and refreshing the interpretative role of existing literature within managerial and organizational fields. Through the interpretative contributions provided by the systems thinking, a multi-disciplinary literature review is conducted for identifying possible constructs through which addressing the development of flexible managerial and organizational models.

**Findings** – Managerial and organizational fields are enriched through the concepts of exaptation and bricolage as explicative domains able to provide useful indications to decision makers interested in building more flexible decisional and behavioral approaches. A possible path for managing the increasing social and economic complexity is depicting in the light of systems perspective, and a system based interpretative framework is defined for explaining actors' reciprocal adaptation as a way for supporting value co-creation.

**Research implications** – The paper provides possible pillars on which acting to build managerial and organizational approaches able to enhance actors' contributions through the definition of shared processes. The concepts of exaptation and bricolage enrich previous managerial and organizational literature promoting research on value co-creation as a driver for ensuring systems' viability in dynamic ecosystems.

**Practical implications** – The paper calls the attention of decision makers on the need for the systems' flexibility through the enhancement of actors' contributions for facing the challenges of increasing social and economic complexity. Acting on exaptation and bricolage, a possible model is provided for clarifying managerial and organizational paths for increasing the systems' flexibility and for supporting practitioners in defining approaches able to support actors' collaboration as a required condition for value co-creation.

**Originality/value** – Adopting a multi-disciplinary perspective the paper enriches previous managerial and organizational literature through the definition of concepts, processes, and approaches able to support both researchers and practitioners for better understanding and managing increasing social and economic complexity by acting on exaptation and bricolage. Thanks to the interpretative lens provided by the systems studies, a conceptual model for addressing systems' decisions and behaviors in the light of value co-creation is proposed.

**Keywords** – Exaptation; Bricolage; Value co-creation; Systems studies; Complexity; Flexibility; Ecosystems

**Paper type** – Conceptual



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## **Innovation for Sustainability in Service Ecosystems: A Helix Reference Model**

*Barile Sergio, Saviano Marialuisa, Reynoso Javier, Spohrer James C., Caputo Francesco*

**Purpose** – Recognizing the need for “a more general theory of life exchange processes that overcomes the divide between and integrates the economic, social, and environmental dimensions of life and related systems and disciplines” (Reynoso et al., 2018: 254), this paper contributes a Helix reference model to inform management practices. The paper also contributes to the ongoing debate about frameworks that support understanding innovation in service ecosystems and innovation practices for sustainability.

**Methodology/approach** – A literature review of managerial studies is conducted focused on explaining the way key actors for sustainability pursue innovation processes. By shifting the observation level from Service Systems, to Service Networks, up to Service Ecosystems, with the interpretative support of service and systems research, the theoretical basis for developing a unitary interpretative framework are defined and a possible reference model developed.

**Findings** – By connecting the dots across levels of Service Systems, Networks and Ecosystems research, the paper proposes a ‘helix’ representation as a possible reference model useful to interpret innovation for sustainability. According to the proposed model, innovation for sustainability emerges and dynamically evolves as outcome of virtuous interactions among key actors’, based on information sharing, cognitive alignment and value co-creation logics.

**Research implications** – Clarifying the links among the multiple actors involved in innovation dynamics, their reciprocal influences, and the ways in which they evolve as a consequence of internal and external pressures, the paper shows the complexity of innovation processes for sustainability and enriches previous managerial literature about innovation practices with a concise interpretative framework able to explain how innovation can emerge in a multi-dimensional, multi-level and multi-actor context.

**Practical implications** – Integrating the contributions provided by studies rooted in multiple research streams, the paper highlights the risk of a local and reductionist view in managing innovation practices in isolation. The scalable interpretative framework supports practitioners in better understanding innovation dynamics for sustainability.

**Originality/value** – The paper refreshes and integrates previous managerial contributions rooted in service and systems research and provides a novel interpretative framework (a helix reference model) for supporting the understanding of innovation dynamics for addressing sustainability.

**Keywords** – Service Systems; Networks; Ecosystems; Innovation; Sustainability; Triple Helix.

**Paper type** – Conceptual



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## **Towards an Intra-Ecosystem perspective for Value Co-creation: How Resources are Integrated within and across Ecosystems?**

*Ben Letaifa Soumaya, Edvardsson Bo*

**Background** – Resource integration is shaped by a diversity of collaborating actors, with access to different resources in service ecosystems. Asymmetry rather than symmetry is the reason why actors join forces to form sets of resources, needed for innovative, creative resources integration. This is done in the context of institutional arrangements, providing the rules of the game at the micro, meso and macro level of an ecosystem. However, actors and resources can also be included or integrated from other ecosystems. This intra-ecosystem interaction and resource integration has not been theorized on and needs further theoretical development and can benefit from e.g. include theory on boundary objects and boundary spanning.

**Purpose** – This paper explores how value co-creation are driven by multiple actors, engaged in resource integration within but also between service ecosystems.

**Design/Methodology/approach** – A qualitative ecosystemic approach allows to grasp the interactions between ecosystems. Interviews with actors at different layers provide extensive narratives on “resourceness” and how potential value is leveraged into captured value. A case study on Tourism, social economy, handicraft and airline transport ecosystems allow to grasp how these four ecosystems integrate their resources in order to shape a comprehensive value proposition.

**Findings** – The liquefaction of resources within an ecosystem can be leveraged by opening up to other ecosystems actors and resources. Indeed, value creation process is fulfilled once the customer experience is not limited by the boundaries of a specific ecosystem.

**Practical implications (if applicable)** – A broader ecosystemic approach is required for service dominant logic. An inter-ecosystemic perspective in marketing and management grasps the reality of value creation and reveals how customer experience transcends traditional service conceptualizations.

**Originality/value** – This paper innovates by exploring new level of analysis (resources integration within four distinctive, yet connected ecosystems). It highlights the need for more macro level analysis to understand how value is created and captured for end-users.

**Key words** (max 5) ecosystem, resource, integration, collaboration

**Paper type** – Research paper

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## Antecedents and Boundary Conditions of Negatively Valenced Customer Engagement

*Borghei Razavi Niloofar, Lages Cristiana, Perez-Vega Rodrigo*

**Purpose** – Customer's negative thoughts, emotions, and behaviours targeted toward the organization and its employees have for long been a subject of interest for marketing researchers due to the serious economic and social costs that they can induce on the organization and its employees (Surachartkumtonkun et al. 2013, 2015). This study defines negatively valenced customer engagement (NVCE) as the customer's negative cognitive appraisal, negative emotions and detrimental behaviours targeted at the organization or its employees. While some scholars suggest that NVCE might occur even if a service failure has not taken place (Grove et al. 2012), the extant research thus far has focused on service failure as the main trigger of the NVCE. Occurrence of NVCE when a service failure has not occurred can be more complicated for organizations as understanding its causes and boundary conditions is more challenging (Grove et al., 2012). Therefore, this study aims to investigate the antecedents and boundary conditions of NVCE under circumstances that a service failure has not taken place.

**Design/Methodology/approach** – Following a qualitative approach, this study has conducted 44 interviews with patients (12 interviews), family members (16 interviews), and hospital staff (16 interviews) of two private hospitals in a Middle Eastern country.

**Findings** – Customer's perception of organizational climate (CPOC) for service shapes the patients' and family members' appraisal of the interaction with the organization. CPOC is the meaning that customers assign to the service delivery practices, procedures and policies of the organization (Schneider et al. 2000). *Customer's perception of employees' knowledge and skills for superior service delivery* (e.g. employees' lack of knowledge about the importance of emotional support); *the efforts made by the organization's staff* (e.g. customer's perception of employees' unwillingness for going the extra mile for customers); *the recognition that the staff receive from their organization*, (e.g. customer's perception of the unfulfilled needs and aspirations of the staff); *service leadership* (e.g. discrimination among different groups of customers); and *effectiveness of organization's communication with customer and employees* (e.g. customer's perception of ineffective communication between the organization's managerial team and employees) emerged from the interviews' data as influential concepts in shaping customer's judgement of their interaction with the organization.

Moreover, the interview data revealed that *organization's provision of emotional support* and *customer's fear of retaliation by the organization* act as boundary conditions in the emergence of behavioural NVCE.

**Originality/value** – This study contributes to the customer engagement literature by investigating the organization-level antecedents and boundary conditions of NVCE when a service failure has not occurred. Moreover, this study helps service practitioners to understand why customers become outraged and behave negatively and what strategies firms can employ to reduce the emergence of NVCE.

**Key words** Negative customer engagement – customer engagement – customer perceived service climate

**Paper type** –Research paper

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## CUSTOMERS' RESPONSES TO INSTITUTIONAL COMPLEXITY IN THE DETERMINATION OF VALUE

*Braz Becker Larissa Carine, Jaakkola Elina, Vargo Stephen L.*

**Purpose** –To understand how value is created, marketing scholars increasingly highlight the role of institutions and institutional arrangements that guide the assessment of value. However, customers are embedded in several institutional arrangements that may offer distinct prescriptions for actors' behavior and frame for sensemaking (i.e., institutional complexity). Customers experience the effects of institutional complexity in a variety of consumption contexts (e.g., sustainable consumption vs. overconsumption). If firms want to offer compelling value propositions to their customers, they need to understand how they resolve these internal conflicts derived from institutional complexity. Therefore, the goal of this article is *to understand how customers deal with institutional complexity in relation to the determination of value*.

**Design/Methodology/approach** – In this conceptual paper, we reframe and reconcile literature from institutional theory, identity theory, reference groups, and paradoxes to build a service-dominant (S-D) logic conceptual framework that explains how customers cope with institutional complexity when determining the value of a proposition.

**Findings** – Customers experience anxiety and discomfort when facing contradictory prescriptions for the determination of value. In order to make sense of this tension, they need to respond to institutional complexity. Customer can respond in at least three different ways. First, they can choose between the conflicting institutional arrangements, placing a greater emphasis in one prescription over another, and thus following that prescription for the determination of value. Second, customers can use resources from both institutional arrangements to reframe the contradiction and accommodate the conflicting prescriptions for the determination of value. Third, customers can separate what they do from who they are to resolve the tension.

**Research limitations/implications (if applicable)** – While value is determined in context, a customer may be embedded in several, possibly conflicting, contexts simultaneously. This study shows how customers determine the (potential) value of a proposition when facing contradicting prescriptions to do so. We expect this work generates implications for related topics where customers frequently face similar situations (e.g., sustainability).

**Practical implications (if applicable)** – Offering compelling value propositions requires understanding how customers determine their value. This study offers guidelines on how to make value propositions more compelling through the (de)legitimation of institutional arrangements.

**Originality/value** – While previous work in S-D logic has established that institutions influence the determination of value, this study adds to this literature by trying to explain how customers determine value in face of institutional complexity, which is an inherent condition in service ecosystems.

**Key words** – Institutional complexity; institutional arrangements; value-in-context

**Paper type** – Conceptual paper



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## EXPLORING THE ROLE OF SERVICE PLATFORMS IN SHAPING NEW SERVICE ECOSYSTEMS

*Caridà Angela, Colurcio Maria, Edvardsson Bo, Melia Monia, Pastore Alberto*

**Purpose** – Within a S-D logic and a service-ecosystems view (Vargo, Lusch, 2011; Akaka, Vargo, 2014), service platforms leverage resource liquefaction and enhance resource density to enable and ensure the effectiveness of the collaborative value creation process (Lusch, Nambisan, 2015). In a platform economy context (Kenney, Zysman, 2016), service platforms, such as the multisided platforms (e.g. Airbnb; Zervas et al., 2017), provide a structure for direct and indirect exchange (Lusch, Nambisan, 2015) and enable novel opportunities of resource integration (Caridà et al., 2018; Kunz et al., 2017) that refine existing markets and shape new service ecosystems. According to this, the paper aims to extend the understanding of how service platforms form new technology-enabled service ecosystems, that is, the practices and the processes that underlie resource integration and the formation of novel and emerging service ecosystems.

**Design/methodology approach** – This article is conceptual in nature; it adopts a qualitative research approach and an empirical contextualization strategy (Ketokivi and Mantere, 2010). It reinterprets the Airbnb case in the light of the literature on resource integration and service ecosystem. Specifically, the study has been focused on the “Italian Villages project 2017-2018” launched by Airbnb, the Italian Ministry of Cultural Heritage (Mibact) and the Italian National Association of Municipalities ANCI) to support the development of home-sharing practices and services in the Italian rural areas.

The narrative we build is based on both primary and secondary data. The data analysis allows us to better understand engaged actors resource integrating efforts and the process of novel service ecosystems (e.g. the Airbnb ecosystem) formation in a platform economy context.

**Findings** – The Airbnb network, including hosts, guests, complementary service providers, local community, local/national authorities, etc., is an emerging technology-enabled service ecosystem that opens up new modes of resource integration to prompt the individual/collective well-being and the self-sustainability of the Italian rural territories. In such context, the Airbnb digital platform has evolved from a multi-sided and a multi-service digital infrastructure to a service ecosystem where many actors interact, share and match resources (Caridà et al., 2018) to create and capture value.

**Main implications** – Service platforms provide not only a technological infrastructure for resource integration but also coordinate the collaboration between multiple actors and the institutionalization of new and useful economic and social practices at large. Accordingly, service platforms play an instrumental role in fostering both the becoming of novel resources, as properties of the service ecosystems itself (Koskela-Huotari et al., 2018), and of novel service ecosystems emerging from the combinatorial, heteropathic integration of existing resources (Peters, 2016).

**Originality value** – The study explores and explains the role of service platforms in shaping new service ecosystems. The paper provides a conceptualization of technology-enabled service ecosystems and contributes with an empirically grounded explanation of the emergence of novel and useful resource integration practices in service ecosystems. It shows how service platforms orchestrate multi-actor collaboration and resource integration in practice, resulting in new and valuable service ecosystems for engaged actors process (individuals, companies, local institutions and territories at large).

**Keywords** – Service ecosystem, technology, resource integration, service platforms.

**Paper type** – Conceptual paper

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## The perception of value and worth of personal data: a HAT case study

*Carotenuto Adriana, Ng Irene*

**Purpose-** Understanding personal data interactions by individuals and its use by companies is fundamental in the age of new technologies and digital transformation, especially how those petabytes of data co-create value with users of the technologies. Individuals generate an enormous amount of data when they go online but have little understanding of how the data they generate is used. The aim of this paper is to gain an understanding of the individual's perception of data generation when they use their applications, devices, sensors consciously and unconsciously. Two research questions of formulated: Do individuals understand what is personal data and how they generate it? and How do individuals understand the value and the worth of personal data in terms of how it is shared, the privacy concerns, and the insights that could be obtained?

**Design/methodology/approach-** The work adopts a case theory method useful to analysing important social phenomena and their impacts (Gummesson, 2017) and Grounded Theory analysis (Glaser, B. G., & Strauss, A. L., 2017) a methodology that makes the processes and procedures of a qualitative analysis observable, comprehensible and replicable. The focus of this research is to understand individuals interaction with personal data through their use of online applications. We use the HAT (Hub-Of-All-Things) application where they can view their own personal data and through an exploratory interviews, seek to understand if users are able to perceive how they generate personal data and understand its worth.

**Findings-** Our study reveals that individuals are unaware of how they are generating and sharing their personal data nor have an understanding of the value or worth of that data. However, when they are showed their personal data back to them as a reflection of their activities, they form the conclusion that the value of their information is much higher than they first believed. The research also show their willingness to defend the use personal data as an asset i.e. it's worth, comes after their perception of its value arising from the form in which personal data is presented to them.

**Research limitations-** In this paper, only individuals' interactions are analyzed. Follow on research would use the HAT platform to understand how the same data is being used by organisations.

**Practical implications-** Entrepreneurs have long understood that personal data provided by individuals are one of the more important resources in the era of digitization. In the market of new applications, companies obtain personal information from individuals who provide their information even if they when do not actually know how companies use their data. Individuals do not have a perception of the value of their personal data nor aware that this information is an asset for firms. From our experimental interviews, we show users that the form in which personal data is presented to individuals matter to the concreteness of their perception of value and are then willing to manage their personal information to defend their privacy and information assets.

**Originality/value-** The paper brings new insights into the understanding of personal data interactions and work on value and worth of personal data, particularly how perception of value and worth can change with the way personal data is presented back to individuals.

## **Advanced Technologies Impact on Service Innovation: A Human-Side of Service Engineering Perspective**

*Cellary Wojciech, Freund Louis E., Kwan Stephen K., Leitner Christine, Spohrer James C.*

**Purpose** – As advanced technologies drive changes in digital service and service systems across industries, what are the implications for the human-side of service engineering (HSSE)? This work updates previous HSSE frameworks (Freund & Spohrer 2012, Freund & Cellary 2017), and extends SSME studies to include architecture (standards) and public policy (Spohrer & Kwan 2009). These updates are needed, as the impact of Information technology (IT) on services continues to evolve. IT solutions to service systems requirements now are widely employed and accepted, while they also often create new challenges and unintended consequences (Arthur 2011, 2017). Currently, we observe numerous instances of the mass gathering of data in real time from social media, from the internet of things, from artificial intelligence, and from augmented reality applications. The purpose of this paper is to study the history of impact of IT on service innovation in different sectors. The paper takes key observations from relevant examples to illustrate how IT provides the essential engine for integrating the back and front stage of service provision/operation as well as the platform for enabling new innovative value propositions, business models, and service offerings. New architectures for providing digital service are discussed, along with emerging standards about digital service powered by AI/ML/DL (Artificial Intelligence/Machine Learning/Deep Learning) techniques.

**Design/Methodology/approach** – Analysis of history, as well as current achievements and trends of computer science and engineering, and deployment of modern IT solutions in different sectors of services. Analysis of transformation of services, in particular digital ones, due to knowledge extraction and exploration.

**Findings** – Challenges to society and its fundamental values coming from recent advances in data engineering including artificial intelligence are discussed. Privacy and trust are shown to be the key elements of the future evolution of IT based services. The need to secure personal data of individuals and to preserve their privacy is followed by the need of new service system architectures and standards that work for individuals, businesses, and society.

**Research limitations/implications (if applicable)** – The research provides a view of the history of IT in service and its impact on service innovation, aligned with Service-Dominant Logic and Service Science literature, including Human-Side of Service Engineering.

**Practical implications (if applicable)** – ISO Standards are emerging for IT Service Management and IT Governance, including Governance Implications of AI.

**Originality/value** – This research begins to fill a gap in the literature connecting emerging technical standards around Artificial Intelligence to Service-Dominant Logic and Service Science literature, including Human-Side of Service Engineering. This work contributes to an understanding of the history of information technology in service research, while laying the foundation for practical standards work to increase quality of life while preserving fundamental societal values.

**Key words** (max 5) – service science, human-side of service engineering (HSSE), technology, digital service, big data, internet of things, personal data, artificial intelligence, standards, public policy

**Paper type** – Conceptual/Theory Building paper

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## Psychological Ownership and Co-created Wellbeing

*Chen Tom, Dodds Sarah, Finsterwalder Joerg, Witell Lars, Falter Mareike, Garry Tony, Cheung Lily, Snyder Hannah, McColl-Kennedy Janet*

**Purpose** – Who owns wellbeing and why? The patient, the physician, both, or even others? While individuals have legal ownership of their wellbeing, this study aims at answering the question of whether engaged actors' psychological ownership and its evocation is more pertinent to achieving positive wellbeing outcomes. Specifically, the purpose of this research is to conceptualize the role of psychological ownership in the co-creation of wellbeing.

**Design/methodology/approach** – This conceptual research draws on and synthesizes a rich body of literature on psychological ownership, wellbeing and value co-creation to theorize the multiple facets and dynamic nature of the co-creation of wellbeing.

**Findings** – By combining theories on co-creation, wellbeing and psychological ownership, the present research coins the notion of “co-created wellbeing” and develops four propositions that can explain how the co-creation of wellbeing takes place in healthcare. The developed framework can be used to better understand the effects of co-creation of wellbeing at both the practice approach level and at an individual level.

**Originality/value** – This paper conceptualizes the co-creation of wellbeing from a psychological ownership perspective. Our conceptualization of “co-created wellbeing” suggests that psychological ownership of engaged actors will alter the resource conditions of the focal actor, and this in turn, will influence subjective wellbeing.

**Keywords** – Psychological ownership, Value co-creation, Wellbeing, Healthcare

**Paper type** – Conceptual paper

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## **Elements and trends of service innovation context: an action research to investigate the role of technologies within B2B market**

*Ciasullo Maria Vincenza, Douglas Alex, Maione Gennaro, Tronvoll Bard*

**Purpose** - The work proposes an explorative-experimental validation of the theorization on service innovation context originally proposed by Edvardsson et al. (2018), offering an empirical evidence of the role played by technologies in the Business-to-Business market. Specifically, the paper pursues a twofold objective: on the one hand, providing a practical feedback on the main elements (space, resources, institutional arrangements) and trends (speed, granularity, liquification) characterizing the context in which service innovation is carried out; on the other, verifying the existence of further elements and trends capable of guiding the innovative processes of B2B high-tech companies.

**Design/Methodology/approach** - Given the high complexity of the market investigated (B2B) (Hohenschwert and Geiger, 2015; Barile and Polese, 2010; Gummesson and Polese, 2009), the study follows the multimethod research approach, based on the synergic integration of two methodologies, the multiple case study (Sigala, 2018; Åkesson et al., 2016; Högström et al., 2015) and action research (Reason, & Bradbury, 2001). The information used is collected and analyzed over a one-year period from four high-tech companies, involved in ambitious service innovation processes within different sectors of the B2B market: automotive; mechatronics; IT; and manufacturing.

**Findings** - The analysis supports the conceptual theorization proposed by Edvardsson et al. (2018), highlighting the constant presence of elements and trends typical of the context in which service innovation is realized. This highlights the importance that space, resources, institutional arrangements, speed, granularity and liquification take on for the effective achievement of the objectives pursued by high-tech companies operating in the B2B market. In addition, the empirical results suggest the opportunity to enrich the theoretical model by considering two further aspects characterizing the service innovation context: the “actors” (as an element) and the “sustainability” (as a trend).

**Research limitations** - The main limitation of the work is represented by the low sample size (only four companies involved), which could raise doubts about the possibility of generalizing the results obtained.

**Practical implications** - The use of an experimental analysis for the identification of the main elements and trends characterizing the service innovation context provides a possible answer to the scholars and practitioners’ need to know the most important aspects to be appropriately considered in order to facilitate the start up and development of innovative processes or new ways of co-create value in high-tech companies operating in B2B markets.

**Originality/value** - The originality of the paper is closely linked to the experimental approach followed to verify the effective adherence of a theoretical framework focused on service innovation in a context (B2B market) characterized by high complexity of observation, study, analysis and interpretation.

**Key words** - Service innovation; Business-to-Business; Technologies; Action research; multiple case study.

**Paper type** - Research paper

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## Sales Transformation and new paths of value co-creation

*Corsaro Daniela*

**Objectives.** A process of sales transformation is taking place that is leading to a change in the competences of sales people, the technology they use, as well as customer relationships and sales-marketing interface. Different factors boosted sales transformation: digitalization, the transformation of organizations into service businesses, the increasing sophistication of the purchasing function and the increasing attention in the measurement of results.

This paper will map the process of sales transformation and explain the four main dimensions that compose it: people, technology, integration in space and acceleration in time. **Methodology.** 41 sales directors from different industries have been involved into in-depth interviews and focus groups.

**Findings.** This study provides a model representing the main dimensions of sales transformation, organized around four pillars: Person, Technology, Processes of Integration in space and Processes of Acceleration in time.

**Research limits.** The empirical study considered only the suppliers' side.

**Practical implications.** Each of sales transformation's dimensions is characterized by factors on which companies can act for a successful implementation of the transformational process.

**Originality of the study.** While at managerial level many companies are experiencing such process of change, at theoretical level it is still missing an understanding of the phenomenon of sales transformation and what it relates to.

Keywords: marketing, sales, transformation, btob, business relationships, CRM.

## Cognitive technologies as boundary objects in digital place

*Corsaro Daniela, Sebastiani Roberta, Mele Cristina*

**Purpose** – Boundary objects consist of devices, artifacts, and images that support the construction of meaning by different actors (Carlile, 2002, 2004). By acting and interacting, people even transform subjective meanings into artifacts, assigning meaning to reality, and thereby constructing it. Boundary objects translate, coordinate, and align the perspectives of different parties (Klimbe et al., 2010), but with their plasticity, they remain both adaptable to local needs and robust enough to maintain a common identity across different uses (Mele, Sebastiani and Corsaro, 2018).

We assume that the role of boundary objects is amplified with the advent of digital technologies. Digitalization has generated new spaces for interaction between actors: the number and type of touchpoints has multiplied which, in turn, has led to a higher heterogeneity of actors involved in resource integration and value co-creation (Jaakkola & Alexander, 2014; Shams & Kaufmann, 2016). This means confronting the views of more and different participants and objects, as well as how knowledge is generated from them.

By higher interconnectivity among actors, digitalization has allowed different contexts to start to communicate, where structural boundaries become less meaningful in favor of contextual boundaries, which also include the social aspects of interaction (Corsaro, 2018). This paper explores the role of cognitive technologies as boundary objects in digital space.

**Design/Methodology/approach** – An interactive, qualitative, case-study approach is adopted to gain insights into the phenomena described. Our cases will include the application of AI, chatbots, virtual assistants and social CRM in different industries. The research follows an abductive research approach, where data collection and analysis, on the one hand, and the search for complementary theories on the other hand, constituted parallel iterative processes. In order to pursue the aim of the research multiple cases have been selected.

**Findings** – Starting from the idea that social construction and sensemaking process that transform spaces and create a “sense of place” (Parsons et al., 2017: 143), we will show the way cognitive technologies perform in most cases as boundary objects enacting actors’ interactions and sensemaking in digital space.

**Originality/value** – Boundary objects are crucial resources, whose dispositional properties can be used and appraised as potentially useful. Specifically, they can gain new dispositional properties through particular resource-integrative processes. The role of boundary objects has been weakly linked to digitalization and cognitive technologies. The issue has also important managerial implications to understand how boundary objects can be used to better govern relationships in digital contexts or across physical and digital.

**Key words** (max 5) Boundary objects, cognitive technologies, resource integration, interaction, space.

**Paper type** – Research paper

## Value co-creation in education: analyzing students' and teachers' role in the higher education ecosystem through a Service-Dominant Logic approach

*Diaz-Mendez Montserrat, Paredes-Escobar Mario R., Quero-Gervilla María José*

**Purpose** - The marketization of HE is a global phenomenon that has extended through different countries around the globe, evolving towards a metaphor that envisions students-as-customers of universities (e.g. Voss et al., 2007; Ng & Forbes, 2009; Natale & Doran, 2012). The purpose of this paper is to propose the Service-Dominant Logic (SDL) of marketing (Lusch, et al., 2008; Vargo & Lusch, 2016), as a framework to analyze and rethink the process of value co-creation among the student-teacher's relationship to address the complexity of HE as a service (Díaz-Méndez & Gummesson 2012). Through this approach, HE is seen as a service ecosystem where many actors interact to jointly co-create value. Implications for educators, university managers and academic researchers are discussed.

**Design/methodology/approach** - Through an in-depth literature review and a critical analysis, an exploration of the marketization of the HE is made. The article explores the controversies around the metaphor 'students-as-customers', considering its long-term effects on society at large. The SDL approach and the service ecosystem perspective are introduced as a framework to analyze the key components of the process of value co-creation for HE. The research is based on theoretical and empirical data from previous investigation findings.

**Findings** - The authors identify how SDL tenets may provide useful implications to address the controversies of the students-as-customer's metaphor in HE, such controversies include: the misunderstanding of the student-oriented university, the misunderstanding of teaching quality and student's satisfaction; and the misunderstanding of the role of student in the HE context. This article highlights the role of students as co-creators within a HE ecosystem, instead of students-as-customers, as previous research has established.

According to SDL a full description of student's and teacher's role for value co-creation within a HE ecosystem is provided.

**Practical implications** - Adopting a SDL mindset has several implications for the management of HE institutions.

The paper identifies practical implications for university managers and educators. For university managers adopting a value-in-context view may help them in devising quality policies focused on providing students with lifelong learning skills and oriented to reduce the time a graduate takes to find a job that pays their educational investment. For educators, this SDL approach could help them in answering questions such as *how to measure student's performance in subsequent courses, as a real base of previous learning? How to measure the development of student's lifelong learning skills?* Finally, the paper identifies research avenues for academics researchers, which would add to our understanding of HE from a service ecosystem perspective.

**Keywords:** Students as customers, service dominant logic, value co-creation, higher education

**Paper Type:** Conceptual paper.

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## Higher Education student complaint behavior from the perspective of the Service-Dominant logic

*Diaz-Mendez Montserrat, Saren Michael, Zamora-Ramos Moisés R.*

**Purpose** – Higher Education (HE) service has lately attracted the attention of scholars due to the growing competition among HE institutions to attract students (Díaz-Méndez and Gummesson, 2012). Consequently, the tendency in the HE sector is to adopt management concepts and strategies based on traditional marketing performance. The analogy of students being treated as customer has been long discussed in the literature with great criticism from a group of authors who claim HE service complexity does not allow the systematical adoption of traditional market management approaches (Svensson & Wood, 2007; Díaz-Méndez and Gummesson, 2012; Díaz-Méndez, Saren and Gummesson, 2017). In this work, we focus on a specific service management area: the student complaint behavior. It is essential to understand and properly manage this behavior since it is influenced by service quality perception and loyalty (Tronvoll, 2012). Specifically we aim to frame the study of HE student complaint behavior (SCB) from the Service Dominant Logic (Vargo and Lusch, 2016) perspective, distinctly from other customer complaint behavior (CCB) approaches with the purpose of providing new insights to HE institutions which allow them to better manage students satisfaction so as to improve institutions' quality and positioning.

**Design/methodology/approach** – This study comprises a literature review which outlines and examines the various theories related to SCB and SD-logic differently to CCB. This theoretical research is based on empirical data from the literature and previous studies' findings.

**Findings** – The complexity of the HE service and the differences between students and other customers are highlighted. The literature reviewed highlights the aspect of considering the university student a customer or refer to them under different labels and so concepts. We present the current debate on this subject which is discussed in a rather polarized manner, with limited agreement. HE service is described as a relevant element of social development embracing multiple factors, it is a highly complex service and easily differentiates from other areas of service.

We contend that the concept of SD-logic is appropriate for the study of SCB, an approach that has been little studied so far and argued. As well as that SCB should be examined in a different manner to the traditional CCB study.

**Practical implications** – This study emphasizes the importance of High Education Institutions and identifies the relevance of differentiating students from other customers by tracking the similarities and differences between them. Thus, enabling institutions to focus their efforts on knowing and understanding their SCB better from the SD-logic perspective. The study of SCB under the SDL, differentiated from other types of customers, allows public and private universities to develop appropriate and specific strategies for responding specifically to student complaints. Thus increasing students' satisfaction and helping to devise more efficient quality policies which will impact on a better positioning of the university

**Originality/value** – Hitherto there is no relevant research that points to the relevance of analyzing the Higher Education SCB under the SD-logic approach.

**Keyword** - Student complaint behavior, higher education, complex service, Service Dominant Logic.

**Paper type** – Conceptual paper

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## Rethinking Cultural and Technology District: from Network of Actors to Service Ecosystem

*Di Pietro Laura, Guglielmetti Mugion Roberta, Pasca Maria Giovina, Toni Martina*

**Purpose** – The present paper is aimed to rethink the Cultural and Technology District (CTD) definition adopting the theoretical lens of service ecosystem, to detect the process of value creation and service innovation.

**Design/Methodology/approach** – The theoretical conceptualization of service ecosystem is used to zoom in the definition of CTD, which is described by Di Pietro et al. (2013, p.6) as “an interdependent system of entities situated within a limited geographical area with the purpose of achieving sustained value creation through two drivers: culture and technology”. To rethink the CTD, first, its definition is compared with the meaning of service ecosystem as well as it is defined by Lusch and Vargo (2014, p.161), namely “relatively self-contained self-adjusting systems of resource integrating actors connected by shared institutional logics and mutual value creation through service exchange”. In this way, a new CTD definition is developed and described. Second, the theoretical lens of service ecosystem is combined with the Triple Elix Model (Etzkowitz and Leydesdorff, 2000) to shed light on the mechanism behind the value creation process and dissemination of innovation.

**Findings** – A new definition of CTD is proposed together with a renewed conceptualization of its business model. The micro-meso-macro levels of the CTD are identified. Advantages and benefits that can be derived by the implementation of the new conceptualization of CTD as service ecosystem are presented and discussed. Finally, the different forms of innovation that can be generated by the CTD are presented.

**Practical implications (if applicable)** – Rethinking the CTD, adopting a more modern and practical lens such as the one of service ecosystem, it is something that allows generating new and pivotal implication for both scholars and practitioners. The paper paves the way for innovative application of service ecosystem theory to the phenomenon of district/cluster, with the opportunity to discover new implications in several theoretical aspects (i.e. resources integration, forms of collaboration and partnership, institutional arrangement development). Simultaneously, the paper provides strategic knowledge to the multiple actors engaged within the CTD, in order to maximize the process of value creation and innovation.

**Originality/value** – Despite the potentialities linked with the development of CTD for both the valorization of cultural heritage assets and strengthen of service innovation, so far only few studies have been dedicated to this phenomenon. In addition, the new conceptualization of CTD appears important to cope the strong need for the revival and enhancement of local economies, especially in times of crisis.

**Key words** (max 5): Service ecosystem; Cultural and Technology District; service innovation; Triple Elix, cultural heritage.

**Paper type** – Conceptual paper

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## Emergence of Service Systems. The case of mobile payment systems in Nigeria

*Ehret Michael, Olaniyan Rotimi*

**Purpose** – The purpose of this paper is to identify rationale and evidence of key processes driving the emergence of service systems.

**Design/Methodology/approach** – The study builds on a theory driven case study (Eisenhardt & Graebner, 2007; Ridder, 2017; Siggelkow, 2007; Yin 2018) of Paga, a mobile payment service with main operations in Nigeria. Building on the philosophy of social emergence (Sawyer 2001, 2005) we propose two key emergent processes: (1) Technological colonialization of resources through the investment in IT infrastructures for the operation of mobile payments driving the liquification of information (Norman 2001; Vargo et al. 2017) and (2) social institutionalization through the formation of business eco-systems, most notably through building a network of retailing and service partnerships connecting the system to end-users. We conduct a longitudinal study capturing the development of Paga collecting archival data and interviews with key informants from the company top management, partner-ship management and eco-system stakeholders like retailers and service providers.

**Findings** – 1) Infrastructure service gap: The lack of infrastructure for payment operation offered a strategic window for Paga, working as a pioneer for financial services for hitherto unserved rural communities of an emerging economy. Paga invested in institutional work activities focusing on gaining local businesses i.e. retailers as service providers for mobile payment services. (2) System reproduction: Here, gaining critical mass became important. Institutional work of Paga focused on network formation, such as partner conferences, co-branding and advertising driving positive network effects and attractiveness for all stakeholders, (3) Emergent general-purpose system: At this stage, the mobile service system has gained autonomy from its initiator Paga. The advent of 4G technologies opens the system for novel competitors and forces Paga to re-position itself.

**Research limitations/implications** – The study identifies rational and evidence for two key processes – (1) IT-driven colonialization and (2) business-driven institutionalization of business eco-systems. As a major conceptual contribution, the study shows the potential of the emergence perspective (Peters 2016; Sawyer 2001, 2005) to study the interaction of market agents in shaping physical and social structures change and thereby driving the emergence of a market system (see Vargo et al. 2017).

**Practical implications**– The study shows evidence for key activities for launching infrastructure services at the bottom of the pyramid (BoP).

**Originality/value** – The study introduces an emergence perspective for the study of service systems and shows rationale and evidence through a longitudinal study of the development of a mobile service system at the bottom-of-the-pyramid.

**Key words** (max 5): Service Systems, Philosophy of emergence, Emerging Economies, Bottom of the Pyramid (BoP)

**Paper type** – Research paper



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## Discovering Mediators of Digital Engagement Initiatives in a Business-to-Business (B2B) Context

*Ekman Peter, Raggio Randle, Røndell Jimmie, Thompson Steven*

**Purpose** – Business-to-business (B2B) firms can adopt self-service technologies to offer customers value propositions beyond their core offerings, i.e., engagement initiatives (Gill, Sridhar & Grewal, 2017) infused with digital technology. In B2B markets, such endeavors involve a limited and identifiable customer base, characterized by a well-defined utilitarian focus and a complex long term relational structure. The latter means that new value propositions are associated with higher risks in terms of jeopardizing established trust and commitments which can result in absent or even negative actor engagement. This study explores what mediates the outcomes of an digital engagement initiative and how firms a priori can estimate the related value proposition outcome.

**Design approach** – The study applies a service-dominant (S-D) logic perspective (Vargo & Lusch, 2016; 2017) on value co-creation and adopts a longitudinal case study of a prime mover and its customers. It also follows the engagement definition from a S-D logic rather than a relationship marketing perspective and hence acknowledge the resulting value co-creation takes place within a service ecosystems perspective (Jaakkola, Conduit & Fehrer, 2019) rather than merely in a dyad. The field study is involving participatory observations, workshops, and in-depth interviews as data collection methods. The data were then analyzed in a abductive manner by four independent researchers to offer a robust result.

**Findings** – The results shows that the outcome of an digital engagement initiative in B2B markets is affected by the (firm-customer) relationship quality and the value congruence related to the engagement-facilitating technology's value proposition. Depending if there is a match in either the relationship quality or value congruence (or both) the actor engagement outcome differ. However, misalignment in both dimensions lead to sunk costs and potential negative actor engagement. Thus, the resulting digital engagement initiative alignment (DEIA) model offers both theoretical and managerial implications.

**Research limitations** – The study builds on a single case study and do thereby not offer theoretical generalization. However, it is a midrange theory contribution within the field of actor engagement research and technology-infused services and can thus provide conceptual guidance.

**Practical implications** – The resulting DEIA model is useful for any B2B firm that develops and introduces a digital engagement initiative to their customers.

**Originality/value** – The paper is a contribution within the intersection of service and (digital) technology research. It is also a mid-range theory contribution to S-D logic and brings a theoretical understanding of both the bright and dark side of actor engagement.

**Keywords** – Service-dominant logic, actor engagement, value proposition, self-service technology, engagement initiative

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## **Solutions without a problem? Evading unused customer solutions through managing business customers' capabilities**

*Elgeti Laura, Danatzis Ilias, Kleinaltenkamp Michael*

**Purpose** – Organizational capabilities are crucial for customer firms to successfully develop, deliver and use solutions. While organizational customer capabilities are necessary for value co-creation, prior research on organizational capabilities predominantly takes a provider centric perspective and delineates those capabilities that supplier firms necessitate to effectively offer customer solutions. However, it remains unclear how business customers themselves respond to changes in industrial service offerings and which capabilities they require to beneficially participate in the processes of solution development and deployment to realize the value in use they desire from the solution.

**Design/Methodology/approach** – The study draws on 20 in-depth interviews with representatives of supplier firms from a wide range of industries using the repertory grid method.

**Findings** – This study identifies 19 organizational customer firm capabilities that can be further subsumed into five broader categories. In combining these results with a critical review of extant literature on organizational customer capabilities, a typology of business customer capabilities is developed that relates to different types of solution business models.

**Research limitations/implications** – Theoretically, this research complements research on organizational solution capabilities from a customer perspective.

**Practical implications** – Managerially, the results can support supplier firms in evaluating, choosing, and developing their customer base during the processes of solution development and deployment.

**Originality/value** – This is the first study to investigate in detail the capabilities customers need to draw on in order to use solutions successfully. As a result, five key capabilities are identified that are highly relevant when participating in the processes of solution development and deployment from the customer side. In addition, it could be observed that in some cases solutions are solely 'bought' but not used. Such 'unused solutions' provide bad references for the supplier and thus have a negative impact for re-buy decisions of the specific solution customer as well as of others. By identifying strength and weaknesses of their customers' capabilities suppliers may avoid such 'unused solutions'. Overall, the research can support supplier firms in managing their customer base so that the customers receive the greatest possible value in use from the application of the providers' solution offerings.

**Key words** (max 5) Capabilities, organizational, customer solutions, service offerings, repertory grid method.

**Paper type** – Conceptual paper / Research paper / Research paper based on qualitative interviews.



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## **Service, network, systems and complexity theories in banking management research: bibliometric study**

*Fedele Maria, Cavacece Ylenia, Formisano Vincenzo, Moretta Tartaglione Andrea*

**Purpose** – This paper aims at examining the state of the art of the adoption of Service-Dominant logic, Service Science, Network Theory, Systems and Complexity Theories in the research field of banking management.

**Design/Methodology/approach** – The work is based on the methodological approach of literature review through the application of the bibliometric analysis method. Bibliometric methods are suggested when analyzing the evolution of heterogeneous, multidimensional and multidisciplinary research fields, as they ensure greater rigor and objectivity to the study compared to qualitative methods (Vogel, Güttel, 2013; Zupic, Čater, 2015). Bibliographical data were gathered from ISI Web of Science database and examined using a web-based social network analysis (SNA) on the citation data to detect the main relationships between the publications collected (Knutas et al., 2015) and the evolution of the scientific literature on the subject matter study (Veerbek et al., 2002; Nerur et al., 2008; Conforto et al., 2012).

**Findings** – The results show a poor adoption of Service Research and Systems theories in the studies on banking management. Network theory is instead more considered, showing a growing presence in the publications of last six years and an increasing number of citations. However, the greatest interest of the scientific community is on the complexity theory that was adopted as theoretical background in 129 works on banking management, which were cited 1848 times with an exponential growth in the last decade.

**Theoretical/practical implications** - The study provides significant implications for both scholars and professionals as a systematic mapping of existing works offers a clear and easily understanding of the links and the complementarity between the scientific approaches taken into consideration and of the emerging trends and future lines of research. From a managerial point of view, this paper highlights the major contributions of current scientific frameworks for the complexity management and the activation of value co-creation paths necessary to deal with complex and dynamic sectors like the banking one.

**Originality/value** – No papers analyzing the application of the latest service, systems and network theories to the banking sector have been detected in the literature. The originality of this work derives by the use of a bibliometric method to study the evolution and the links between these different frameworks in the specific field of banks.

**Keywords** – Service-Dominant logic, Service Science, Network Theory, Systems Theory, Complexity, banking management, bibliometric method, social network analysis.

**Paper type** – Conceptual paper

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## Actor Engagement Practices in Market Shaping

*Fehrer Julia, Alexander Matthew, Conduit Jodie, Jaakkola Elina, Plewa Carolin*

**Purpose:** Markets are shaped by the purposive actions of actors, aimed at creating new linkages that improve resource density and, hence, value creation in a market (Nenonen et al, 2018). New resource linkages imply the creation, or change of actor engagement (AE hereafter) practices. However, little is understood about how ecosystem actors create or modify these resource linkages. Drawing on actor engagement (Brodie et al., 2019) and markets-as-practice literatures (Kjellberg & Helgesson, 2007; Araujo & Kjellberg, 2011), this conceptual paper thus develops a conceptual framework examining the role of AE practices in market shaping. Hence, it contributes to our understanding of the (re-) formation of resource linkages as AE behaviors evolve and become institutionalised.

**Design/methodology/approach:** The conceptual development is supported by an illustrative case study of the Winding Tree (<https://windingtree.com/>), a decentralized travel ecosystem using blockchain technology. The Winding Tree empowers actors (e.g. airlines, partners and customers) to collaborate and innovate together based on an open decentralized infrastructure (i.e. engagement platform) without any middlemen (e.g. travel agencies) being involved, thus providing ideal conditions for demonstrating market shaping through evolving AE practices.

**Findings:** AE is a dynamic, iterative process embodying actors' dispositions to invest resources in their interactions with other connected actors in a service system (Brodie et al., 2019). We argue that it is through the engagement process that actors interact and create new resource linkages. Hence, market shaping necessitates the creation of, or change in, AE behaviors. However, behavioral change in an individual is insufficient, as successful market shaping will require all actors in an ecosystem (including 'customers', 'partners', 'suppliers' and 'users' of the new solution) to adopt new practices to accommodate or support new market offerings. Although the institutionalization of engagement behaviors to practices can occur organically, as individual engagement behaviors coalesce and become institutionalized over time, the case of market shaping reflects the purposive actions of a focal actor, or group of actors, to create new engagement behaviors.

**Originality/value:** This paper demonstrates actor engagement as one key mechanism for market shaping. When established market representations are disrupted, a process of de-institutionalization of engagement behaviors takes place. Inversely, when engagement practices are established as new norms and expectations, processes of institutionalization occur. While previous literature has recognized engagement as an iterative process, this is the first paper to examine the institutionalization process of engagement behaviors leading to new resource linkages and the shaping of new markets.

**Key words:** Actor engagement practices, market shaping, markets-as-practice

**Paper type:** Conceptual paper

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## Resource perceptivity: A key operant resource in successful service innovation

*Findsrud Rolf*

**Purpose** – The purpose of this study is to answer the call for research on the competences necessary to actively address resource constraints and developing improvising capability in the service innovation (SI) process (Witell et al., 2017). SI is driven by the customers' demand for new services (Barrett et al., 2015, Storey et al., 2016, Ratny et al., 2017) and service providers' desire to create new services for existing markets or to find new markets for existing services (Barrett et al., 2015, Ratny et al., 2017). Thus, SI is driven by actors (Edvardsson and Tronvoll, 2013) through the use of competences to co-create value (Edvardsson et al., 2011). Actors are not equal in their ability to unlock value from their resource integration from accessible resources in context (Hibbert et al., 2012, Findsrud et al., 2018), and this is particularly visible in situations with limited accessibility necessary resources. Resource integration is a central part of the process of co-creating value (Vargo and Lusch, 2008, 2016), and it is from these resource integrations activities that SI emerge (Findsrud and Dehling, 2019).

**Methodology** - This study follows an abductive approach and conceptualize resource perceptivity (1) by drawing from literature on imagination (e.g. Kier and McMullen, 2018), creative problem solving (e.g. Basadur et al., 2014), and opportunity recognition (e.g. Kuckertz et al., 2017), from scientific fields such as psychology and entrepreneurship and (2) qualitative data from semi-structured in depth interviews.

**Findings** – Based on the findings, resource perceptivity forms an understanding and intuition of how resources can be combined in context to develop new and novel ways of integrating resource to achieve innovative services and contributes to increase our understanding of how actors create service innovations.

**Practical implications** - To understand what enable managers, front-line employees, and customers to (co-)create new services, find new markets, or adopt new services, focus is needed on the competences that enable actors to engage in activities and behaviors that generate SI and enable them to embrace new services. Resource perceptivity help to understand how to be open to new opportunities as they emerge and to overcome limitations in resource accessibility.

**Originality/value** – The originality in this study lies in the conceptual development of resource perceptivity and how resource perceptivity enables service innovation from a S-D logic perspective.

**Key words:** Service innovation - Resource perceptivity - Service dominant logic - Resource integration

**Paper type** – Research paper

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## Sustainability and DIY as emerging factors for online service offers

*Fischer Rebecca*

**Purpose** – The paper showcases possible future online service offers in the context of DIY (Do-it-yourself) and sustainability. It explores the relationship between DIY practises and sustainability as well as how sustainable DIY approaches can reach a mainstream audience.

**Design/Methodology/approach** – Given the prognosis on global consumption of natural resources, sustainability has become a significant concern in almost all sectors of human life. This is not a hindrance to the growth of various business models.

On the contrary: The necessary dispersion of sustainable approaches can be a substantial economic stimulus. An example is the DIY-trend (Do-It-Yourself) on media platforms. It illustrates the space and potential for new platforms and business models. It also integrates the mega trend of individualization.

The paper, therefore, analyses Sustainability and DIY as emerging factors for online services in three steps:

1. It starts by reviewing existing examples of online platforms and business models that are already established, in the context of DIY and sustainability.
2. It identifies areas of the field which are not yet or are only partially covered by service offers, but clearly, show demand for them.
3. Based on these examples, potential future developments and limits of future approaches are outlined.

As for the methodological approach, the paper uses a case study based on qualitative content analysis, media and references to scientists in the field. The upsurge of sustainable concepts in the private sectors covers many areas which will appeal toward a mainstream consumer base.

**Findings** – In conclusion, the paper summarizes key features in possible online service offers, which foster more sustainable consumer behaviour through DIY projects. It gives an overview, of the parameters of which could be altered, to adjust the offers to different target groups.

Therefore, a blueprint for future service offers in the field of sustainability through DIY projects, is created.

**Practical implications (if applicable)** – The paper delivers analysis that could be useful for developing new online business models.

**Originality/value** – The paper focusses on possible online service offers for DIY consumers who want to create a sustainable impact.

**Key words** (max 5) Do-it-yourself (DIY), Consumer behaviour, Sustainability, Online Service Offers, Maker culture

**Paper type** – Research paper





## **Crowdfunding as a Value Co-Creation model: theoretical constructs and empirical evidence**

*Gangi Francesco, Daniele Lucia Michela*

**Background** – Crowdfunding (CF) describes a collaborative process, which allows the creation of new ventures through the financial support of many individuals (backers). The study proposes CF as value co-creation (VCC) model, where actors operate to achieve non-mutually exclusive benefits due to the synergistic exchange of different types of resources.

**Purpose** – Drawing from VCC literature, the study aims to investigate how reward-based crowdfunding (CF) provides co-creation opportunities for backers.

**Design/Methodology/Approach** – By leveraging on co-production (CP) and the value in use (ViU) axioms, we apply different sub-dimensions of VCC to the CF scheme (knowledge, equity, interaction, experience, personalization, relationship). Based on this background, we first provide two theoretical propositions:

- CP is a VCC axiom that explains backer engagement in CF;
- ViU is a VCC axiom that explains backer engagement in CF.

Then, through a sample of 3.592 backers, we test two co-creation behavioral scales. In this way, we explore personal and contextual traits of backers' contributions and benefits during a CF campaign.

**Findings** – Results show CF as a VCC model in which backers provide different resources while achieving tangible and intangible benefits. Hence, CF consists of co-production opportunities and experiential benefits for backers.

**Research implications/ limitations** – The current study shows CF as a VCC model based on the interaction of different stakeholders. In this sense, we provide new insights into CF scheme, and we broaden the extant VCC literature to CF ecosystem. The research shows some limits. Firstly, data are gathered from a single case study in the game sector. Secondly, the empirical stage focuses only on backers.

**Practical implications** – Findings spur entrepreneurs and platforms to intensify their interactional efforts among and with backers. Both actors should consider the different options of co-creation activities and backers' involvement that may foster VCC during a CF campaign.

**Originality/value** – This study is among the first that combines VCC framework with CF scheme. The originality resides in the application and test of a VCC model to CF context. Indeed, the study theoretically describes CP and ViU as explicative dimensions of backers' participation in a VCC process. Moreover, we provide a starting point for next researches on modeling the relationship between benefits, resources and actors involved in CF ecosystem.

**Key words** – Crowdfunding, Value co-creation, Co-production, Value in use, Stakeholder interaction.

**Paper type** – Research paper.



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## Leader Recruiting and the T-model

*Gardner Philip*

**Purpose** – Many of Michigan State University’s employer partners who recruit regularly on campus are not familiar with the T-model but quickly grasp the concept of depth and breadth. In extended discussions with employers as we establish the T-model, our employers directly link the T to desired traits for candidates for their leader talent programs. This connection has opened some new avenues of research into the connection between leader recruiting and the T. This presentation reports some of the early findings from our initial research project.

**Design/Methodology/approach** – The Collegiate Employment Research Institute has been exploring leader talent recruiting as part of its annual college recruiting series. We surveyed nearly 2500 employer representatives who were actively recruiting on college campuses across the U.S. In our theme section of the survey, employers can choose the recruiting topics that interest them. 545 employers (62% representing companies with 500 or fewer employees, 40% from service sector, 26% from professional services, and 27% from production sectors) opted to complete the topic on leader talent recruiting. They reported the primary purpose of college recruiting was to identify future leaders who are likely to be selected from company’s co-ops/interns (34%) or current employees (40%).

**Findings** – Using organizational fit measures and behavioral interviews recruiters assemble a leader candidate pool with selection focused on communication and interpersonal skills, initiative, learning, and relevant work experience. Academic major is not considered an important selection criteria. Factors that determine who is selected for further consideration include those who can build trust & confidence, uphold behavioral standards, deliver strong & credible results and master new experiences. Also successful candidates score high on self-awareness, self-regulation and self-motivation.

By overlaying the components of the T-professional model, as defined by Michigan State University, onto leader candidate characteristics we can delineate strong connections between the two.

**Research limitations/implications (if applicable)** – This study was exploratory in nature as we do not have much prior research on this topic. The first step was to simply determine the dynamics of leader recruiting. We established connections to the T-model. With these insights we are designing more rigorous studies around the T.

**Practical implications (if applicable)** – These initial findings have stimulated interest in further research about T- development and leadership training on campus including examining the integration of different T-learning opportunities and leadership advancement; establishing the relationship between T-development in undergraduates who are participating in campus leadership programs; and longitudinal analysis of how T attributes influence leadership attainment in early career.

**Key words** (max 5) Y-professional model, leader talent recruiting, employer perceptions

**Paper type** – Conceptual paper / Research paper



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## An omnichannel approach for value proposition

*Gargiulo Roberta, Bifulco Francesco*

**Purpose** – Service marketing literature suggests that omnichannel approach (Verhoef et al., 2015) can influence engagement metrics such as, among others, awareness, conversions, cross-channel, customer retention, customer lifetime value (Ailawadi and Farris, 2017; Broussard 2016) and can generate a positive word-of-mouth (advocacy) and a higher revisit rate (Sopadjeva et al., 2017). Starting from the point that “a customer is always a co-creator of value” (Vargo and Lusch 2006), firms are trying to combine physical and digital touch points (Verhoef et al., 2015) with the aim of providing the customer a seamless experience with no barriers between channels (Rodríguez-Torrico et al., 2017 Ailawadi and Farris, 2017; Lemon and Verhoef, 2016; Beck and Rygl, 2015) which lead to greater engagement and value co-creation (Payne et al., 2017; Nordgren and Johansson, 2017). The aim of this work is to analyse how the omnichannel strategy, as a communication proposition, can influence customers’ value through the lens of S-D Logic.

**Methodology** – We conducted a single exploratory case study (Yin, 2014; Gummesson, 2017) and we chose evidences from cultural heritage context, in particular we analysed National Archaeological Museum of Naples, which is one of the top 15 museums in Italy according to Mibac (2017) and one of the top 10 museums in Italy for customers: in 2018 it received TripAdvisor Travelers’ Choiche (Celani, 2018). This museum is a pioneer in the adoption of an omnichannel approach to share contents with audience. We used a customer survey which is an important support for marketing and decision-making in cultural organisations (Hulland *et al.*, 2018) in order to verify the effectiveness and the impact on customers of this new type of value proposition.

**Findings** – The evidences show that age is actually a variable able to influence customers’ perception of omnichannel communication: going forward with age decreases the cross channel and the number of different channels intercepted. Further, in a cultural heritage context, the most intercepted communication channel is the digital one. Both conversion and engagement increase for omnichannel users compared to not omnichannel users.

**Research limitations/implications** – Digital technologies are confirmed to be the ones able to facilitate interactions among users and between companies and users (Parise *et al.*, 2016), that may improve marketing activities and engagement which leads to value creation (Hollebeek *et al.*, 2014). Further, age too is confirmed to be an important variable which has to be taken into account (Ziliani et al., 2019). Future research could use narrative interviews (Helkkula & Pihlström, 2010) to going more in depth in understanding which features of the omnichannel strategy are the most appreciate by consumers for satisfaction, value co-creation and a better customer experience (Stein & Ramaseshan, 2016).

**Practical implications** – Today, museums operate in a context in which everything has become more accessible thanks to digital technologies, so that the audience’s expectations on the cultural service experience are increasing (Amitrano et al., 2018; Russo Spina *et al.*, 2017; Mosca *et al.*, 2018). Using an omnichannel approach let managers create a detailed “touchpoint mapping” (Stein & Ramaseshan, 2016, p. 17) and create innovative offerings tailored to customers.

**Originality/value** – This work offers a better understanding of the impact that omnichannel strategy may have on consumers in the cultural heritage context: through the comparative analysis of omnichannel and not omnichannel users, it clarifies the different behavior and attitude of consumers towards multiple communication integrated channels.

**Keywords** – Omnichannel, value, engagement, S-D logic, cultural heritage

**Paper type** – Research paper

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## **Using digital tools to improve visitor experience in corporate museums. An explorative study in Italy**

*Garofano Antonella, Mason Michela, Napolitano Maria Rosaria, Riviezzo Angelo*

**Purpose** – The present study aims to explore how the digitization of corporate heritage traces may be used by corporate museums to improve visitor experience and the overall quality of offered service. More specifically, we aim to identify all digital tools that may be used to communicate and interact with visitors, shedding light on innovative ways to enhance corporate memory while creating memorable experiences.

**Design/Methodology/approach** – After mapping Italian corporate museums, we performed an explorative analysis on their websites, in order to categorize all digital tools used to enrich the overall visit experience, such digital archives, virtual tours and digital communities. Following a qualitative approach, the in-depth analysis was based on the integration between secondary data deriving from desk research and primary data collected through direct observations and in-depth interviews.

**Findings** – Our research not only allowed us to better understand how digital tools may be used both to communicate and enhance corporate heritage preserved in museums, but also provided a categorization of the main digital tools that these museums may use to innovate and enrich the visit experience, traditionally linked to products representing the best of Italian manufacturing.

**Originality/value** – In the last decades service marketing absorbed the new dynamics and trends deriving from the advent of digital age. Thus, scholars and practitioners have paid significant attention to all digital tools that can be used to foster customer engagement and interaction. Despite the growing interest towards corporate museums as institutions at the intersection of culture and the world of business, no efforts have been made to investigate specifically how digital tools may be used by these museums in order to engage and interact with their audience. Therefore, the present study contributes to the literature on visitor experience focusing on the specific realm of corporate museums, uncovering new practices and instruments usable to enrich and differentiate the overall service provided by this specific category of museum.

**Key words** (max 5) corporate museums, visitor experience, digital tools

**Paper type** – Research paper

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## SOURCE-SENSING ABILITY: A KEY TO RESOURCE BECOMING

*Gidhagen Mikael*

**Purpose** - Individual actors' value creating role in resource integration is often presumed in contemporary research, at the same time as the issue of any resources available to the actors is dealt with as taken as a given. However, resources are not, they become – and increasing our understanding of the actor's role in the process of resource becoming may not only add to but also critically influence the process of value creation. Revisiting research on resources and resource becoming (Zimmermann, 1945; 1951), and acknowledging resources as a function of human mind sensing resource potential in different kinds of sources, the purpose of this paper is to elaborate on the issue of source-sensing ability as a key to value creation, through developing a discussion on resource becoming. Through continuous probing and a source-sensing ability, together with an aptitude for relational interaction, resource integrators are commanding value creation.

**Design/Methodology/approach** - Using illustrations from a research context of resuming business, we elaborate on the criticality of source-sensing ability and the acknowledging of a resource becoming perspective. Taking a resource becoming perspective to value creation, integrating and combining resources is not only a matter of seeing the potential in and integrating readily discernable resources, but just as much to identify and acknowledge resource potentiality also in sources not evidently sensed as resources, or even in entities never previously considered at all. Furthering research on resource becoming is considered vital to service research (Koskela-Huotari, Edvardsson & Tronvoll, 2018; Peters, 2018; Vargo & Lusch, 2016).

**Findings** - Commanding resource becoming is about using insights and knowledge for identifying and acknowledging potential resources, to be able to vitalize the potential resources for resource integration and value creation. The case illustrates the importance of identifying and acknowledging resource potential for multi-beneficial value creation, especially considering previously used resources that have lost resource status but once again are vitalized – for a similar or different purpose.

**Originality/value and Practical implications** - One main contribution to service research is the discussion on resource becoming, primarily considering the conceptualization of the part of the process preceding resource integration. As resource integration is such an essential element of value co-creation in service ecosystems, the discussed framework of resource becoming provides a conceptual tool for furthering our understanding of source-sensing and resource potential as key aspects for the value creation process - in any particular place and context.

**Key words** - Resource becoming, source sensing, resource, value co-creation, service ecosystem.

**Paper type** - Research paper

## Empirical Experiences from the Use of Service-Dominant Logic in an IT-project

*Göbel Hannes, Cronholm Stefan*

**Purpose** – Over the past several decades, we have witnessed a transformation from an industrial product-oriented economy to a service economy in the IT-sector. The goal of the organizations is to increase their digital organizational capability by implementing digital service transformations. However, adopting a service perspective in the management of digital services continues to be a challenging process for many organizations (Brown et al. 2016). The adoption of a service perspective is not about a minor change of attitude; it is a paradigm shift for the whole IT-sector. One contemporary service perspective is service-dominant logic (SDL). In our literature analysis, we identified that the development of SDL is primarily based on theoretical insights gained from previous prior work by several scholars. We can conclude that theoretical grounding of SDL is firm, but that SDL lacks empirical evidence concerning experiences from applying SDL in the IT-projects. Consequently, the purpose of our study is to present empirical evidence from the use of SDL in an IT-project. The IT-project included the design of a digital tool for service assessment and service innovation.

**Design/Methodology/approach** – Our study has unfolded by means of a four-stage process: 1) Literature review of prior applications and evaluations of SDL, 2) Implementation of an IT-project concerning the development of a digital tool supporting service assessment and service innovation, guided by service-dominant logic, 3) Evaluation of SDL based on empirical experiences gained from the IT-project, 4) Formulation of complementing prescriptive guidance that overcomes the identified challenges in the IT-project.

**Findings** – The findings consist of three challenges:

Challenge 1: The understanding of central conceptualizations in SDL.

Challenge 2: The generic nature of SDL.

Challenge 3: The lack of prescriptive guidance on how to use SDL in IT-projects.

**Research limitations/implications (if applicable)** – Contribution to the knowledge of how to adopt SDL in IT-projects.

**Practical implications (if applicable)** – Prescriptive guidance that can support organizations in their efforts to transforming their business to become digital service oriented and increase their digital organizational capability.

**Originality/value** – The main discourse about SDL has been largely theoretical. Little attention has been given to how empirical evidence gained from IT-projects can be used to inform the further theoretical development and the practical use of SDL.

**Key words** – evaluation of service-dominant logic, digital service transformation, prescriptive guidance regarding service-dominant logic

**Paper type** –Research paper

## Market Practices: Insights into Market Evolution and Market Actor Motivation to Conform

*Gosling Martyn, Richard James E.*

**Purpose** - Marketing theorizing has diverged from the neoclassical economics goods-centric model of markets. The market practice model founded on social practice theory provides an alternative approach towards a general theory of markets. This conceptual paper explores the insights provided by the model towards salient questions raised by Vargo et al (2017) as to how markets emerge and evolve, how competitive and social issues affect the configuration of markets, and how market actors are motivated to change behaviors.

**Design/Methodology/Approach** – The authors draw on diverse literature to advance the market practice model, and explicate how market actors determine the ‘us’ within a market from the ‘others’ outside the market, and thus how market actors adopt specific practices in order to engage and exchange in a market. The approach also draws on understandings of competitive intensity amongst providers and amongst users as influencing market change and actor conformity.

**Findings** – The market practice model is a recent conceptualization contributing to the debate of a general theory of markets in the services-paradigm. The model describes market boundaries, and thus performances by market actors, as defined by the limits of specific categories of market practices termed *parameters*. The model provides insights into how markets change as parameterising practices emerge and evolve or dissipate. Change in one or more parameters may not only change the boundaries of a market but also force changes to the embedded institutional practices prescribing the performances by market actors. We present two distinct but related approaches to the willingness of market actors to perform in step with the specific practices of a market in order to gain and retain inclusion.

**Originality/Value** – The market practice model provides insights essential to market conceptualizations accounting for dynamisms and complexity. This paper advances the debate of markets as social structures demarcated by specific categories of routinized practices by explicating market formation and evolution, and actor compliance. Such conceptualizations are vital in forwarding the service-dominant paradigm.

**Research implications:** Market boundary definition and actor performances provides a dynamic context for future market conceptualizations impacting on market understanding and marketing strategies.

**Key words** – Markets, market boundaries, social practice theory, market evolution, market actor conformance

**Paper type** – Conceptual paper

## The effectuation approach. A new point of view for Italian startups companies

*Greco Fabio, Capobianco Nancy*

**Purpose** - The purpose of the work is to contribute to the analyzed the phenomenon of startups, the reason for their rapid diffusion and the tools to support their design and planning., in particular where argues that Business plane together other kind of plane in business rarely survives first contact with customer (Blank, 2013). Effectuation theory (S. Sarasvathy 2009) highlighted the importance for entrepreneurs to change their strategic orientations during management activities. This work aims to apply effectuation theory to the successful startups of a service company.

**Design/Methodology/approach** - According to major entrepreneurship studies, a qualitative analysis to better describe and compare entrepreneurial experiences about founder of successful startups by success or that they have become real businesses or that have made exit in some big company group (Ries, 2011).

The qualitative analysis goes hand in hand with the collection of data: the purpose of data collection is to provide a representation of the phenomenon in question, to observe and describe if and how the above-mentioned beginning successfully emerges "the effect". This is a work in progress, in the hopes to get more collect data possible for the future research.

**Findings** - In new venture creation, entrepreneurs following an effectuation approach might begin the new venture process with general aspirations to create a new venture, but as they make decisions and observe the results of those decisions, they utilize this new information to change course.

**Research limitations/implications** - the main limitation of this work lies in the sample size. During the interviews, it is difficult for entrepreneurs cover the real picture, because their propensity on storytelling and emphasize they own business story.

**Practical implications** - the results could be useful for startups entrepreneurs to make effective decisions on the choice of performing in front of different models of discovery of opportunities.

**Originality** - To launch a startup company means managing a particular type of risk, there is a risk related to the uncertainty of a certain result, using a metaphor like "a ship thought a storm". For the startup, in the storm, what matters is not the plan, but control. In this research, the authors using an theoretical approach to support an daily entrepreneurial troubles while they choose to begin a new venture.

**Key words:** Startup; effectuation theory; opportunity; entrepreneurs.

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## UNIVERSITY-BASED ACCELERATORS FOR START-UP AND THEIR IMPACT ON THE ECOSYSTEM

*Greco Fabio, Tregua Marco, Mele Cristina*

**Purpose** - Disruptive ideas leading to start-up are growing. As of 2018, 9,000 innovative start-ups in Italy increased the employment of 5% per semester, with over 40,000 shareholders. (Sole24Ore, 2018).

Scholars highlighted drivers of success, control systems, seed accelerators, and their supportive instruments (e.g., education/training activities) (Petretto, 2009; Davila, 2010; Blank, 2013; van Hove et al., 2018). Even European Union focused on accelerators (EU-Startups, 2019) and acceleration programs are increasingly spreading (Global Accelerator Report, 2016).

Further research has been called for (e.g., Colombo et al., 2018), due to the novelty of the topic and the open questions on the features of university-based accelerators, as their “viability” (Mele & Russo-Spena, 2018; van Hove et al., 2018) in the start-up ecosystems. Thus, this work overviews the start-ups scenario and the acceleration programs in Italy and observes university-based accelerators to analyse their role in start-ups development.

**Design/Methodology/approach** - A multiple comparative case study is performed through face-to-face interviews with the main Italian university-based accelerators and start-uppers. Interviews are performed in Italy due to the chance to complete them locally and because of the high number of accelerators.

**Findings** - Business incubators and accelerators played a fundamental role in supporting this growth. Indeed, accelerators with universities as partners established critical relationships in the surrounding context of a start-up catalysing the achievement of the objectives. Core competence, technical knowledge, and cross-sectorial knowledge brought by universities are key drivers of start-ups success. Moreover, a start-up ecosystem offers a fertile ground for start-ups development.

**Research limitations/implications** - Several discriminating factors contribute to the success of a start-up (Applegate, 2016) and it would be limiting to lead them back to acceleration programs, since they can represent one of the determinants for the success of start-ups.

**Practical implications** - The birth and the role of the most successful certified Italian company accelerators with local universities as front-line partners is emblematic. Moreover, on one hand, the mortality of start-ups significantly decreased, on the other hand, these emerging firms suffer from “dwarfism”, since they fail to scale up. Variety of knowledge and competence in a start-up ecosystem led by universities is a useful lever to support the success of start-ups; anyway, many problems remain unresolved. This study identified the key drivers of successful start-ups to set guidelines for university-based accelerators. Local and central agencies can understand how to support such accelerators, due to the advantages start-ups can bring locally (e.g., employment, spillover, and tied services).

**Key words** (max 5) - Start up, Accelerator, University, Ecosystem

**Paper type** – Research paper

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## CONCEPTUALIZING VALUE CO-CREATION TO DETECT EMERGENCE AND ECOSYSTEMS (RE)FORMATION: A “META” APPROACH

*Grimaldi Mara, Pels Jaqueline, Troisi Orlando*

**Purpose** – The work aims at identifying the multiple actors’ dynamic interrelations that, through their value co-creation manifestations, give birth to the emergence of service ecosystems. The study adopts the Viable Systems Approach (Vsa) (Barile and Polese, 2010) lens to look at service ecosystems (Akaka et al., 2013) as it argues that the Vsa is a suitable meta-model for the analysis of emergence in ecosystems. The Vsa perspective adopts a holistic view and understands systems synergy as a meta-phenomenon deriving from the relationships between micro (individual), meso (relational level) and macro (institutionalization) levels.

**Design**– Since emergence is ephemeral (Taillard et al., 2016) and difficult to detect, the observation of the dynamics underlying value co-creation process can help to detect how ecosystems take shape. Thus, by clarifying co-creation appearance, ecosystems emergence can be interpreted. Based on a critical literature review, the study proposes a framework that addresses the following research questions:

RQ1: which are the main sub-dimensions and drivers of value co-creation’s evolving process across micro, meso- and macro-contexts?

RQ2: which are the dynamic links between micro-, meso- and macro levels that can generate ecosystem’s emergence and continuous reformation?

**Findings** – In response to the RQ1, value co-creation is reframed as a complex “phenomenon”, subdivided into three processes, *value-in-exchange*, *in-use* and *in-context*, associated to each of the three ecosystem’s levels: micro, meso and macro. Moreover, within each level three drivers: activity, relational modalities and resources were identified.

In response to RQ2, the final outcome of value co-creation is emergence, intended as the generation of new value, interacting modalities, practices and institutions and as the continuous renewal of the “newness” created over time. By identifying the main value co-creation processes and drivers, emergence can be configured as a result of an evolutionary process of value generation and regeneration (meta-level).

**Research implications/limitations**– The framework derives from conceptual analysis and can be understood as a first step for future research aimed at performing qualitative observation and/or measurement of value co-creation. The categorization of the main co-creation activities, relational modalities and resources can help decision-makers to manage strategically the process from the early stages, to understand how to encourage user’s involvement in progress and how to monitor service exchange.

**Originality/value** –The work adopts a phenomenological perspective on value co-creation that mediates between a twofold level of analysis exploring: 1) value co-creation as a complex result of the transformation between and among ecosystems levels (from micro to meso to macro); 2) ecosystem’s emergence as the synergistic outcome arising from co-created value (at a meta-level) that enables ecosystems reformation (institutionalization, from macro to meso and micro).

**Key words** – Service ecosystems, value co-creation, emergence, viability, reformation

**Paper type** – Conceptual paper



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## Quality criteria and recommendations for conducting service-dominant logic based research

*Gruen Tom, Ehrental Joachim*

**Purpose** – While Service-Dominant logic (SDL) has been the basis for research publications in many journals, anecdotal evidence suggests that there is growing resistance to using SDL because some reviewers consider it to be unviable for rigorous research. As a remedy, researchers, editors, and reviewers are in need for clear criteria on what makes good quality SDL research. Our study aims to address this problem, and it examines how SDL has been successfully and unsuccessfully used in research—including methods, processes, and approaches to apply & integrate SDL in research studies—in order to determine a set of quality criteria for researchers and practitioners to better use and benefit from SDL.

**Design/Methodology/approach** – Combines literature review and qualitative interviews on conducting, reviewing, and publishing SDL-based research. Using the literature review as a basis, key informant interviews of researchers and journal editors are conducted with the protocol and analysis based on the Gioia method.

**Findings** – Reveals the various paths and predominant ways in which SDL has been successfully applied across different research fields and research settings. Based on good and bad practice identified in the literature and through the Gioia method, methodological recommendations and quality criteria for SDL-based research are presented.

**Research limitations/implications** – Aims to show how the rigorous application of SDL provides researchers opportunities to ask new questions, gain new insights, build and test new hypotheses. By providing quality criteria to achieve a desired research approach / outcome, our study emphasizes why it is important to be, rigorous in SDL research. It aims to serve as guidance to researchers and reviewers alike, and it provides specific guidance to assist the application of SDL to empirical studies.

**Practical implications** – Provides quality criteria for practitioners on how use SDL, and how not to.

**Originality/value** – Examines and establishes quality criteria in conducting SDL-based research in order to improve the quality of SDL research and hence its reputation, to facilitate SDL's development, and to stimulate a wider dissemination and acceleration of application of SDL in research and practice by spreading best practices on its rigorous use.

**Key words** – Service-Dominant Logic, Gioia method, literature review

**Paper type** – Research paper – qualitative



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## **Mor(e)ph: embodying business key figures in a data sculpture**

*Hajinejad Nassrin, Gauser Tony, Giegler Felix, Koehler Daniela*

**Purpose** – The benefits of visualizing complex datasets is recognized in the business community. However, the use of experiential representation of key operating figures is unexplored. This paper explores the potential of data sculptures as a means to represent key operating figures and make them comprehensible according to multi-sensory principles.

**Design/Methodology/approach** – The design of a data sculpture is studied on the basis of a case study of an agricultural enterprise.

**Findings** – The experiential representation of business data provides a means to support internal and external communication, and contributes to the development of a shared understanding.

**Research limitations** – The mapping of business data to physical parameters has been designed specific to the particular case under consideration. Further research is needed to examine whether it can be applied for other enterprises.

**Practical implications** – Presenting business data in a data sculpture can be used as an experience-oriented approach to engage stakeholders and for building customer relationships.

**Originality/value** – Presents a proof of concept for embodying key business figures in a data sculpture. The findings contribute to understanding basic aspects in designing the mapping to physical parameters.

**Key words** - Data sculptures; experiential representation; business key figures; communication tool, entrepreneurial decisions.

**Paper type** – Conceptual paper

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## The More the Merrier? Insights into the Supply-Side of Digital Service Platforms

*Hänninen Mikko, Kumar Ashish, Smedlund Anssi*

**Purpose** - The past decade has seen digital service platforms, such as *Airbnb* and *Uber*, become increasingly popular amongst both end-customers and service providers across the economy. By combining software as a service (SaaS) modules that take care of back-office tasks with the benefits of a multi-sided market connecting service providers with end-customers, digital service platforms arguably have the potential to increase business performance and ease the barriers of entry into service professions. However, little empirical evidence about these potential performance effects of digital service platforms are yet available in marketing, services or entrepreneurship literature. We therefore seek to fill this gap by identifying the potential benefits and drawbacks for the platforms supply-side from engaging in digital service platforms and using such platforms to interact and transact with the platforms end-customers.

**Design/methodology/approach** - We study a digital service platform in the Nordic beauty profession, primarily, through quantitative methods. Our data consists of the digital service platform's back-end data, a total of approximately 5.6 million rows. In addition, semi-structured interviews and a survey were also administered to service providers about their use of the platform.

**Findings** - Our findings reveal that the performance of service providers is dependent on how they use the platforms SaaS modules. In addition, the number of new end-customers they receive as well as their business performance is dependent on whether or not they use the platforms, multi-sided, appointment marketplace. These findings speak to an important debate regarding the benefits of digital service platforms for the platforms supply-side. We identify that it is not enough to simply adopt a digital service platform, but in order to capture higher levels of business performance from the platform, the way that the platform is used is critical to decipher.

**Practical implications** - In terms of the implications for managers and policy makers, we reveal insights into the sustainable governance of digital service platforms, as the sale of the discounted and commoditized appointments through an appointment marketplace should be compensated with well-designed SaaS modules in order to maximize the performance gains for service providers from its use. These insights are critical for policy makers and managers who are still struggling to grasp the regulatory and competitive implications of digital markets.

**Originality/value** - While extant studies have quantified the effects of the introduction of a digital service platform in a specific market, in terms of, for example, incumbent firms, and entrepreneurial activity, there is however little understanding for the effects of digital platforms, and specifically digital service platforms, on a platforms supply-side. Our study provides novel understanding regarding this research gap, particularly how service providers should use digital service platforms in order to capture higher performance levels.

**Keywords** - Platform economy, digitalization, service platforms, service providers, supply-side, service economy

## The Digital Marketplace: A Service Systems Perspective

*Hänninen Mikko, Kwan Stephen, Mitronen Lasse*

**Purpose** - The past few decades have brought major change to a number of industries as new business models, such as the digital marketplace, have proven dominant. For example, in retail, up-until recently large companies like Walmart held competitive advantage, as the optimization of product flows from suppliers to stores and from stores to customers, rather than the customer experience, was the differentiating factor. However, we are now witnessing increased disintermediation in the retail value-chain as new entrants are applying advances in information technology to create novel combinations of value to end-customers, simultaneously covering the front and back stage activities in the service system.

**Design/methodology/approach** - We develop understanding for how digitalization is enabling firms to integrate the online and offline channels and succeed in creating a more coherent and personalized customer experience in the 21st century. Through a case study of the retail industry, we take a service systems perspective from service science to draft a model of the marketplace service system. More specifically, we seek to understand how the marketplace service system is structured and how it differs from traditional retail business models.

**Findings** - We argue that through the increased popularity of new digital business models, such as the digital marketplace, a new stage in the service system is emerging where the online and offline domains are converging to create a more coherent customer experience. We contribute to the marketing and service science literature by showing that marketplaces take customer experience to a new level by way of shared products, information and services, through the integration of the backstage to provide the frontstage processes. In this transformation, a critical aspect is the vertical, horizontal and global integration enabled by the service system.

**Practical implications** - As modern businesses continue to be increasingly information technology driven, for example, through the reliance on big data analysis, and the adoption of novel technologies such as augmented reality and artificial intelligence, this study provides insights to managers and practitioners about how, in the future, leading players in service businesses will most likely be the ones with the most coherent customer experience and service system across both online and offline.

**Originality/value** - This study contributes new understanding about the implications of digitalization on the dominant business models and service systems through a case study of the service system transformation in the retail industry. While new business models, for example sparked by the platform economy, have received increasing theoretical and practitioner interest during the past few years, this study fills the gap related to the lack of theoretical understanding about these transformations, and their implications on the incumbent service system.

**Keywords:** Service science, Marketplace, Platform economy, Customer experience, Retail

## In A.I. We Trust: Perceived Value of Advanced Artificial Intelligence in Services

*Hartley Nicole, Ching Joshua*

**Purpose** –This study explores how consumers define perceived value within the context of an advanced Artificial Intelligence (AI) service encounter; and, what attitudes consumers possess towards service encounters rendered by advanced AI. In May 2018, Google CEO, Pichai Sundararajan demonstrated an advanced AI called Google Duplex (Leviathan, 2018). This advanced AI is able to produce highly nuanced conversations with service providers, potentially mediating interactions between consumers and their service providers. Further shifting the high-tech, low-touch service paradigm to a high-tech, no-touch service encounter.

**Design/Methodology/approach** – A phenomenological and grounded theory approach was adopted to investigate consumer perspectives and attitudes towards advanced AI. The qualitative data were collected using semi-structured in-depth interviews. This approach allowed an inductive approach to glean insights on how perceived value is defined through interpretations of respondent’s lived experience about the use of technology and AI. A total of 23 interviewees participated in the study, 14 females (60.9%).

**Findings** –Three broad categories of perceived value were identified from participant responses; (1) Task Precision and Reliability, (2) Delightful Novelty, and (3) Augmentation of Human Limitations. The grounded theory approach was further used to assess the factors influencing consumer acceptance and adoption of advanced AI in service interactions. This analysis resulted in a theoretical adoption model that outlined the (1) the causal conditions of advanced AI adoption, (2) the central phenomena pertaining to the adoption inertia and fear induced by negative outcomes from using advanced AI, (3) mediating conditions which influences advanced AI adoption, (4) moderating conditions which influences the relationship between the mediating conditions and adoption, and lastly (5) the outcome condition which is the adoption of advanced AI.

**Practical implications (if applicable)** – The proposed typology highlighted several sub-dimensions in each classification that can be used by service providers to enhance advanced AI adoption. It is also important for firms to understand how consumers define where their perceived value lies in adopting advanced AI, and to consider both the hardware (utilitarian) and heart-ware (hedonic) elements necessary for a successful implementation of advanced AI technology; moreso for high involvement services such as healthcare and defence.

**Originality/value** – This research has provided the first stride toward developing greater understanding of perceived value and consumer attitudes towards the adoption of advanced AI in service interactions. Using the findings from this research as a point of departure, marketing scholars will be able to advance theories related to AI in services beyond the current focus; which is the human job replacement paradigm (Huang & Rust, 2018), and technology anxiety (Meuter, Ostrom, Bitner, & Roundtree, 2003). The typology presented in this research also contributes to existing studies on consumer perceived value of high-tech innovations. The utilitarian character of high-tech innovation is traditionally the key focus in many existing research (Rust & Huang, 2014; Wirtz et al., 2018). However, as the service industry has embarked on a paradigm shift from the conventional “high-tech, low-touch,” to a “high-tech, no-touch” service paradigm, it is important to address both the utilitarian and hedonic characteristic of perceived value in advanced AI services.

**Key words** artificial intelligence, technology-infused service encounter, perceived value, technology adoption



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## OFFERING VALUE-IN-USE: WHAT CAN A MARKETER DO? A CASE STUDY RESEARCH IN THE FIELD OF MOBILITY SERVICES

*Hartwig Kea, Jacob Frank*

**Purpose** - With “Marketing Myopia”, Levitt (1960) established a marketing paradigm that triggered the development of marketing as an academic field. Correspondingly, various frameworks for marketing practices were developed, including the 4P marketing mix (McCarthy, 1960). It refers to four decision areas: product, price, place, and promotion. During the past decade, however, a new paradigm evolved: the service - dominant logic (SDL) of marketing (Vargo & Lusch, 2004, 2008, 2016). Its main ideas include that “service is the fundamental basis of exchange”, the concept of “value-in-use” and the notion of “value cocreation”. Due to the far-reaching reformulation of marketing understanding, it must be examined whether the “4Ps” are still valid as a framework for marketing practices or whether they must be revised in order to align with the SDL marketing paradigm.

**Methodology** – The explorative study consists of a multiple case study (Yin, 2009) in the field of mobility services. They represent an appropriate research context, as they align well with the theoretical propositions of SDL. Data collection is conducted through interviews with marketing representatives from each company and through the review of secondary data (Eisenhardt, 1989). Data analysis takes place by following the guidelines of Gioia et al. (2012).

**Findings** - Traditional marketing instruments (“4Ps”) continue to form the basis, but are increasingly adapted to individual customer requirements regarding the particular usage process. Important issues in this context are the management of individual goal achievement, the alteration from a fixed price to a continuous revenue stream, digitally enabled accessibility and customers’ guidance regarding different usage possibilities and use cases.

**Research limitations/implications** - The study provides a marketing management perspective on value-in-use, which has been mostly absent in academic literature and extends the limited number of empirical findings on SDL (Heinonen et al., 2010). However, due to the research design, results are rather descriptive and future studies have to prove its generalizability

**Practical implications** - Marketing managers can draw on the established framework in order to develop a value-in-use based marketing approach. They can exploit the results to shape their offerings and especially related marketing activities more value- (in-use) oriented.

**Originality/value** – The implications of value-in-use for the marketing mix have not been uncovered in detail. This research reveals marketing instruments specifically relating to value-in-use and thereby extends traditional marketing frameworks, such as the “4Ps” (McCarthy, 1960).

**Key words** - Value-in-Use Marketing, Service-Dominant Logic, Case Study Research

**Paper type** - Research paper

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## Coaching as central element of a new Didactics of Higher Education

*Hasenknopf Hauke*

**Purpose:** To determine the impact a Coach has in an interdisciplinary master's program.

**Design/Methodology/approach:** Qualitative interviews with Coachees of this master's program are conducted. These are contrasted by a qualitative interview with a Control Group consisting of a student of an interdisciplinary program without a Coach.

**Findings:** This paper outlines the nature of the relationship and interaction between Coach and Coachee in the setting of Higher Education. By doing this, it is able to sketch the learning process of the students as well as how the theory of the lectures is actually implemented into practical projects.

**Research limitations:** The highly situative nature of a Coach's actions within the project groups will make it difficult to derive how any process may play out. Additionally, there might be problems arising from comparing students of an extra occupational master's program with students of a regular bachelor's university course.

**Practical implications:** Following the results of this paper, a Coach is able to better understand his/her role within the master's program.

**Originality/value:** While there is an increasing amount of scientific literature about Coaching in general, there is little scientific research about Coaching within the context of Higher Education. This paper sheds additional light on that particular field of study.

**Key words:** service, science, didactics, coaching

**Paper type:** Research paper

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Heller, J./Gallenmüller, K. (2016), „Thesen über Königswege und Irrwege im Coaching.“ In: Qualität im Coaching. Denkanstöße und neue Ansätze: Wie Coaching mehr Wirkung und Klientenzufriedenheit bringt ed. Class Triebel, Jutta Heller, Bernhard Hauser, Axel Koch, Berlin/Heidelberg pp. 1-8.

Plato: Apology.

Plato: Meno.

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## Service Literacy

*Hidaka Kazuyoshi, Spohrer James C.*

**Purpose** – We propose a new emergent research domain in service system research: Service literacy of service receivers. Service receivers can learn to improve their abilities to co-create value with service providers by using information and communication technologies that augment human capability.

**Design/Methodology/approach** – We followed the concept design approach based on literature review.

**Findings** – Recent studies in marketing and management science point out that value of service is co-created through interaction between a service provider and a service receiver (also known as service customer, but not always the one who pays for the service). In the goods dominant-logic, and that view of a goods-based economy, value was mainly created by a provider (i.e. enterprise), and a receiver (consumer) merely consumed that created value. However, in the service-dominant logic, and that view of a service-based economy, the value of service is co-created by integrating resources of both a provider and a receiver. This means a service receiver has significant role to play in value creation and service interactions (Prahalad and Ramaswamy, 2004; Vargo et al., 2008; Vargo and Lusch, 2004).

However, while the significance of service receiver's involvement in the value co-creation process is well recognized in the service-dominant logic world-view, most of research and development effort have focuses on the improvement of the capability of service providers and less focus on the one of service receivers. Research, development, and devices and systems for improving the capability of service receivers are needed for innovating the service and maximize the value of it. We define "service literacy" as a capability of a service receiver to co-create the maximum value through the interaction with a provider.

We investigate how future intelligent computer system can improve the service literacy. A cognitive assistant is a candidate for this system (Siddike and Spohrer, 2018).

**Originality/value** – As the first step of our research, we are developing the new framework to classify the service literacy by introducing the metrics composed of information intensity, asymmetry of information, and intention and context (Akaka and Vargo, 2015; Akaka et al., 2015; Chandler and Vargo, 2011) of service receiver.

**Key words** (max 5) - Service Literacy, Value Co-Creation, Service Dominant Logic, Cognitive Mediator

**Paper type** – Conceptual paper

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## A concept of power in a service ecosystem

*Hogg Johannes*

**Purpose** - In marketing literature different concepts of power between marketing channel members are found. These concepts are using labels such as “consumers”, “manufacturer”, “suppliers”, or other role-specific terms. What these concepts mainly have in common is (1) the focus on dyadic relationships between the members (French and Raven 1959; Hunt and Nevin 1974; Lusch 1976), (2) the assumption that one member *has* the power over the other (Lusch 1976; Lusch and Brown 1982), (3) that power structures are well-defined and weighted heavily in favor of a member type (Lusch 1976; Hunt 2015) and (4) the relations are some sort of static.

S-D logic introduces a more generic view on actors to see the systemic nature of their interaction (Vargo and Lusch 2016). Value is co-created through the activities of multiple actors and (social)-context dependent. So, positions and roles have an impact on the resource integration process (Edvardsson et al. 2012). But the questions of how an actor *becomes* powerful (Koskela-Huotari 2018) and the need to integrate considerations of power in S-D logic have arisen, recently (Berthold et al. 2019).

**Approach** First, marketing and sociological literature (Exchange theory, discourse analysis, and structuration theory) is reviewed. Second, systems thinking is applied, to avoid reductionism. With the reducing on dyadic dyadic relationship, some strategies are not considered: The choice to search for another actor in the system, or options like forming coalitions, dividing the opposition or mediate power through third parties (Blau 1964; Siltaloppi and Vargo 2017).

**Findings** The paper proposes that (1) imbalanced exchange leads to the differentiation of power, (2) power is nothing an actor has, owns or loses, rather power relations are co-created by actors. (3) In a service ecosystem power relations are dynamic and context related, (4) the system and the actor itself influence the power perception of an actor or the system. (5) the dichotomy of scope and intensity of control and the dynamic of strategies and counter strategies, and (6) the transformative function of power to change and shape the system.

**Implications** – The paper addresses the lack of conceptual development concerning power considerations beyond the dyad in the marketing context. Also propositions are offered to integrate power consideration into S-D logic.

**Practical implications** – Improve the understanding and management of business networks. Strategies for actors in the dyad and the system to handle imbalanced exchange are illustrated.

**Key words** exchange, triads, system approach.

**Paper type** – Conceptual.





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## Towards an Understanding of Value in the Servicescape

*Holmqvist Jonas, Alcalá Thaïs, Bouvier Béryl*

**Purpose:** The servicescape experience influences multiple stakeholders (Bitner 1992), and plays both a direct role for value co-creation through its influence on customers and an indirect role through its influence on service employees (Dion and Borraz 2017). In a global world, multinational companies face the challenge of how to create servicescapes that appeal to different stakeholders in different markets and contexts.

**Design/Methodology/approach:** In order to understand value in the context of experiences in the servicescape, we apply an ethnographic approach to two leading luxury brands, Dior and Hermès. Embedded for one year in Dior and six months in Hermès, we combine managerial insights and observations from inside these two companies with in-depth interviews with service managers and employees to analyze value co-creation in luxury servicescapes through interactions with different stakeholders.

**Findings:** We uncover a complex situation where the luxury servicescape is at the centre of the interactions between companies and customers, and we show how value-in-use in these servicescapes is both individual and contextual. Building on complexity theory, we further discover several layers of implementing servicescapes. In some luxury companies, top managers prioritize a coherent brand image and impose servicescape directives, in conflict with regional managers and service employees who are direct actors in the customers' value process and may be better placed to understand it. We also uncover a degree of ambivalence: we find service employees proud of working for an exclusive brand, yet also frustration of not always being able to provide as good a service experience as they could, due to underlying tensions in the service organization.

**Managerial implications:** The luxury field remains product-focused, and our findings help managers not only understand the primordial role of the servicescape experience in value co-creation but also provides a framework for managers to understand the complexity behind customers' value-in-use through interactions in the servicescape.

**Originality:** Extant research has studied the servicescape through the eyes of customers and service employees. We take a step back to look at the servicescape in the system. Through contacts at Hermès and Dior, our access to managers responsible for the servicescape let us add an important stakeholder largely absent from previous research. Our paper is the first to look at all stakeholders in the servicescape, focusing on the complexity in the system.

**Key words** - servicescape; experiences; luxury; value; stakeholders

**Paper type** – Research paper



## From shame to pride: consuming second-hand luxury as a sustainable practice

*Holmqvist Jonas, Berger Charlène*

**Purpose:** What is the value-in-use of sustainable choices? Through interviews and observations, we document the value processes of consumers buying second-hand luxury. While luxury is sometimes seen as the opposite of sustainability, we show not only how these concepts can be made compatible, but also describe how this can be done a way that favours sustainable and ethical choices while simultaneously driving customers' value-in-use.

**Design/Methodology/approach:** Through second-hand luxury boutiques, we got access to twelve customers who allowed us to observe them and interview them about their value processes in buying and using second hand luxury.

**Findings:** Our findings document a consumer journey in which customers increasingly take pride in their second-hand consumption. Many respondents tell us that at first they turned to second-hand luxury for financial reasons, but now increasingly take pride in their sustainable choices. Some respondents tell us how, at first, they were a bit ashamed of buying second-hand and tried to hide the fact that their luxury consumption was second-hand, then came a stage where they accepted it, and now many of them are proudly proclaiming it and take pride in buying second-hand. Our data describe how increased acceptance of their own choices also lead customers to perceive stronger value-in-use.

**Research limitations:** Reflecting consumption patterns, our sample of twelve customers is limited to female customers aged 24-65 years.

**Social implications:** Developing how a more sustainable form of luxury actually can increase customers' value-in-use has potentially far-reaching implications for society as the world struggles to combine ever-increasing consumption with the need for recycling. We show how ethical choices in luxury is not a contradiction, as sometime claimed, but instead a viable path towards more sustainable practices.

**Originality:** The value-in-use of luxury usually relies on conspicuous consumption, in stark contrast to buying second-hand. Our findings describe the complete opposite of the extant literature, as we follow the customer journeys of customers coming to take pride in buying second-hand.

**Key words** sustainable development; second-hand; luxury; value; stakeholders

**Paper type** –Research paper



## How millennials drive market changes

*Holmqvist Jonas, Holmqvist Jonathan, Wade Mariame*

**Purpose** - The technological advances in the last decades have seen the field of business change decisively towards a virtual marketplace, with millennials being the first generation growing up in a digital world. This situation poses new challenges for companies used to selling products in physical stores, as millennials quickly begin to overtake previous generations in purchasing power. Responding to this situation, the growth of search-word marketing emerges as a key actor in shaping the market. We analyse how people, technology, organizations and information are interconnected by value propositions, and how these value propositions are articulated to appeal to millennials.

**Design/Methodology/approach** - Taking an ethnographic approach, we focus on two of the world's leading luxury companies, Chanel and Dior. We focus on a luxury setting as the field of luxury long relied on elaborate physical stores, making the transformation to a digital service setting an even greater challenge. Embedded in these two companies, we use observations and interviews to study how market actors begin to transform their market from mainly selling physical goods to competing for millennials' attention in online settings. For an all-encompassing view of the market, secondary data on the value-creating networks is connected from an international digital marketing agency specializing in search-word marketing.

**Findings** - In this on-going research project, our findings to date show how search-word marketing takes on a dual role in value-creating networks. For customers, search-word marketing provides access to a customized digital offering, suitable for millennials' consumption patterns and thus enabling their value creation. For companies such as Chanel and Dior, search-word marketing provides a highly sensitive tool to reach the exact customers most interested in their offerings, and thus most likely to interact with the company.

**Managerial implications** - As millennials quickly grow in purchasing power and emerge as a prime customer segment, we provide practical insights into how firms can transform from a physical to a virtual marketplace through value-creating networks building on search-word marketing.

**Originality** - While search-word marketing is a rapidly growing field, few studies address it and none, to the best of our knowledge, looks at the role of search-word marketers as stakeholders in the digital service systems. We contribute to the existing field by showing how search-word marketing can act as mediators in value-creating networks for both companies and customers.

**Key words** - technology; market-shaping; luxury; value; millennials

**Paper type** - Research paper

## **Beyond the Turing Test: Reconceptualizing the Agency of Technology in Service Ecosystems**

*Kaartemo Valtteri, Diaz Ruiz Carlos, Fehrer Julia*

**Purpose** – Since the 1950s, the “Turing Test” was the litmus test of whether people can detect if they are talking with machines or humans. Recently, conversational artificial intelligence (AI) became indistinguishable from human conversation, thus rendering the test obsolete. This milestone is forcing a reconceptualization of actors, their agency and resources in service ecosystems emphasizing the new role of technology in human-machine interaction. In service-dominant (S-D) logic, not only actors act upon resources (Vargo & Lusch, 2011), but also operand and operant resources act upon each other (Peters, 2019). However, while action rests at the core of S-D logic, few studies (Kjellberg, 2019) problematize the making of an actor and its distinction against operand/operant resources.

**Design/Methodology/approach** – Building upon Kjellberg (2019) who questioned a human-centric approach to actors, we interrogate how S-D logic researchers operationalize both actors and operand/operand resources in definitions, conceptualizations, and boundary conditions. Then, we contrast the S-D logic literature with theories from social sciences including Interpretivism, Institutional Theory, and Actor-Network Theory (ANT) to reveal a more nuanced understanding for the theoretical underpinnings of actors, their agency and resources.

**Findings** – We propose that a more explicit conceptualization of agency in S-D logic has the potential explanatory power to investigate a post-humanist era in which machines act on par with humans. Our literature review shows that the conceptualization of agency in S-D logic remains unclear and even, in parts, contradictory by attributing intentionality without a nuanced view to actors, resources, and structures. However, we find that S-D logic researchers in practice operationalize agency with fundamental differences against other agency-centric theories in the social sciences, such as Interpretivism (human-centric), ANT (heterogeneous humans and non-humans), and Institutional Theory (structure-actor). S-D logic allows for plurality and integrates multi-philosophical approaches and thereby offers the possibility of creating multifaceted insights regarding the role of technology in human-machine interaction.

**Originality/value** – We propose that the potential uniqueness of S-D logic is a conceptualization of agency that includes human intentionality, non-human practical accomplishments, and structures for constraining action. This nuanced operationalization of agency can become a productive avenue for future research for human-machine-market interaction, work automation, and technological disruptions.

**Keywords (max 5)** – S-D logic, artificial intelligence, agency, operant resources, operand resources

**Paper type** – Conceptual paper

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## **Developing a conceptual framework for value co-creation and sustainable festivals: A grounded theory approach**

*Kai-Griese Michael Isensee Carmen, Werner Kim, Faats Andreas*

### **Purpose –**

The purpose of this paper is to enhance the understanding of sustainable events by analysing value co-creation processes from a customer perspective, since this knowledge will likely allow festival organisers to improve how they manage the development of sustainable festivals as value co-creators.

### **Design/Methodology/approach –**

First, the study analyses and discusses the literature related to festivals and value co-creation, with a focus on sustainable festivals. Secondly, empirical research based on grounded theory is conducted and analysed and complements the discussion about co-creation in the context of sustainable festivals. This second step considers that festival studies have a unique need for using “phenomenological (hermeneutics) and experiential assessment methods” to improve the understanding of festivals.

### **Findings –**

The findings indicate that it is also necessary to separate different definitions of value co-creation clearly in respect to sustainable development of festivals. Whilst analysing the interviews, three distinct festival attendee categories emerged. Attendees have individual assessments of what exactly constitutes value and value creation. In addition, the results demonstrate that these categories are key factors in describing the different kinds of value co-creation processes.

### **Research limitations/implications (if applicable) –**

The research has certain limitations that require further research, for example in terms of quantitative validation of the festival attendee types. Future research should identify relevant indicators and describe different attendee value co-creation types.

### **Practical implications (if applicable) –**

In terms of practical implications, the role of different attendee types in co-creating value and valuable experiences should be considered based on their direct interactions with festival organisers in joint spheres or indirect interactions in customer spheres. This can offer further opportunities within relevant value co-creation processes.

### **Originality/value –**

This study has illustrated a framework to understand the process of value co-creation with reference to different categories of attendees and sustainable festivals. The findings of this paper indicate that value co-creation at festivals is a socio-cultural experience that is influenced by individual attitudes and values.

### **Key words**

Service Dominant Logic, Value Co-Creation, Grounded Theory, Festivals

### **Paper type –**

Research paper

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## Actor Engagement through Resource Integration with Brands

*Kanda Masaki*

**Purpose** – This study aims to empirically explore engagement through resource integration among actors as co-creators of value. Service researchers have identified the relationship between servicedominant (S-D) logic as a metatheory and the engagement concept as a midrange theory (e.g., Vargo and Lusch, 2017; Brodie, Hollebeek and Smith, 2011; Jaakkola, Conduit, and Fehrer, 2018); however, it is not yet clear how resource integration processes generate actors' engagement, which influences the subsequent the outcomes of value cocreation. To address these gaps, this study investigates resource integration processes (1) by measuring the effect of actor “dispositions” on the relationship between actor resources and engagement, and (2) by analyzing “connections” among actors regarding the consequences (i.e. loyalty behaviors) of engagement and identifying resource integration practice.

**Design/Methodology/approach** – Building on the fundamental propositions of actor engagement (Brodie et al., 2019) and S-D logic-informed engagement frameworks (Hollebeek et al., 2019; Chandler and Lusch, 2015), this study examines the relationships among engagement, resource integration, and cocreation. The dispositions, behaviors, and practices of actors (customers, employees, and stakeholders) are explored. Thus, this study applies a mixed methods research design (Creswell and Plano Clark, 2011) which helps to better understand research challenges by integrating quantitative and qualitative evidence. Survey data were collected from customers, employees, and producers, and at a Japanese retail brand between February and December in 2018.

**Findings** – Results show that knowledge sharing and sense of ownership among actors have a significant positive effect on actor engagement. Additionally, several resource integration practices are identified, which conducted through an engagement platform affect actor engagement, value cocreation and, the consequences (well-being, retention, extra-role behavior, and word-of-mouth behavior).

**Practical implications** – These findings have critical implications for retail brands interested in building long-term relationships with a range of actors, including customers, employees, producers, and the focal brand. Moreover, they provide actionable guidance for retail brand managers.

**Originality/value** – This study emphasizes the application of applying the mixed methods research design to explore resource integration practice of S-D logic and to incorporate the actor engagement concept as a midrange theory (Brodie and Löbler, 2018), thereby explaining the relational evidence of the phenomena of engagement, resource integration, and cocreation.

**Key words** – Actor Engagement, Resource Integration Practice, Knowledge Sharing, Psychological Ownership, Mixed Methods Research

**Paper type** – Research paper

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## **The impact of Customer Engagement Marketing (CEM) on the influencing and co-developing engagement behaviours of customers**

*Karam Esraa, Alexander Matthew, Kumar V.*

**Purpose** – This research paper tests the effect of customer engagement marketing initiatives and its moderating factors on the influencing and co-developing engagement behaviours of customers in the retailing sector. The main CEM initiatives considered in this paper are the developmental CEM initiatives and influential CEM initiatives. Developmental CEM initiatives include product development input and communication platforms; while influential CEM initiatives include social media engagement and product reviews.

**Design/Methodology/approach** – Quantitative methods are used for the purpose of this paper where the between-subject factorial experimental design is applied to attain the main objectives of this paper. Online panel is used for the data collection where twelve scenarios are developed for each of the four experiments in the research and each scenario has 30 different subjects for each scenario ending up with 1440 participants.

**Findings** – The data collection for this research is still under progress (due to the large number required considering pre-tests and actual data collection), however, the findings will be presented in the conference by June 2019 for feedback before publication.

**Originality/value** – Customer Engagement Marketing (CEM) is a fruitful area for research (Pansari and Kumar, 2017), it refers to the “firm’s deliberate effort to motivate, empower and measure customer contributions to marketing functions” (Harmeling et al., 2017, p. 367). Previous research in the engagement literature focused its lens on the behavioural dimension of the engagement process, however, the planning process of the customer engagement from a strategic perspective requires attention and needs to be studied intensively in different sectors. This research adds to the engagement literature and focuses the lens on a different arena that will inspire future research.

**Key words** Customer Engagement Marketing – Influencing CEB – Co-developing CEB – Retailing

**Paper type** Research Paper

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## Exploring the importance of value cocreation as a means to develop corporate futures orientation

*Ketonen-Oksi Sanna*

**Purpose** - Considering the emerging systemic change of business and society, it has become increasingly important for companies to both identify and to develop more dynamic and strategic approaches to support their organisational renewal and growth. According to an award-winning corporate foresight maturity model, companies with a high level of futures orientation succeed in their renewal and growth much better than others. By suggesting that their better understanding of the changing social, cultural and business contexts could be related to their more developed abilities in value cocreation, in this research, the aim is to explore the importance of value cocreation as a means to develop corporate futures orientation.

**Design/methodology/approach** - Grounded on the approach of action-based research, a three-phase framework for leveraging corporate foresight is applied. That is, by first unveiling the case company employees' perceptions about the challenges and opportunities in developing corporate futures orientation, novel forms of information and knowledge sharing are introduced through a set of timely managed interventions, which, at best, encode successful experimentations and produce novel insights. To do this, the service-dominant logical view on value cocreation will be applied as the theoretical approach of this study.

**Findings** - So far, in comparison to January 2018, significant changes have emerged in ways how the case company excels in their organisational futures orientation and future-preparedness: Besides a brand new, shared strategic approach that was applied by the end of the year 2018, both the collaboration across the different business areas and the number of customer cases applying futures-oriented tools and methods have increased significantly. As a result, a more dialogic and resource integrating approach has emerged, thus enhancing the employee's understanding about the major phenomena, trends and change drivers shaping the future - and the systematic development of strategic alliances and partnerships.

**Research limitations** - Considering the limitations of a single-case study and the diversity of variables affecting the transformation process, more research will be needed to ensure the generalizability of these results.

**Originality/value** - By gaining more profound empirical understanding about the ways in which to adopt and/or enhance the practices of value cocreation, this research will offer new insight on how to develop corporate futures orientation in practice. As such, these results will also increase the empirical understanding of the service-dominant logical view on value cocreation.

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## Novel Practice Inception: Exploring the Link between the Causes and Courses of Institutional Change

*Kleinaltenkamp Michael, Karpen Ingo O., Kleinaltenkamp Moritz J.*

**Purpose** - Institutional theory has emerged as a central perspective for understanding resource integration and value co-creation in service ecosystems (Vargo and Lusch 2016, Kleinaltenkamp 2018, Sitaloppi & Wieland 2018). For decades, a key discussion of this strand of theory has revolved around the explanation of institutional change. While some scholars have stressed the role of macro-level structural contradictions in causing such change processes (e.g. Strang & Meyer 1993, Seo & Creed 2002; Thornton, Ocasio & Lounsbury 2012), others have pointed out the importance of everyday work and situated improvisations (e.g. Schatzki 2001, Lawrence & Suddaby 2006, Feldman & Orlikowski 2011, Smets & Jarzabowski 2013). More recently, a practice-driven institutionalism (PDI) has emerged that seeks to bridge these streams for mutual benefit (Smets, Aristidou, & Whittington 2017; see also Furnari 2014). However, while arguing for the overcoming of “unhelpful” dichotomies (Smets, Aristidou, & Whittington 2017, p. 33), PDI still exhibits biases towards the importance of everyday practical work in the emergence of institutional change, de-emphasizing structural explanations.

We follow PDI in fusing practice and institutional perspectives on change, but seek to overcome its remaining biases by more fully embracing practice theory’s relational ontology. Inspired by Zilber’s (2002, 2006) findings regarding the localized diversity of meaning and its variability across actors, we draw on relationality to examine those dimensions of agency (Emirbayer and Mische 1998) that have commonly been associated with either (1) structural, or (2) practical explanations of change. We find that institutional novelty always emerges the same way – through attribution of new meaning – regardless of whether it is driven by the macro-level contradictions stressed by traditional institutional scholars, or the micro-level situated improvisations stressed by practice theorists and PDI. Consequently, we argue that exaptation – i.e. the re-interpretation or reconsidered meaning making of institutional elements – constitutes the core triggering mechanism of institutional change.

**Design/methodology/approach** - We draw on institutional theory and practice theory to propose a unifying conceptualization that links the different causes and courses of institutional change through the mechanism of exaptation. The resulting typology of practice inception is illustrated by detailed, real-world examples from the Australian legal system context.

**Findings** - The proposed conceptualization and typology advance our understanding of institutional change by overcoming the conflicting views that traditional institutional theory and practice theory/PDI hold on institutional change. It shows that exaptation constitutes the central mechanism underlying disparate conceptions of institutional change.

**Originality/value** - Our unifying conceptualization helps better explain the “earliest moments” of institutional change (Lounsbury & Crumley, 2007, p. 993). In addition, the typology emerging from our systematic combination of relationality and modes of agency responds to Zilber’s (2017) recent call for deeper accounts of institutional meaning construction. This typology provides the basis for a compelling research agenda, as well as producing managerial implications for innovation management, service design, and thus value co-creation in service ecosystems.

**Keywords** - institutional change, practice theory, Practice-Driven Institutionalism, meanings, exaptation



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## Change in meaning and service innovation: a design research contribution to the S-D logic

*Korper Ana Kustrak, Holmlid Stefan, Patricio Lia*

**Purpose** – The S-D logic enabled the phenomenological understanding of value cocreation in a service ecosystem which positioned the new forms of value cocreation and resource integration in the center of service innovation process. However, the underlying phenomenological aspects of service innovation needs further exploration to understand how changes in resource integration and value cocreation occur. On the other hand, innovation driven by design focuses on change in meaning, a concept well explored in design research, as a main driver of change arising in use and interaction, dependent on the context and institutional arrangements, and dynamically emerging. Thus, the purpose of this paper is to explore the conceptual relevance of change in meaning for service innovation grounded in the S-D logic.

Integrating the design-related conceptualization of meaning as a concept that contributes to new interpretation of rescues and value cocreation can bring a more nuanced perspective to the cocreative aspect of service innovation. The concept of change in meaning can make valuable multidisciplinary connections to S-D logic and set the common ground in adopting a more phenomenological perspective of service innovation.

**Design/methodology/approach** – This paper builds a conceptual framework for understanding main building blocks of service innovation informed by change in meaning. The framework is based on the conceptual exploration of the the S-D logic literature on service innovation and design research literature on meaning, uncovering similarities, differences and mutual dynamics. The framework provides the explanation of the relationships between the main building blocks relevant for service innovation facilitated through change in meaning.

**Findings** – The findings indicate shared characteristics between meaning and value that set the ground for understanding change in meaning as a complementary perspective in understanding service innovation. The concept of meaning brings insights into phenomenological aspect of value co-creation by emphasizing its interpretative quality. Examination of the relationship between meaning and value cocreation reveals that meaning and value cocreation are similar but have distinct roles in the cocreation process where meaning facilitates resource interpretation as an important step underlying service innovation.

**Originality/value** – This paper expands the S-D logic and service innovation literature with multidisciplinary contributions on meaning from design research. The concept of meaning in this paper combines research streams relying on similar concepts and integrates them in comprehensive framework that can be used as a starting point for future research in service innovation. The framework shows service innovation as a dynamic process where value cocreation and change in meaning coexist and are mutually dependent thus contributing to the richer understanding of the phenomenological quality of service innovation.

**Keywords** – S-D logic, service innovation, meaning, value cocreation

**Paper type** – Conceptual paper

**References:**

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## SOCIAL STRUCTURES AS DESIGN MATERIALS: THE ICEBERG FRAMEWORK OF SERVICE ECOSYSTEM DESIGN

*Koskela-Huotari Kaisa, Vink Josina*

**Purpose** – While service design has been highlighted as a promising approach for driving innovation, service design projects too often fail to realize lasting change in practice. We argue that this failure happens in large part because of a lack of attention to the institutionalized social structures, such as shared rules, norms and beliefs, that guide the value cocreation of actors (Vargo and Lusch 2016). The purpose of this paper, therefore, is to understand how actors can employ social structures as design materials to catalyzing significant and meaningful change in service ecosystems.

**Approach** – This conceptual paper aims at further theoretical development of service-dominant logic and understanding design from a service ecosystems perspective. We draw from institutional theory to deconstruct the nature of social structures and integrate insights from design theory to shed light on how actors are able to leverage taken-for-granted social structures as design materials in service ecosystem design. These conceptual insights are contextualized through empirical illustrations from service design practice.

**Findings** – We argue that social structures, entangled and inseparable from physical enactments, are the key materials of design within service ecosystems. More specifically, we use Scott's (2014) seminal work on institutional pillars to build an "iceberg framework" of social structures as design materials. The framework situates the traditional service design materials—artifacts, interactions, activities and symbols—as the physical carriers of invisible social structures. The framework also deconstructs the materiality of social structures by suggesting that both the invisible structures and their carriers are comprised of regulative, normative, and cultural-cognitive elements.

**Research implications** – By deconstructing the role and nature of institutionalized social structures as design materials in service ecosystems, our research contextualizes the current issues with realizing lasting change through service design and opens up opportunities for further theoretical and practical development of design from a service ecosystem perspective.

**Originality/value** – This paper is one of the first studies that explicitly addresses and unpacks social structures as design materials. In addition to being a conceptual framework, this research posits that the "iceberg" can be used as a design tool to support actors in making implicit knowledge regarding social structures more explicit so that these social structures can be intentionally reshaped.

**Key words** – Design, social structures, service ecosystems design, service-dominant logic

**Paper type** – Conceptual paper

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## Logistics Robots as an enabler of hospital service system renewal?

*Lappalainen Inka*

**Purpose** – This paper examines the introduction of logistics robots from a multi-actor network perspective in a hospital service system. The focus is on complex dynamics, emerging practices and value-in-use.

**Methodology** – A longitudinal case-study approach was applied to examine the stepwise introduction of the advanced logistics robot system empirically in the Finnish Central Hospital. Aligned with implementation, two-phased interviews of different involving actors/professions in addition to observations were conducted during 2016-2018.

**Findings** – The empirical findings reveal complex interdependences in the dynamic hospital service system. All actors shared their conception of the systemic change boosted by the logistic robotic system to enable more efficient and customer-centric care work as a core service. However, the multi-actor insights and emerged new practices show the diversity with conflicting interests in terms of changing mutual roles, resource integration and related redesign possibilities.

**Research limitations** – The chosen research approach provided rich empirical data. However, the findings are tentative with case-study limitations, and thus open avenues for further research.

**Research implications** – The paper brings new empirical insights by combining practice-based, service systems thinking and S-D Logic approaches with previous research on service, and particularly logistics, robots in the hospital context.

**Practical implications** – The paper provides a deeper understanding, and alternatives to consider systemic and all relevant actors' perspectives when logistics robots are designed and activated for everyday use.

**Originality/value** – The study narrows the identified research gap considering the lack of empirical research on the introduction of service robots in health care from the systemic perspective.

**Key words:** Service systems, robots, practice, value-in-use, hospitals

**Paper type** – Research paper

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## UNDERSTANDING THE LINKAGE BETWEEN (MASS) CUSTOMIZATION AND VALUE ARCHITECTURE DESIGN

*Laudien Sven M., Clauss Thomas, Fibitz Alexandra*

**Purpose** – 21<sup>st</sup> century markets are in a constant flux. Following the success of mobile web applications customers are provided with real time information about new product developments and behavioral trends. Interestingly, more and more customers are not interested in mass market products and are not willing to follow general trends – a phenomenon that contradicts classical insights on customer behavior (Applebaum, 1951; Rust and Zahorik, 1993). Instead, these customers try to avoid being trapped in uniformity and call for individualized solutions particularly meeting their needs (Agnihotri et al., 2016). Changes in customer behavior normally call for firm action (Chen & Popovic, 2003). In this case, firms are challenged to change their basic mindset and to abandon the idea of realizing standardization advantages as customization seems to be the new holy grail in the realm of successfully interacting with customers (Leischnig, Kasper-Brauer & Thornton, 2018).

**Methodology/approach** – We base our paper on the service-dominant logic (SDL) concept (e.g. Lusch & Vargo, 2014; Vargo & Lusch, 2004; Lusch, Vargo, & O'Brien, 2007; Vargo & Lusch, 2008) as this concept provides a suitable framework for analyzing value creation, value delivery, and value capture processes. Especially related to the observed customization trend linked to a need for a high degree of availability of individual customer data, it is important to highlight that value co-creation does not take place automatically (Grönroos, 2011). Firms need to establish support structures to facilitate value co-creation (Payne, Storbacka & Frow, 2008; Vargo, Maglio & Akaka, 2008) – an aspect that is not easy to realize as actors involved in this process are said to have a unique perspective on value co-creation (Chandler & Vargo, 2011). Following this train of thoughts, the “value-in-context” concept has been developed with the aim of highlighting that value co-creation is context-specific (Vargo, 2009). As this changes the underlying logic how a business works, fundamental changes of a firm's value architecture are required (Ng, Parry, Smith, Maull, & Briscoe, 2012). Therefore, aiming at understanding (mass) customization, a holistic, system-based analysis of the value-creating space of a firm, namely the firm's business model (Ng & Briscoe, 2012) is required.

We take on this making use of the business model concept developed by Teece (2010). As the research topic we tackle is still widely underresearched, we decided for making use of a qualitative research approach (Eisenhardt, 1989). We present insights from a multiple-case study including seven firms as well as 70 customers (ten per firm) that aims at uncovering the linkage between firm value architecture design and changing customer expectations and behavior. Our main data source is interview data, additionally we include archival of the firms under research. Firm interviews are semi-structured interviews focusing on identifying the firm value architecture; customer interviews are open interviews. Overall, we base our study on more than 50 hours of interview recordings collected between September 2018 and January 2019. We analyze the data making use of the well-accepted “Gioia-methodology” (Gioia et al., 2013).

**Findings** – Our findings show in detail how the value architecture employed by firms is determined by individual customer behavior and customer preferences. Against our rich data background we are able to identify “trigger points” in customer behavior firms interpret as alarm signals causing them to purposefully starting business model innovation processes by questioning the suitability of the employed value architecture. We identify change value architecture change directions caused by customization needs, the corresponding value architecture designs and can at least provide basic insights into the success of the change path firms employ.

**Research implications** – Our paper advances SDL literature as well as business model literature as we provide insights into new determinants and catalysts of value co-creation processes and update the by now still very collective perspective on customer behavior prevalent in SDL literature. Related to business model literature, we identify triggering effects of business model innovation caused by changing customer behavior – a linkage that has by now as far as we know not gained deeper research attention. As we also gain at least basic insights into the success of changes in firm value architecture related to our specific research context, we also contribute to answering the relevant question the success of business model innovation.

**Practical implications** – Our findings enable practitioners to better prepare for and handle business model innovation needs that become manifest in changes of the value architecture and are caused by fast changing customer behavior. With the rise of social media, traditional ways of approaching customers are likely to experience disruption, our findings provide the opportunity for firms to proactively deal with change as we show directions and determinants of as well as crucial points in the change process.

**Originality/value** – As far as we know, the topic of our paper is new and has not been approached before. The topic we tackle is timely and crucial for understanding how market interaction and co-creation is supposed to work in the 21<sup>st</sup> century. We enhance both, SDL literature and business model literature; our insights offer a glimpse in the by now still widely shut black box of value co-creation while infusing the topic with business model flavor.

**Key words** – (Mass) Customization, Changing Customer Behavior, Service-dominant Logic (SDL), Business Models, Value Architecture, Business Model Innovation, Two-perspective Qualitative-empirical Research, Matching Data.

**Paper type** – Research paper (empirical).



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# DIGITAL DISRUPTION AS CATALYST OF VALUE CO-CREATION: A BUSINESS MODEL PERSPECTIVE

*Laudien Sven M., Fibitz Alexandra*

**Purpose** – 21<sup>st</sup> century economic development is considerably driven by a growing importance of digital solutions (Parviainen et al., 2017; Porter & Heppelmann, 2014). Interestingly, market effects of the introduction of digital technologies cannot be explained based on findings from classical literature dealing with technological change (e.g. Barnett, 1990; Chandler, 1977; Karasek, 1979; Schumpeter, 1942). Apart from affecting nearly all segments of economic activity (Nambisan et al., 2017; Tracey, Cavotta & Phillips, 2018) digital disruption seems to change basic principles of economic activity. As digital solutions are very often highly complex and multifaceted; implementing and running them requires a highly specialized set of competences. Taking into account that firm competences are naturally limited, network competences (Ritter & Gemünden, 2003) and resulting from this train of thoughts innovation ecosystems (Adner & Kapoor, 2010) gain importance. Making use of digital solutions leads to a need for firms to design new business models that allow for intensive value co-creation with both, business partners and customers and therefore bridge traditional firm boundaries. Literature approaching this novel phenomenon is still very sparse. Against this background, the purpose of our paper is to provide a deeper understanding of value co-creation infused business models that emerge as result of digital disruption.

**Methodology/approach** – We base our paper on literature dealing with digital disruption (e.g. Bowersox et al., 2005; Mazzone, 2014; Westerman et al., 2011); (digital) business model literature (e.g. Teece, 2010; Visnjic, Wiengarten & Neely, 2016) as well as value co-creation and innovation ecosystem literature (e.g. Adner & Kapoor, 2010; Galvagno & Dalli, 2014; Ordanini & Pasini, 2008; Storbacka et al., 2016). Against the background of a thorough literature review, we develop an interview guideline and conduct a set of six case studies. Each case study focuses on one specific digital solution-focused innovation ecosystem. Between 15 and 27 interviews conducted with the network partners between September 2018 and January 2019 build the groundwork for our study; we analyze the data by making use of the well-known so-called “Gioia-methodology” (Gioia et al. 2013). We combine data from all ecosystem partners and aim in a first step at uncovering peculiarities of the value architecture of business models firms embedded in the digital innovation ecosystem employ to handle effects of digital disruption. Furthermore, we focus on the ecosystem itself and aim at characterizing determinants of a possibly existing higher-order digital innovation ecosystem business model. We characterize business models following the notion of Teece (2010) and depart from the assumption that value creation, value delivery, and value capture are relevant aspects of the business model value architecture and also acknowledge the critical relevance of the value proposition transported by the business model.

**Findings** – Our findings suggest that digital disruption has a relevant effect on firm business models and in addition constitutes the evolution of higher order digital ecosystem-based business models. With regard to the firm business models, change necessities are mainly bound to the value creation aspect; co-creation replaces traditional firm-focused value creation; parallel firm acting becomes much more important compared to traditional sequential firm interaction. Interestingly, the business models of our case firms cannot be considered open business models as the protective element stays strong in case of a lack of severe external pressure to open up firm processes. What we observe can be classified as limited, opportunity-based co-creation – an insight that enhances our knowledge about value co-creation in general, especially as it challenges the role of trust in value co-creation processes highlighted in extant literature (Randall, Gravier & Prybutok, 2011). Value delivery is in some cases operationally changed in the context of digital disruption. However, the value delivery logic remains very traditional. In contrast, value capture is subject to change in this realm as basically non-monetary value types (such as social belonging, data access, or market visibility) gain importance. The latter is especially reflected in the digital innovation network business model we identify that can be characterized as a non-monetary social agreement aiming at enhancing interconnectedness. This ecosystem business model works as a catalyst of individual firm business models; its monetary effect is indirect in nature.

**Research implications** – Our paper advances value co-creation as well as business model research in three ways: first, we identify three distinct archetypes of value co-creation business models in the context of digital disruption. These archetypes may serve as groundwork for future research and allow for better structuring this emerging field of research. Second, we uncover existence as well as the basic nature of a higher order digital ecosystem business model that fuels individual firm business models and show in detail how the two levels of business models are interconnected. Third, we show that in the case of value co-creation driven digital business models a differentiation between products and services is not purposeful – an insight that supports a central service-dominant logic assumption.

**Practical implications** – Our findings enable practitioners to better deal with digital disruption challenges as we propose types of value architectures for business models that are proven helpful to handle these challenges. Furthermore, our findings show that the “all-or-nothing” solution in terms of opening up business models practitioners very often fear is not inevitable as it is possible and useful to employ value architecture designs characterized by “bounded openness”. We also point to the necessity for practitioners to keep the higher ecosystem level in mind as this level may have a severe influence on the success of the employed firm business model.

**Originality/value** – We approach a new and as far as we know up to know to explored topic and provide unique insights into the linkage of value co-creation and business model value architecture in a digital disruption context. In addition, we show that business model are likely to exist on different, interconnected levels – an insight that has up to know not been addressed by literature.

**Key words** – Digital Disruption, Value Co-creation; Business Models; Business Model Innovation; Multi-layer Business Model Interconnectedness; Digital Innovation Ecosystems.

**Paper type** – Research paper (empirical).

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## Orchestrating to shape a service ecosystem: An empirical investigation

*Lin Mei-Hsing, Chou Hsin-Hui*

**Purpose** – This research aims at exploring the orchestration process in the emergence of a service ecosystem. By drawing a theoretical linkage between the service-dominant logic, existing studies of business ecosystems and the literature of orchestration, we attempt to address this research question: how actors are orchestrated to shape a service ecosystem.

**Methodology** – This research employs a qualitative case study to investigate the research question. Following a theoretical sampling, the case under study is the emergence of Taoyuan Smart City, in which Taoyuan is one of the six special municipalities in Taiwan and has been a benchmark in the smart city development. The data for analysis includes archival materials and depth interviews, especially with the Ministry of Economic Affairs (MOEA), the focal actor of the case.

**Findings** – The orchestration process of the service ecosystem of Taoyuan Smart City comprised four interconnected phases, each of which was presented in line of structuring, bundling and leveraging the resources spanning the organizational boundaries within the system.

**Implications** – (Since the intellectual conservation between theory and practice (the case) remains continuing, we are not able, tentatively, to provide theoretical as well as practical implications).

**Keywords:** Service-dominant Logic, Value Co-creation, Service Ecosystem, Orchestration, Case Study

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## A tangible method for exploring children's CX in value networks

*Litovuo Lauri*

**Purpose** – Customer experiences (cx), particularly in healthcare, are challenging for researchers to study because of the myriad touchpoints spanning long customer journeys and the complexity of value networks. Exploring and inquiring experiences are even more challenging with children, because of the low cognitive competence of children and their tendency to focus more present matters in experience inquiries. The purpose of this paper is to introduce a novel, participatory designed, data collection method for cx research, which includes tangible elements to prompt children's storytelling and which integrates customer journey and value network approach.

**Design/methodology/approach** – The method development followed a design science research approach. A previously conducted mapping of Finnish healthcare value network and a literature review on children's customer experience, healthcare value networks and tangible research methods provided the research challenge and theoretical support for the development of the method. Method development and design was conducted in participatory design sessions with children.

**Findings** – Participatory designed method consists of two categories of tangible elements: a pathway puzzle and figurines. Wooden pathway puzzle represents customer journey; a piece of the puzzle depicting an important touchpoint of the journey. Puzzle enables children to build their own customer journey and supports the experience inquiry. The wooden figurines represent different actors of the healthcare system and patient networks. Figurines support deeper understanding of the experience creation in the complex network context.

**Research implications** – The method provides researchers with a method that advances service design and research with children at the exploration stage of the service design process. The method makes possible a rich understanding of children's cx over their customer journeys in a network environment. The method unveils the interactions that children have with different value network actors at different touchpoints of the journey.

**Originality/value** – The literature presents several recent papers discussing the need to move from dyadic interactions to address value networks in customer experience research. Some papers present service design methods and tools that enables the shift. This paper continues that existing work and contributes by presenting a novel method for cx research and reports an example application for exploring children's cx in healthcare value network.

**Key words** research method, customer experience, value networks, healthcare, participatory design

**Paper type** –research paper





## Comparing the adaptive capacity of service ecosystem

*Löbler Helge*

**Purpose** - Service-ecosystems are self-adapting systems. Therefore, they need a self-adapting capacity. The paper compares the adaptive capacity of two service ecosystems and thereby shows how the adaptive capacity can be evaluated.

**Design and methodology** - The paper applies the concept of adaptive capacity which was introduced to capture the ability of a system to adapt to environmental changes (Engle, 2011; Lockwood *et al.*, 2015). „[...] [T]he basic role of adaptive capacity is generally accepted as a desirable property, or positive attribute of a system“ (Engle, 2011, p. 649).

Adaptation is distinct from adaptive capacity. “Adjustment in natural or human systems in response to actual or expected ... stimuli or their effects, which moderates harm or exploits beneficial opportunities” (IPCC, 2001, p. 982, cf. IPCC, 2007). The concept of adaptive capacity, influenced by social–ecological systems research (Holling, 1986), has been defined by the Millennium Ecosystem Assessment (2006, Glossary, 599) and IPCC (2001, p. 6; IPCC, 2007) as: “The ability of a system to adjust to change to moderate potential damages, to take advantage of opportunities, or to cope with the consequences”.

**Findings** - The paper will assess the adaptive capacity of two service ecosystems by using the adaptive capacity concept. The adaptive capacity will be presented by using the “adaptive capacity wheel” as shown in (Gupta *et al.*, 2010) for Delft and Zaandam.

**Research limitations and implications** - The concept of adaptive capacity is only applied to two service ecosystems. By that it show the viability of the two systems. More systems can be analyzed in a similar way to get new insights about managing service ecosystems.

**Practical implications** - The more S-D logic resonates in practice the more there is a need to offer usable measures for managing service ecosystems. The paper offers a tool for managers to evaluate the adaptive capacity of their service ecosystems.

**Social implications** - S-D logic is not limited to business. Therefor non-business systems can also use the concept of adaptive capacity for evaluating their viability strength. It can even be used by politicians for assessing their work in terms of adaptive capacity as shown in figure 1.

**Originality/value** - This is (to my knowledge) the first paper evaluating the adaptive capacity of service-ecosystems. It has been argued that service ecosystems are self-adjusting systems (Vargo and Lusch, 2016, pp. 10–11). To be self-adjusting the system needs a capacity to adopt or to adjust. The paper shows how to assess the adaptive capacity of a service ecosystem.

**Keywords:** Service-ecosystem, adaptive capacity, adaptive capacity wheel, S-D logic

**Paper Category:** Research paper



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## S-D Logic as Normal Science: Changing Research Practices and Explicating Hidden Assumptions

*Löbler Helge, Brodie Roderick*

**Purpose:** This paper takes a futuristic perspective where we assume S-D logic has become a unifying paradigm and metatheory of the market and value cocreation. We examine how S-D logic has become the basis for a normal science in the marketing and service management disciplines. However, there are those who challenge the legitimacy of the metatheoretical perspective (see, for example, Hietanen, Andéhn, & Bradshaw, 2017). We critically examine the idea of S-D logic as normal science by explicating the implicit assumptions. These include what the axioms and the narrative of S-D logic imply for further research. What are the shared beliefs in the community using S-D logic as the grounding paradigm? How are these beliefs different from G-D logic groundings? What is the meaning of the words in the S-D lexicon compared to language use in the G-D logic paradigm? How can this new lexicon enlighten the description of practices in research and management?

**Conceptual Background:** Once a paradigm becomes established in a discipline, it serves as a basis for ‘normal science’ (Kuhn 1962), where new knowledge is generated with well-known procedures. However, as time passes, anomalies arise for which the normal science fails to provide adequate answers. This may lead to a situation that eventually exerts pressure for a paradigmatic shift that may lead to convergence within a new paradigm. Within the marketing discipline, various researchers have used the notion of a paradigmatic shift to discuss emerging new perspectives. The notion of a paradigmatic shift has also been central to the discussion on S-D logic because it has shifted the focus from one centered on goods (G-D logic) to one centered on service (S-D logic).

**Contribution and implications:** This investigative paper provides an agenda for debate about the future development of S-D logic. These future developments are likely to follow an iterative process involving the refinement, expansion and clarification of the metatheory, with that process informed by midrange theory and evidence-based research. By paying explicit attention to alternative philosophical perspectives and the ontological, epistemological and methodological assumptions, S-D logic will become equipped to provide further guidance on developing a “more specific, empirically testable and practically applicable, midrange theory.” By consolidating S-D logic, further research can make S-D logic more intelligible for those outside the community.



## Merging vSa and SS. An ABSA for a Smart Tourism Ecosystem

*Loia Francesca, Fulco Irene, Iandolo Francesca, Vito Pietro*

**Purpose** – The territorial complexity and the large quantities of data generated by users makes central the innovative governance models (Troisi et al., 2016, 2017), more geared towards the value co-creation process among the various social actors and technology platforms (Lusch and Vargo, 2006). In this regard, this work, adopting an ecosystem perspective, aims to offer a decision-making model for the smart tourism ecosystem (STE), able to provide a representation of the variety of expectations, perspectives and interests of the actors, allowing for greater awareness of the interventions that could be aimed at solving urban problems.

**Methodology**– The work is developed by merging the Viable Systems Approach, the Service Science frameworks and the Aspect Based Sentiment Analysis methodology, offering a possible framework able to integrate successfully service and systems theories. To extract, analyse and elaborate data, in particular, we used the ABSA, in order to carry out an advanced sentiment analysis in the tourist context.

**Findings** – The study leads to an exposition of shared evaluations on the levels of “sentiment” as perceived by the actors of different level in relation to a tourism point of interest. The result is a model of government comparable to a service ecosystem in which people, technology and institutions are appropriately combined to generate value (Schaffers et al., 2011).

**Research implications** – The Viable Systems combined with ABSA offers interesting implication regarding the processes of value co-creation (Barile and Polese, 2010). The vSa, in fact, recognizing the complexity of social phenomena, in general, and of the territorial decision-making processes, specifically, pushes to evaluate numerous information, without losing a systems perspective, in order to co-create value through an increasingly dynamic interaction with ecosystem actors (Barile et al., 2012).

**Practical implications** – The work offers interesting insights for improving the results pursued in different areas of administrative life. In fact, value co-creation processes underline that an adequate combination of activities carried out by managers, citizens-users, technology and other players in social life leads to improved performance. The model can be a valid support for the decision maker, proposing, in a flexible way, shared evaluations on the levels of "sentiment" perceived by the community with respect to the touristic area of interest.

**Originality** – The innovative nature of the work arises from the authors’ choice to analyze the decision making processes in terms of co-created value through the interpretative lens of vSa, enabling to achieve results steeped in value for scholars and practitioners interested in both business management and technology engineering in the tourist destinations context.

**Key words** Value co-creation; Viable Systems Approach; Aspect Based Sentiment Analysis; Service Ecosystem;

**Paper type** – Research paper



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## Analyzing Social Platforms in Value Co-creation Exchange

*Lyons Kelly*

The service system is a central object in service science research and has been put forward as the most fundamental abstraction of service science. A differentiating aspect of service systems is value cocreation in which two or more entities interact to create value together. Successful value cocreating exchange requires innovative uses of technology to support relationship building, group interactions, knowledge sharing, and knowledge creation across organizational and geographic boundaries. There is growing interest in social media and social networking techniques (i.e., social features or social platforms) to support work activities. Social features include: personal profiles; articulated networks; communities or groups; user-generated content; and, comments on existing content. In this paper, we position past work on enterprise social media in the context of service science and discuss how enterprise social media can be used in value cocreation exchange in service ecosystems. We consider four case studies of enterprise social platforms and discuss the case studies in the context of a service ecosystem value cocreation framework and how social platforms might help in increasing accessibility, adaptability, and integrability.

**Keywords:** service science, social platforms, value co-creation, service interactions

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## VALUE CO-CREATION IN COLLECTIVE CONSUMPTION CONTEXTS: INTEGRATING PRACTICE AND EXPERIENCE PERSPECTIVES

*Macdonald Emma K., Kelleher Carol, Wilson Hugh*

**Purpose:** In response to recent calls for deeper understanding of value co-creation between multiple actors, this article explores co-creation in collective consumption contexts. These are defined as settings within which multiple consumers, and optionally multiple other actors such as service personnel, are co-present (physically and/or virtually) and coordinate with one another during product/service consumption. We argue for an integration of practice-based and experience-based perspectives, because while collective coordination occurs via social practices, the value that results is by definition an individual experience.

**Method:** By studying an orchestral music context in which multiple consumers and service providers participate in concerts and other live music events, the authors develop a framework dialectically relating co-creation practices to value.

**Findings:** Typologies of co-creation practices and value are presented. In addition, four variables emerge influencing the relationship between co-creation practices and value: role rigidity, consumer heterogeneity conflict, participation access, and signposting. Value can be constrained by role rigidity and by consumer heterogeneity conflict between consumers of differing competence; mitigating this requires that service providers pay attention to participation access and signposting (guiding consumers to select and combine practices in line with their skills and competences).

**Originality and value:** Collective consumption contexts present a quandary as to how consumers coordinate with each other in value co-creation. Integrating practice-based and experience-based perspectives uncovers how this occurs, and contributes to the task of bridging between micro, meso and macro levels within service ecosystems. Overall, the findings show how practices shape not just coordination amongst consumers, but also social learning. Implications for service organizations include how to facilitate social learning between novices and experts so as to optimize value for all.

**Keywords:** value co-creation, practice theory, collective consumption, learning

**Paper type** – Empirical



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## Going against the tide, institutional logics in Service Innovation

*Martins Gonçalves Sara*

**Purpose** - Drawing on Service literature, particularly Service-dominant Logic, and Neo-institutional theory, the presented study intends to understand how the disruption and change of institutional logics leading to innovative practices unfold by considering not only the individual's cognitive processes but also the ecosystem's influence on it.

**Design/methodology/approach** - The study combines a multiple case study strategy with a fuzzy-set qualitative comparative analysis (fsQCA). Twelve case studies were conducted in business-to-business ecosystems and the analysis was coupled with a fsQCA which is particularly well suited for apprehending equifinality comprising configurations of interdependent causal factors underlying the outcome.

**Findings** - The paper proposes a threefold typology of institutional conditions to service innovation in business-to-business ecosystems. In addition, the findings pave the way to the relevance of considering individual agency in service theory.

**Originality/value** - Service researchers are currently exploring different approaches to innovation to better explain how new forms of value emerge and much emphasis is being given to the importance of ecosystems' institutions on innovation. However, central aspects such as the individual's cognitive processes through which institutions shape action have received scant attention, especially in business-to-business contexts. The paper addresses this gap by considering the cultural-cognitive approach to institutions (i.e. Neo-institutionalism) at the individual level of analysis (i.e. the ecosystem's micro level of analysis).

**Keywords** - Service Innovation, Institutional logics, Service-dominant Logic, Neo-institutional Theory, Business-to-business ecosystems

**Article classification** - Research paper

## **A Segmentation Approach to Country Image. A study on Perception of Italy across seven Emerging Markets**

*Mason Michela, Ciani Stefano, De Nisco Alessandro, Napolitano Maria Rosaria, Oduro Stephen*

Country image has a tremendous effect on the success of products and intentions to visit a place. This paper analyses consumers' perception of the Italian country image across seven emerging countries: Brazil, China, India, Indonesia, Russia, South Africa, and Turkey. Drawing from the international marketing and tourism literature, four main structural dimensions of the Italian country image were chosen as focus of investigation: *general country image*, *product-country image*, *tourism destination image* and *cultural heritage image*. The empirical approach consists of a Cluster Analysis with a total of 4,550 respondents. The different tourist perceptions of country image and cultural heritage profile three different clusters: *cultural preferences*, *food & history* and *beauty & aesthetic*. The analysis also shows significant differences among clusters in terms of intentions to visit the country and buy products. Thus a one-way ANOVA with *ethnocentric tendencies* items as dependent variables and cluster membership as fixed factor was estimated. The results confirm that the three segments are significantly different from each other, providing evidence of the cluster solution's external validity. In order to specify the profiles of the identified clusters further on, each cluster was cross-tabulated with external variables such as socio-demographic profiles and attitudinal variables. The results suggest interesting implications for destination markets.

**Keywords:** Country image; Segmentation; Emerging Countries; Cultural Heritage.

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## Thinking about a service encounter boosts talking about it

*Mattsson Jan, Söderlund Magnus*

**Purpose** - This study examines the impact of thinking about an event as an antecedent to subsequent talk about this event with others (i.e., word-of-mouth). Here, the thinking–talking association is examined in the context of service encounters. The specific purpose is to examine if there is a thinking–talking relationship (H1) and if it is mediated by memorability and rehearsal (H2).

**Design/Methodology/approach** - A critical incident approach (Bitner et al., 1990; Gremler, 2004) generated data about customers' thinking and talking behaviors after specific service encounters.

**Findings** - Thinking about a service encounter – after it has been completed – had a positive influence on subsequent talk to others about the encounter (H1). The association was mediated by the memorability of the service encounter and the extent to which what had happened had been subject to rehearsal with the purpose of telling others about it (H2).

**Research limitations/implications** - We examined the intensity of thinking about service encounters, not the specific content of such thoughts. An impact of thinking on talking did not materialize when recommendation intentions was used as an alternative talk indicator, which calls on researchers to be mindful about why this particular indicator (rather than talk behavior) is in frequent use.

**Practical implications (if applicable)** - Firms desiring more word-of-mouth activity and engagement should design their offers so that they encourage thinking. Incongruent elements in the service encounter may foster thinking (and talking). Therefore, managers need to develop such elements.

**Originality/value** - Thinking has been a neglected variable in word-of-mouth research (and in consumer-related research in general), despite the fact that several conceptual arguments indicate that thinking is likely to enhance talking.

**Key words** Service encounters, word-of-mouth, thinking, talking, customer satisfaction

**Paper type** Research paper

**Paper type** Research paper

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## ONGOING HEALTHCARE CUSTOMER JOURNEYS: TREATMENT CHOICES, TENSIONS AND TRADE-OFFS

*McCull-Kennedy Janet, Cheung Lilliemay, Coote Len*

**Purpose** – Customer experience is not only a research priority (Ostrom et al. 2015), it is listed in the top ten priorities of CEOs around the globe as meaningful customer experience is viewed as essential to achieving competitive advantage and satisfied customers (Rawson et al. 2013). However, taking a firm centric perspective has produced limited models of customer journeys (McCull-Kennedy et al. 2018; Nakata et al. 2018). Customer journeys have been conceptualized as comprising three phases – pre purchase, purchase and post purchase (Lemon and Verhoef 2016), yet little is known about customer journeys from the focal customer's own world perspective. This is especially true for ongoing customer journeys. We address this shortcoming by taking an ecosystem perspective (Frow, McCull-Kennedy and Payne 2016) that focuses on value cocreation investigating healthcare customers' ongoing activities and interactions with members of their service ecosystems (McCull-Kennedy et al. 2012; 2017).

**Design/Methodology/approach** – Chronic disease is an important context to investigate ongoing customer journeys. The chronic disease Cystic fibrosis (CF), a life-threatening disease, requires significant time-consuming and complex treatments across the lifespan (Cohen-Cymerknoh, Shoseyov and Kerem 2011). As such, it affords an excellent setting to explore ongoing customer journeys. The purpose of this study is threefold, to: (1) understand in depth the treatment choices, tensions and trade-offs that healthcare customers make throughout their activities and interactions with others in their service ecosystem, identifying the relative influence of the various ecosystem members; (2) develop a novel conceptual framework of ongoing customer journeys; and (3) highlight implications for practice.

Healthcare customers with chronic diseases interact not only with clinicians in hospitals and clinics but also with family and friends to cocreate value across their journeys (McCull-Kennedy et al. 2012; 2017). While prior work has established that some activities require considerable effort (Sweeney, Danaher and McCull-Kennedy 2015) and difficult choices, where trade-offs are required, no study has focused on the tensions and trade-offs in treatment choices from a customer's own world ecosystem perspective. This is where we contribute.

**Findings** – We make an important contribution to both theory and practice by developing and illustrating our novel Conceptual Framework of Ongoing Customer Journeys highlighting tensions and trade-offs around: (1) compliance, adherence and concordance (from the clinician perspective) designed to assist in physical well-being and health outcomes aimed at extending life; and (2) a focus on happiness, living life to the fullest, pursuing a passion (from the family member perspective) to assist existential and social well-being. Our conceptual framework maps key tensions and trade-offs to outcomes. We conclude with implications for practice and a research agenda.

**Originality/value** – This is a first study in a critically important context – healthcare, demonstrating the usefulness of our novel conceptual framework of ongoing customer journeys, mapping key tensions and tradeoffs to outcomes designed to improve patient experiences.

**Key words** - customer journeys, customer experience, ecosystems, trade-offs/tensions, customer choices

**Paper type** – Empirical research paper



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## **Innovation and viability in the retail service ecosystem: nudges from DITRON's history and evolution**

*Megaro Antonietta, Carrubbo Luca, Sirianni Carlo Alessandro*

**Purpose** – This work analyses the retail sector in a service ecosystem perspective. Its purpose is to investigate how the adoption of a new technology can contribute to generate conditions of value co-creation (Storbacka et al., 2016) and to improve the efficiency and effectiveness of the system considered as a whole, through new shared logics and rules, *institutions*, used by actors to coordinate actions (Lusch, Nambisan, 2015) to survive.

The concept of innovation has been considered as the starting point to analyse how actors react in order to adapt to changes in their context and re-define their value proposition (Vargo et al., 2008).

**Design/Methodology/approach** – This study proposes a re-reading of retailing, complex context with many heterogeneous interrelated and interconnected actors, as a service ecosystem, with some suggestions by the VSA literature. It has been carried out through a case-study analysis.

**Findings** – This work highlights how the exchange of resources between actors, and the value co-created by them, can define new rules to shape the market.

Specifically, both the new technology introduced and the innovation, depending by it and defined by market interactions, provide new institutions, guided by value co-creation processes (Vargo et al., 2015).

According to this approach, the innovation is possible thanks to the re-configuration or the new generation, from a structural point of view, of relationships, resources and roles, as well as, from a dynamic point of view, to new forms of resources integration. These new forms of resources integration allow new value co-creation processes (Mele et al., 2010) that stimulate the emergence of institutions influencing the survival of each actor.

**Research implications** – These results have practical managerial implications in terms of service and decision make processes. To provide a service new specific skills, developed and trained by each actor, are needed and decisions depend on new resources to integrate.

**Originality/value** – In literature retailing has been studied not enough through the service ecosystem perspective. This work clarifies the interconnection between innovation and viability deepening on the concept of institutions. Thanks to these findings, we can match the Service Ecosystem literature with Viable Systems Approach, in fact institutions may be considered as tools to be resonant with the context and value co-creation as a driver for the viability.

**Key words** – Retail, innovation, service ecosystem, institutions, viability

**Paper type** – Research paper



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## SERVICE VALUE CREATION USING A DIGITAL TWIN

*Meierhofer Jürg, West Shaun*

**Purpose** – The purpose of this exploratory paper is to discuss the concept of the digital twin from the perspective of service value creation, and to describe how it can be structured and designed in different dimensions.

**Design/Methodology/approach** – The study is based on a review of literature on the structure of the digital twin and its service value contribution and is built on the concept of data-driven service design. Additionally, a series of in-depth interviews and a quantitative survey were conducted with manufacturing firms, in order to validate the findings from the literature.

**Findings** – The digital twin is generated from a service perspective to conceptualize services that create value for a range of actors within the ecosystem. Given the concepts of service-dominant logic and service design, approaches are described for designing and delivering value to customers based on the digital twin. The technological concept of the digital twin is made up of the different layers of the twin and their contribution to value creation. The twin is structured in a number of layers representing the component, the assembly, the machine, the shop floor / production line, the factory, and the business system. Each of these layers is characterized by specific modeling tools and data requirements and has a particular value contribution to services. This value contribution can be assigned to different phases of the product lifecycle and to the actor who benefits from the services. Following service-oriented approaches, value is created by linking the digital twin, as a source of data, to the relevant actors in the ecosystem at the appropriate time and translating the data into relevant information to support decision making.

**Research limitations/implications (if applicable)** – The concept developed in this paper assists academics and practitioners to design a digital twin as a means of service value generation. However, further research is required to verify the applicability and implementation in different contexts.

**Practical implications (if applicable)** – The concept for the digital twin presented in this paper provides a framework which can be used for designing and delivering service value by manufacturing firms.

**Originality/value** – The innovation of this paper is the approach to the digital twin from the perspective of service value creation, which leads to its structuring in different layers that are relevant for business.

**Paper type** – Conceptual paper

**Key words** (max 5) - digital twin, smart services, service science, service design, servitization of manufacturing

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## Artificial Intelligence in healthcare: insights from IBM Watson

*Mele Cristina, Russo Spina Tiziana, Kaartemo Valtteri, Morande Swapnil, Marzullo Marialuisa*

**Purpose** – Artificial intelligence (AI) is a hot topic in newspapers, business magazines and company reports. It has progressed quite quickly to include self-driving cars, Google Deep Mind and International Business Machines (IBM) Watson. It seems to have created unprecedented opportunities for business and society due to the value of the increased connectedness and smartness (Spohrer, 2017). The main conversation on technology is on its technical feasibility and use, while there is a need to take into account the economic and societal impacts (Arthur, 2009). There is a need to study new service provisions enabled by AI and figure out how the new interactions between humans and non-humans emerge to improve value co-creation and innovation. This work investigates how the adoption of IBM Watson affects the practices of innovation

**Design/Methodology/approach** – This article adopts a qualitative research approach to explicate complex issues and advance extant knowledge (Dubois & Gadde, 2002; Gummesson, 2005, 2017). The research focuses on cognitive computing (i.e., Watson) developed by IBM, which is an advanced application for natural language processing, information retrieval, knowledge representation, automated reasoning and automatic learning technologies. The research process concerned the investigation of IBM Watson working through a cognitive system platform. Semi-structured interviews with the members of IBM's top-management and digital transformation specialists provided us with insights on how IBM Watson develops innovative solutions and supports organizations in innovating their strategies and redefining the boundaries of the connections between different actors.

**Findings** – The study examines Watson's ability to act and the actors engaging with a social structure. This research allows for detecting how actors interact, work, learn and discover new ways to do things, serve others better and co-create value through AI. A fresh approach is offered to explore the constellations that actors form in practising innovation and to understand the connections within the nexus of practices.

**Originality/value** – The contribution of this study shifts from the understanding of the technology to the sociomaterial practices enabled by the application of IBM Watson. We highlight a set of practices that rests on other practices performed by actors who integrate material and social resources (e.g., knowledge, tools, languages and artefacts) to improve service provision, value co-creation and innovation.

**Key words** – Watson technologies, practices, service innovation, value co-creation

**Paper type** – Research paper

## INNOVATING HEALTHCARE PRACTICES: THE ROLE OF ARTIFICIAL INTELLIGENCE AND INTERNET OF MEDICAL THINGS

*Mele Cristina, Russo Spina Tiziana, Morande Swapnil, Marzullo Marialuisa*

**Purpose** – Healthcare is one of the recent service research priorities (Ostrom et al. 2015). Service scholars have addressed co-creation practices in health (McColl-Kennedy et al., 2015, Frow et al., 2016). Few studies analyses how smart technologies and digital devices are impacting on resource integration and value co-creation in the healthcare ecosystem. Artificial Intelligence (AI) and the Internet of Medical Things (IoMT) seem to enable access to the healthcare data, when and where needed. However, little is still known about how AI and IoMT are innovating healthcare practices in the wider actor to actor (ecosystem) view. This paper aims to investigate the contribution of AI and IoMT in innovating healthcare practices in the healthcare ecosystem.

**Methodology** – This study adopts multiple case studies to understand the nature of care practices and how they are changing. The investigation involves multiple, purposefully selected actors that are followed by a qualitative research approach, pursuing detailed and rich data collections to explicate complex issues and advance extant knowledge (Dubois and Gadde, 2002; Gummesson, 2005).

**Findings** – The use of A.I. and IoMT encourages fresh care practices and helps actors with a proactive management healthy lifestyle. Three healthcare practices have been identified: keeping well, taking care and maintaining autonomy. ‘Keeping well practices’ refer to individuals in control of their health and lifestyle, where A.I. based solution can support different actors in performing routine tasks such as taking vital signs, analyzing it and prompting for care. ‘Taking care practices’ concern actors with personalized and data-driven medical service. A.I. helps to understand the day-to-day patterns and needs of the individual. ‘Maintaining autonomy practices’ relate to ageing individuals, where A.I. based solutions can support them to become independent and maintain social connections.

**Originality/value** – This study offers an original contribution in addressing how AI and IoMT are innovating the healthcare ecosystem.

**Key words** (max 5): Digital Healthcare, Healthcare ecosystem, AI, IoMT

**Paper type** – Research paper

## **Robots as a service: acceptance or resistance?**

*Mele Cristina, Russo Spena Tiziana, Tregua Marco, Gragiulo Roberta, Laddaga Cesare, Ranieri Angelo, Ruggiero Andrea*

**Purpose** - Artificial intelligence (AI) and robots are moving very rapidly into everyday life (Huang and Rust, 2018). Scholarly articles envision a great performance of service robots on customers' needs and experience (Čaić et al., 2018; VanDorn et al., 2018, D Wirtz et al. 2018). Most of these studies look at the potential of service robots and extort to envisage greater benefits than threats for both individuals and societies (De Keyser et al., 2019). However, what service robots are really being used for, how they are being perceived, and whether they are really useful (Čaić et al., 2018, Van Doorn et al., 2018; De Keyser et al., 2019) it is not still clear.

This paper aims to investigate how service robots and AI technologies are performing relating to the customer experience and value creation.

**Design/Methodology/approach** – Netnography was selected as a research method (Heinonen and Medberg, 2018) as it is a useful approach to studying the behavior of customers who live online (Kozinets, 2006). The study considers about 400 original reviews posted on social networks (Facebook, twitter, etc.) and commercial web sites (Amazon, companies web site, ecc.) by users interacting with social and service robots. A qualitative content analysis was used to detect general trends and significant issues from data. The focus was on how users interact with the robot, which are their expectation and feelings and how they perform in users' socio-cultural contexts.

**Findings** – Our findings address the contribution of functional, social-emotional and relational issues relating to the robots' adoption or resistance by users. Some categories are presented.

**Originality/value** – This paper offers an update contribution to the understanding of service robots' adoption and its impact on users. This paper accounts for enablers and perceived barriers that lead to users' acceptance and resistance and offers future research suggestions into an emerging topic.

**Key words (max 5)** – Artificial Intelligence, Customer Experience, Service Robots, Acceptance.

**Paper type** –Research paper





## **Reducing value co-destruction in Tourism**

### **An exploration of consumer strategies to detect fake online service reviews**

*Möhring Michael, Dacko Scott, Gehrig Sophie, Keller Barbara, Lutz Annika, Schmidt Rainer,  
Winkler Theresa*

**Purpose** – Value co-creation is a *multi-actor* phenomenon and often on a massive scale, albeit with the referent beneficiary at the center (Vargo & Lusch, 2016, p. 6). A consumer's use of reviews for any service is no exception. The use of service-dominant logic (SDL) in tourism has been investigated in (Buonincontri et al., 2017). When this phenomenon is expanded to include “bad actors” who intentionally leave fake reviews - consumers who believe any such reviews become party to *value co-destruction* (Plé & Chumpitaz, 2010). A investigation of value co-destruction in tourism has been done by Neuhofer (2016), for instance. With such theoretical underpinnings, this research aims to explore how consumers seek to identify fake reviews and avoid value co-destruction.

**Design/Methodology/approach** – Drawing upon SDL (Vargo & Lusch, 2004; 2016), this study further adopts a mixed method quantitative and qualitative research approach (Creswell, 2007) to understand how consumers seek to identify fake reviews in the hospitality sector. Additionally, we conduct a two-step online survey on differing consumer approaches for detecting fake reviews. Drawing upon a sample of n=236 German consumers and performing analyses for statistical significance, we further establish findings on consumer-based approaches.

**Findings** – Qualitatively, our findings show that consumers adopt a range of strategies in their efforts to identify fake reviews. Specifically, besides “intuition,” qualitative analyses show that consumers adopt strategies including comparisons of individual reviews with others on the same review site, similarity of the review content on different review sites, suspicions regarding the reviewer's background/profile, the use of staff names in the review, and language style (including use of “catalogue language”). Additionally, quantitative research revealed that certain review characteristics are perceived by consumers to be associated with fake reviews including the presence of many reviews in a very short time period ( $p=0.00$ ), reviews being totally different from others ( $p=0.00$ ), widespread use of “catalogue language” ( $p=0.00$ ), the absence of visual evidence (e.g., photo) to support the views expressed ( $p=0.021$ ) and the inclusion of incorrect information about the hotel ( $p=0.00$ ).

**Research implications** – Knowledge on practices of consumer actions that lead to value co-creation versus co-destruction in a large-scale multi-actor phenomenon enables an expanded theoretical contribution to the SDL literature and practice.

**Originality/value** – Our research findings demonstrate the importance of SDL for researchers and practitioners to investigate fake reviews.

**Key words** – value co-destruction, fake reviews, service evaluations, online services

**Paper type** – Research paper



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## Improvement of Customer-Oriented Production Through New Shared Data Sources

*Möhring Michael, Keller Barbara*

**Purpose** – Industry 4.0 (Lasi et al. 2014) supports the production of more customer-oriented products. Current research (e.g., Lasi et al. 2014; Schmidt et al. 2015) shows the importance of mass customization based on Industry 4.0 production processes for business. For ensuring the mass customization manufacturing through Industry 4.0, the integration of the customer in the production process is quite important.. New technologies and innovations (e.g., Internet of Things (IoT)) can be a good source to identify and collect customers' needs as well as preferences. The customer shares his data with the manufacturer in terms of value co-creation (Vargo and Lusch, 2004, 2016). The integration can be done via a public cloud driven customer relationship management. Cloud computing (Ambrust et al. 2010) offers a multitude of processing and integrational power to handle unstructured and structured customer data. Therefore, internal customer behavioral data coming from the companies erp system (e.g., customer baskets) can be analyzed together with the customer's shared data coming from IoT devices etc. This results in a better view of the customers needs and preferences and can be shared with the production systems in the industry 4.0 environment. Therefore, customer-oriented production processes and value co-creation can be improved.

**Design/Methodology/approach** – To develop a first understanding of the use of data coming from new technologies and trends like IoT (Gubbi et al. 2013) to improve customer-oriented production processes and co-cCreation (Vargo and Lusch, 2004, 2016) for production processes, we used a design science research approach according to Gregor and Hevner (2013). First, we developed a framework as an artifact based on the current knowledge base. Furthermore, we did some first descriptive evaluations and presentations of the framework.

**Findings** - A framework for an elementary understanding of the use of data coming from new technologies and trends like IoT (Gubbi et al. 2013) to improve customer-oriented production processes and co-Creation (Vargo and Lusch, 2004, 2016) for production processes was created. Furthermore, possibilities and challenges were identified.

**Research implications** – We showed how different data sources can be used for customer-oriented production processes and value co-creation. Future research can build upon our research.

**Originality/value** – Regarding our findings, we showed how customer data can be collected from new data sources and be integrated as well as processed in a public cloud customer relationship information system. The data can be used for improving co-creation in the mass customization production process through industry 4.0.

**Key words** – industry 4.0, IoT, crm, mass customization

**Paper type** – Research paper

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## **The Smart Service Ecosystem: an integrated model to analyze Smart Tourism Ecosystems**

*Monda Antonella, Botti Antonio, Vesci Massimiliano*

**Purpose** - The current growth of the service sector in global economies leads to the redefinition of markets as systems of actors interconnected through networked relationships based on resources exchange and producing value co-creation. In this scenario, two of the main contemporary service research theories, Service-dominant logic and Service science, propose different models for producing value co-creation: service ecosystems and smart service systems. Based on the willingness to exceeds the limitations of these two models, the present work aims at proposing an integrated framework, the so-called Smart service ecosystem. The proposed model adopts a system view of value co-creation and can be applied to different kind of sectors.

**Methodology** - Based on a case study methodology, the study tests the model in the tourism sector. The point of view of consumers and service providers is taken into consideration to make comparisons between managers and users perception. Specifically, semi-structured interviews were administered to key informants to analyze their perception about the main dimensions of the smart service ecosystems.

**Results** - By adopting a holistic view, the results obtained can allow the elaboration of a framework which pinpoints: (1) the main stakeholder groups (actors); (2) the kind of resources exchanged (resource integration); (3) the tools employed (technology); (4) the institution exchange among users and service providers (institutions).

**Implication** - The work entails both theoretical and managerial implications. From a theoretical point of view, it offers insights on the different kind of value co-creation practices, mainly fostered and generated using ICTs in business processes. From a managerial point of view, it sheds light on how managers can optimize knowledge exchange to enable value co-creation; monitor the emersion of co-creation in real time; foster service improvement and innovation.

**Originality** - The originality of the work lies in the reconceptualization of the tourism sector from a new perspective based on the assumptions of service-dominant logic and service science, that allow to analyze not only the main elements of the Smart tourism ecosystem but also the dynamic interactions within it.





## **Leveraging Digital Ecosystem for Service Delivery: A case study on Amazon Inc.**

*Morande Swapnil, Marzullo Marialuisa*

**Purpose** – According to Bajarin (2011), Digital Ecosystem is ‘the complex of a community of digital devices and their environment functioning as a whole.’ When software, hardware and digital services are connected in an interdependent manner it gives rise to the 'Digital Ecosystem'. In service industry such ecosystems can help organizations receive competitive advantage. Digital Ecosystem is driven by technological advances and state of the art communication networks to be able to facilitate service industry. As per Mathivanan and Rajesh (2016) supporting technologies would further help streamline service delivery. Such development has a far-reaching impact on performance, competitiveness, and resilience for life and business in several industries. (Li et al., 2015). Leveraging Digital Ecosystem for service delivery may lead to good strategy making, greater market penetration and enhanced customer loyalty.

**Design/Methodology/approach** – In this research in-depth review of “*Amazon Inc.*” would be carried out as an approach to identify complex variables. Based on the nature of proposed research, a qualitative approach would be adapted in order to integrate various elements of research design. Such method is designed to help researchers understand individuals and the socio-cultural contexts within which they live (Gummesson, 2017.)

**Findings** – Value creation is one of the main objectives of Digital Ecosystem, that encompasses companies, customers and other entities involved as service providers. With Digital Ecosystem in place; the overall customer experience gets better as it can be customized depending on requested services. There is an improvement of accessibility, data security, physical and psychological barriers, as well as the interactions of different actors in the ecosystem, making them "smart" in a context in which technologies are integrated with the context of fruition and an application for the provision of integrated solutions in terms of defining and solving, fidelizing and protecting the consumer. This results into services with several tangible and intangible benefits.

**Research limitations/implications (if applicable)** – In the near future, customer will prefer the products/services in a holistic point of view, where services delivered via 'Digital Ecosystems' are likely to affect the decision making process.

**Practical implications (if applicable)** – Many companies are still exploring Digital Ecosystems for respective business practices using divergent strategies. (Savov, 2012)

**Originality/value** – This research is significant because ‘Digital Ecosystem’ can directly or indirectly influence Service Delivery and help organization achieve leadership position in the market. As a result, leading companies are working towards developing a new type of economy - the “We Economy.” (Olavsrud, 2015) Proposed research makes an attempt to highlight the same

**Key words** - Service Delivery , Digital Ecosystem, Content Management, User Experience, Service Ecosystem

**Paper type** –Research paper



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## Customer Experiential Value: Its Antecedents and Outcomes

*Morioka Kosaku*

**Purpose** – The purpose of this research is to empirically investigate the antecedents and outcomes of customer experience value. Although many conceptual research has been accumulated on customer experiential value, empirical research on how customer experiential value is created and on how it is transformed to the discriminated value-in-exchange has been limited. This limitation is due to two obstacles. One is that customer experience value has not been properly measured. Unless the customer experience value is properly measured, the antecedents and outcomes of it cannot be precisely identified. The second obstacle is that prior empirical research has paid little attention on customer resources integration, that is, it has analyzed only the value propositions as simple causes of the customer experience value and abandoned the value creation through customer resources integration. Thus, in order to overcome these two obstacles, this research aims to (1) appropriately measure the customer experience value and (2) empirically identify its antecedents and outcomes from the viewpoint of customer resources integration.

**Design/Methodology/approach** – Data were collected in two studies. In Study 1, hierarchical factor analysis was conducted by using offline survey data to identify the structure of the customer experience value. In Study 2, using the customer data obtained by online survey, structural equation modeling (SEM) was conducted to test the hypotheses that two customer resources are integrated into the customer experience value and then converted into the two types of value-in-exchange.

**Findings** – The result of the hierarchical factor analysis shows that the customer experience value has a hierarchical structure constituted by the reactive (evaluative) aspects and the active (creative) aspects. The results of SEM show that customer knowledge and customer skills positively affect the customer experience value and then the customer experience value positively influences both behavioral intention and willingness to pay premium to the brand. Interestingly, although the customer experience value has full mediation effects on the relationship between customer skills and value-in-exchange, it has partial mediation effects on the relationship between customer knowledge and value-in-exchange.

**Research limitations/implications** – Because the cross-sectional data were used in the analyses, rigorous causality cannot be distinguished. This may limit the generalizability of the findings that customer experience value is created through customer resources integration and converted to value-in-exchange.

**Originality/value** – This research contributes to a deeper understanding of customer experience value. Through this, the possibility of further investigation of the different roles of each customer resources in value creation is offered.

**Key words** – customer experiential value, customer resources integration, value creation, value conversion

**Paper type** – Research paper



## The Self-Adjusting Nature of Service Ecosystems: Exploring the Expansion of a Small-Business Community

*Nariswari Angelina, Gayatri Gita, Widjojo Handyanto*

Service ecosystems are defined as “relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Vargo & Lusch, 2016a, p. 161). Aligning with the call for more research to build mid-range theories on service ecosystems (Vargo & Lusch, 2017), this study investigates the formation and growth of a small-business community as a means to explore how service ecosystems evolve to adjust to the needs of the various actors that cocreate value within it. More specifically, the main objective is to identify the different types of adjustments that take place within this service ecosystem, the specific factors that drive then need for change, as well as the implications of such changes.

We utilize the growing theorization in institutional work, defined as “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions’ (Lawrence & Suddaby, 2006, p. 215) as the underlying mechanism to explain the process of change within this particular ecosystem. This study employs abductive reasoning (Tavory & Timmermans, 2014), “which is nonlinear, non-sequential, iterative process of systematic and constant movement between literature and empirical data, through which literature-based results can be reoriented, as directed by the empirical findings,” (Mele et al., 2018). In addition to literature review on change in service ecosystems as well as institutional work, insights are built on participant observation data collected within ORG (pseudonym), a growing community of practice to support green, healthy, and organic living in Indonesia. While ORG primarily comprises of micropreneurs that produce and market various organic and natural products, it has grown to encompass a self-contained service ecosystem that sustains an organic lifestyle. Products sanctioned by ORG span across distinct industries, including food, skincare, and textile. Meanwhile organizations linked to the community include among others a curating body, a financial cooperative, a consumer group, as well as an informal distribution network. The community hosts approximately 700 members in 8 chapters throughout the country. However, this study focuses on the operations of the Jakarta main chapter (+/- 240 members), from which observation and interview data was collected. Interviews with core members representing various institutions within this small business community are also performed, resulting in 97-pages of transcribed data.

Early findings suggest membership growth and expanding motivation to facilitate value cocreation practices within the community, as main triggers of change. As members increase, new communication technologies are adopted, shifting the ways information is exchanged among members. Norms become solidified, for example, through the institutionalization of a ‘forbidden list’ outlining various ingredients banned from use in ORG member-products, as well as the formation of a curating body determining eligibility for an “ORG-certified” product label, that is needed to participate in ORG-facilitated marketspaces (e.g., expos, bazaars). Interestingly, such restrictions increase rather than decrease knowledge trade and market exchanges between members. This is due to the fact that banned ingredients can often be replaced by products offered by existing ORG members. Other new bodies are founded, such as a member cooperative that facilitate members’ financial activity, as well as a ‘consumer’ WhatsApp group interested in healthy organic living; creating a captive market for ORG members. These examples briefly depict various adjustments that change the institutional arrangements within the ecosystem, thus restructuring the roles of involved actors as well as the flows of various operand and operant resources.

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## **The Role of Value Propositions in Market-Shaping Strategies: A Qualitative Comparative Analysis**

*Nenonen Suvi, Frow Pennie, Payne Adrian, Sklyar Alexey, Storbacka Kaj*

**Purpose** - Most of the studies addressing market-shaping strategies acknowledge the crucial role of value propositions in shaping systemic markets. For example, Kumar et al. (2000) propose that successful market-driving strategies come from a discontinuous leap in the value proposition. Storbacka and Nenonen (2011), on the other hand, propose that focal actors can offer market propositions which engage other actors in creating a shared market view – which consecutively may translate to corresponding changes in the mental and business models of all actors in the market system. However, these studies do not elaborate what kinds of value propositions are particularly effective in market-shaping strategies. Hence, the purpose of this study is to investigate what types of value propositions are associated with successful market-shaping strategies.

**Methodology/approach** - Based on a comprehensive literature review, we developed a conceptual model of the role of value propositions in market shaping. For data collection, we employed theoretical sampling to identify 21 cases of firm-led market-shaping strategies with varying degrees of success. The collected data was finally analyzed using fuzzy set qualitative comparative analysis (fsQCA) (Ragin, 2008, Tóth, Henneberg, & Naudé, 2017, Duşa, 2019).

**Findings** - We identified four traits of value propositions that are associated with successful market-shaping strategies. First, such value propositions are co-conceived and co-promoted with other actors in the market system. Second, market-shaping value propositions take a systemic approach to the value they communicate: they highlight and quantify the benefits of the new market system – rather than an individual product or service – to multiple actors. Third, market-shaping value propositions promise new resource linkages and support for actors to change their resource integration practices. Finally, such value propositions are communicated using new terms, visualizations and stories. However, none of these four traits is sufficient alone to shape markets. Engaging other actors in co-conception and co-promotion of the value proposition is necessary to induce a change in the elements comprising the market system. Taking a systemic approach – and quantifying the proposed value – signals that the new system is viable, and thus is a necessary condition for creating a new or changed market system.

**Practical implications** - Market-shaping value propositions are different from traditional ones as they focus on differentiating the new market system from the existing ones rather than the market-shaping firm and its offering from the competition. Furthermore, market-shaping value propositions must resonate with all relevant stakeholders, not just with the direct customers.

**Originality/value** - The identified four configurations leading to change in market system elements and the three configurations leading to overall market change are, to authors' knowledge, the first empirically grounded insights into what kinds of value propositions support market-shaping strategies.

**Key words** - Market-shaping, markets as systems, value propositions, qualitative comparative analysis

**Paper type** - Research paper

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## Artificial Intelligence and Service Work: Current state and implications

*Neuhüttler Jens, Ganz Walter, Meiren Thomas, Woyke Inka*

Artificial intelligence (AI) is becoming increasingly important to companies and holds manifold potentials to their service business, such as extracting information from unstructured sensor data, using chatbots to improve customer interactions or providing personalized and situation-adapted experiences through AI-based user and context modelling (Wahlster, 2018). The growing diffusion of AI also has an increasing impact of the service jobs and activities. By carrying out mechanical, analytical, intuitive or even empathetic tasks, AI methods and tools can either support or even replace service workers in future times (Huang/Rust 2018). However, the expected changes of AI for customer interactions and underlying service process are not fully understood yet. Although AI has become a highly investigated research field, there are still white spots with regard to its implications on service work. Previous studies are either macroeconomic in nature, focus on production work or only consider pioneering companies. So far, little is known about the extent to which AI is already being used in service companies, their expectations of using AI or the requirements of the service work places of the future.

In this context, our paper will present results from a currently ongoing quantitative study among German companies. The main objective of our study is to provide new insights about how the application of AI will the collaboration, organization, share of work, working time and quality of service work. Moreover, the companies are asked for their estimations regarding influencing factors on trust in AI tools, organizational integration into existing processes or the fulfillment of requirements of today's AI methods (e.g. machine learning) are queried. Results will be discussed and implications on the design of future service work will be derived in our paper.

## The evolution of emerging technologies' value propositions: the case of AR/VR

*Nussipova Gulnar*

**Purpose** – Value propositions play a fundamental role in service ecosystems (Chandler and Lusch, 2015) as enterprises cannot deliver value but only offer value propositions (Vargo and Lusch, 2016). A value proposition is a promise for value to be created through resource integration based on knowledge and competencies (e.g. Skålén et al., 2015) or a shaper of resources within a service ecosystem (Frow et al., 2014). Almost a decade ago, Ostrom et al. asked “how can a firm change its value proposition?” (2010, p. 8). Also, Lusch et al. (2010) consider it important to gain more knowledge of how firms can revise their value propositions in a constantly changing world. However, we still know relatively little about how value propositions form and evolve over time within a service ecosystem (Frow et al. 2014). The aim of this study is to gain a deeper understanding of how firms' value propositions emerge and evolve when technologies are developed and changed in a service ecosystem.

AR/VR technologies are an example of emerging technology in the process of developing relevant value propositions by actors in a service ecosystem. It has been portrayed as “the next big computing platform” capable of disrupting the way in which business interact with information. These technologies exhibit features that create new ways of creating value and, therefore, demand creating new propositions. However, firms face a challenge of how to communicate the value of the emerging technologies with their inherent uncertainty and not obvious use (Halaweh, 2013).

**Design/Methodology/Approach** – Content analysis is used to analyze archival information from websites, annual reports, and press releases to explore ecosystem structure and value propositions. Value proposition development is monitored on the basis of changes in hardware and software developers' websites within five years.

**Findings** – Findings show that firms value propositions regarding AR/VR solutions rarely manifest how and what value is created for specific customers. This suggests developers and other actors within the ecosystem still struggle to make sense of the use of the technology and value created. However, the findings demonstrate that developers adjust their value propositions as a subject to technology advances.

**Practical implications** – The findings provide insights into the difficulties to pre-define the value of new technology and how firms adjust their value propositions over time.

**Originality/value** – This contributes to understanding how companies and the innovation ecosystem at large develop and change value propositions for emerging technologies.

**Key words** (max 5) - Value proposition, AR/VR technologies, emerging technologies

**Paper type** – Research paper

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## Beyond Industry 4.0 - seeking for the philosopher's stone

*Nuutinen, Maaria; Valkokari, Katri, Malmelin Nando & Nyblom, Jutta*

*Purpose:* The purpose of this paper is to explore collaborative innovation practice in the context of industrial renewal that is framed by ideological setting of the future based on sustainable growth.

*Design/methodology/approach:* Our approach is founded on a practice-based school of innovating, where a researcher is part of what is being researched and the interplay between multiple actors is emphasized. Although, this is mainly a conceptual paper, a participatory roadmapping process has been utilized as a tool for engaging a large group of experts of industrial ecosystems in co-innovation around the topic.

*Findings:* Our research describes how many mission-oriented innovations, aiming at sustainable growth, call for ideological compromises between private and social goals. Therefore, actors' engagement to the vision building is crucial.

*Originality/value:* This paper emphasizes that crossing the theoretical and paradigmatic borders enables actors to build shared meanings and gain better understanding of the multifaceted nature of business reality.

*Practical implications:* For managers, the core practical implication of the study is related to (eco)system thinking. The outcomes of the study highlight that going beyond industry 4.0 requires interaction with key players, as the resources, roles and offerings of industrial ecosystem actors are interconnected. In addition, through the identified emerging research themes of looking *beyond Industry 4.0*, we call researchers to co-innovating and creating a multilevel movement of challenge driven research looking beyond Industry 4.0



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## Exploring interplay among consumer engagements with multiple objects

*Ohyabu Akira, Kuroda Masahiro, Seino Satoshi, Zhang Jing*

**Purpose** – A lot of the early consumer engagement research focused on online contexts such as online brand community. Although the examinations of CE have recently been conducted not only in online but also in different offline settings, many studies are conceptual and do not sufficiently investigate empirical issues (Heinonen et al., 2018). In addition, many researches have focused on how consumers engage with a single engagement object, but there is little understanding about CE with multiple engagement objects (e.g., the online brand community and the brand), simultaneously (Bowden et al., 2017). In our research, we will explore how consumers engage with different objects in fashion consumption context. The purpose of this paper is to empirically examine the interplay among CEs with multiple objects.

**Design/Methodology/approach** – This research applies a mixed research method (Creswell and Clark, 2011). We initially draw on semi-structured interviews with 18 consumers who like fashion. Interviewees talk about their experiences of fashion over the past few decades. Furthermore, we utilize an online survey of Japan based individuals who enjoyed fashion. Based on the data collected, the analysis focus on examining what consumers engage with, and how multiple CEs are related to each other.

**Findings** – The findings identify three CE objects that consumers engage with; fashion, brand and sales person. Additionally, results show that CE with the fashion and with the brand are covariant, and that CE with brand influence on CE with sales person.

**Research limitations/implications** – This paper contributes to the consumer engagement research by focusing the CE with multiple objects simultaneously in offline context. Further experimental studies are needed in various context (e.g., across online and offline) to generate further insights into the CE concept.

**Originality/value** – Consumer engagement research has paid little attention to the interplay among various CEs with multiple objects. Bowden et al. (2018) pointed out that the existence of the spillover effect from CE with the OBC to CE with the brand (i.e., there is the causal relationship between the two CEs). In addition to the causal relationship between CEs with different objects, our research indicates a covariant relationship. This leads to understanding deeply about CE dynamics.

**Key words** – Consumer Engagement, Multiple Objects, Mixed Research Method

**Paper type** – Research paper

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## Managing change in interfirm networks

*Paavola Lauri*

**Purpose** This paper illustrates the applicability and importance of routine-level analysis to understand change dynamics in complex multi-organisational entities.

**Design/methodology/approach** The research is based on an inductive case study of a co-located multi-organisational entity, namely a shopping center. Our data consists of semi-structured interviews, analysis of archival documents, as well as data collected from public sources, covering all key actors involved with the centre. We study a selection of routines of these actors, focusing on three critical transformational events in the history of the shopping centre: its opening, expansion and internationalisation.

**Findings** We highlight the role of routine interactions during changes in the multi-organisational entity. In the shopping centre, the analysis of higher-order routines enabled actors to identify and recognise changes in their operating environment and translate this understanding to a business decision. While some actors were successful in adapting their routines, others were not, and consequently were not able to succeed within the entity.

**Practical Implications** We argue that by understanding the routines of individual actors, it is possible, for example, for the management of the higher-order entities, to model and predict the effect of potential changes in the operating environment on actors involved with and within the entity.

**Originality/value** Despite extensive applications of organisational routines, existing literature fails to address routines associated with multi-organisational entities and facilities, and their use in understanding change processes within these contexts. We apply theories and literature on the management of shopping centres, dynamics of multi-organisational entities and organisational routines to create novel contribution to understanding change within multi-organisational complex settings.

**Keywords** Routines, Multi-organisational entity, Shopping centres, Networks, Market dynamic

**Article classification** Research Paper



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## Towards Holistic Service-Orientation in Technical Systems Engineering for Digital Services

*Pakkala Daniel*

The paper extends a recently published work [1], which defined *digital service* and *digital service membrane* as new concepts and abstractions within service science and service systems [2, 3]. As part of the ongoing digitalization of global society, service systems are increasingly facing pressure to digitalize and automate human work in services. This can be done by introducing highly complex technical semi-autonomous and autonomous systems. These systems are mix of Information, Communication, Computing and Automation Technology (ICCAT), including Artificial Intelligence (AI) components, as well as sensors and actuators capable of near real-time interaction with people and the physical world (a.k.a. IoT, CPS and robotics). Accordingly, the technical systems involved in digital service can be characterized as socio-cyber-physical technical systems, which need to comply to requirements, regulation and constraints from related systems and environment;

- social systems: people and society consisting of individuals and social organizations with their different cultures, ethics, laws and norms,
- physical environment: energy, laws of physics, built environment, artefacts and materials
- natural environment: biological entities and natural resources.

Accordingly, digitalization of services or service systems is a highly complex and multidisciplinary undertaking requiring multi-dimensional systems thinking and availability of wide expertise on related systems and the environment. However, no integrated approaches or processes to digitalization of service, addressing both digital service and technical systems engineering in parallel as complementary activities, can be found in the literature. This paper will formulate and propose such an approach with holistic service-oriented world-view for improving inclusion, engagement and efficient co-operation multiple different stakeholders in engineering processes related to digitalization of services.

The paper will review the different levels/dimensions of service dominant logic and systems thinking, which are present in the overall process of analyzing, designing, realizing and governing digital service within service systems. Further the paper will introduce and address the relation between digital service engineering and technical systems engineering processes and proposes holistic service-orientation as a unifying design approach for analysis, design and development of digital service. The paper will address value-driven requirements engineering with wider stakeholder participation in order to improve the value co-creation and interaction during engineering of a digital service and a technical systems realizing it.

The contribution of the paper is to extend and link the earlier work [1] with service-dominant logic and to describe and propose an approach of holistic service-orientation for wider stakeholder involvement and engagement in analysis, design, realization and governance of digital service within service systems.

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## Exploring network configuration in service ecosystems. Evidence from Southern Italy

*Panetti Eva, Ferretti Marco, Parmentola Adele, Sabetta Annamaria*

This paper aims to explore the characteristics of network structure in service ecosystems, by adopting a social network analysis approach. More specifically, our paper tries to investigate which network configurations – open, closed or small worlds- characterize service ecosystems and which type which types of actors hold a central position in service ecosystem network. In order to answer to our research questions, we take empirical evidence from six industry-specific service ecosystems located in the Campania Region (South of Italy) by conducting a social network analysis (SNA), by taking data from the official PONREC platform (Programma Operativo Nazionale "Ricerca e Competitività" 2007-2013) to map relationships between the actors in all systems. Our findings revealed that in service ecosystems, network brokering positions are mostly undertaken by academic institutions, suggesting the efficacy of Regional Government programs in stimulating inter-organizational cooperation among actors of different nature. Secondly, it emerged a tendency toward an open and small world network structure. Our work contributes to the strand of literature focusing on the relational dimension of service ecosystems by proposing an empirical and quantitative approach to the study of their relational dimension.

**Keywords:** service ecosystems; R&D relationships; social network analysis; South of Italy; S-D logic



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## Viability Conditions and Market Shaping

*Peters Linda, Frow Pennie, Nenonen Suvi, Payne Adrian, Polese Francesco*

**Purpose** - Practitioners and academics are increasingly recognising proactive market shaping as a suitable strategy to navigate the increasingly unpredictable operating environment (cf. Harrison & Kjellberg, 2016; Kindström et al., 2018; Nenonen & Storbacka, 2018). Market systems are characterised by plasticity (i.e. the markets' ability to both take and retain form: Nenonen et al., 2014). Not surprisingly, most of the existing market-shaping studies focus on how a focal actor can induce a market to take a new form which is seen to be beneficial (i.e. viable) from his or her perspective. However, there is almost no research on how aspiring market-shapers should approach the market's ability to retain form – even though market-shaping strategies aim at creating market systems that retain their novel form, at least temporarily. Thus, the purpose of this paper is to examine under which conditions market-shaping strategies result in a viable system for the focal actor (i.e. able to survive over time: Barile and Polese, 2010) by adapting to the changing environment (von Bertalanffy, 1968).

**Design/methodology/approach** - We examine this process using an emergentist and systems approach, in which a market is seen as a system and market shaping is seen as activities that deliberately augment and steer the conditions under which the emergence of a new market takes place (i.e. the taking of form), and the conditions under which the emergent new properties of the market are viable and able to be maintained (the retaining of form). In this context we define emergence as an ongoing process that generates new emergent properties (e.g. entities, structures, concepts, qualities, capacities, mechanisms) from a structure of actors and relationships (Barile and Polese, 2010) where the whole is more than the sum of its constituent parts (Capra, 1996; Peters, 2016). In our illustrative case example, we look at a single longitudinal case over a ten-year period. Specifically, the wooden high-rise building market in Finland between 2008 and 2018. This market was able to emerge at a particular point in time and retain its form, even though the actual technology necessary to produce the laminated wood products necessary for high-rise building had been known about for some years.

**Findings** - Systems operate within conditions (e.g. process design, information technology, management behaviour, feedback systems, market structure, resource density, environment). While there are many systems conditions, only a vital few may be needed to make substantial viable change and self-regulation possible. The capacity to retain form in markets is often explained in terms of mechanisms (i.e. formalization, institutionalization, routinization, and materialization: Nenonen et al 2014) operating under specific conditions. We highlight in our case example instances where such mechanisms and conditions help explain the viability of the market from the perspective of the focal actor.

**Originality/value** - While much of the literature and research on creativity, innovation, and co-creation shows that access to new and novel resources are fundamental for success, we know less about the more mundane aspects of maintenance and utilisation. We explore how these aspects support the viability conditions needed for systems to not only take but also to retain form over time.

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## (Co-)Destruction of value in the bike-sharing industry – Phenomenon and implications for sharing services

*Pick Doreen*

**Purpose:** Bike-sharing organizations face growing difficulties in doing their business efficiently because of several negative consequences of their business model on public place. In particular, bikes are parked at wrong places, thus blocking sidewalks, bicycle lanes and even roads that is consequently reducing the security of the traffic (e.g., Fatucchi, 2017; Lazo, 2017). It further seems to be a worldwide phenomenon; some people even speak of “a wave of misbehavior” (Hernandez, 2017). Several sharing firms therefore started to set-up and communicate strict rules to their users. However, not only customers might misuse the offered bikes, also non-customers (thus, bystanders) did behave unethically by throwing bikes into lakes and copses to prevent others from using it or to simply boycott this idea of sharing. One consequence of these types of behaviors might be the reduction or even a co-destruction of value for other users of the bike-sharing industry, the bike sharing companies themselves and even the public, hence citizens of a community (Camilleri & Neuhofer, 2017; Echeverri & Skálén, 2011). Despite the practical relevance of consumer and bystander misbehavior in the bike-sharing industry, research on this behavior is fairly absent. Thus, we focus on the following research questions:

- What **types of consumer misbehavior** can be observed in the bike-sharing industry? What and how strong is the potential negative impact of consumer misbehavior for other bike-sharing customers (i.e., co-destruction potential)?
- What **communication** bike-sharing firms initiated to motivate customers of their offerings to behaving properly, for example parking in marked zones?

**Design/methodology/approach:** We review the literature on the common types of consumer misbehavior (e.g., Harris & Reynolds, 2004; Schaefers et al., 2015) and collect secondary data from newspapers to identify consumer misbehavior and perceived (co-)destruction of value in the bike-sharing industry. Finally, we analyze intervening communications of key bike-sharing organizations such as Mobike, Limebike and Donkey Republic by examining their Facebook profiles as the key communication tool.

**Findings:** There is a variety of customer and bystander misbehavior in the bike-sharing industry. Consequently, bike-sharing firms started to communicate rule to use bikes to maintain value for their users.

**Originality/value:** The paper is the first to examine the customer and bystander misbehavior in the bike sharing industry and its marketing implications for firms.

**Keywords:** Bike sharing, sharing economy, customer misbehavior

**Paper type:** Original work

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## **Association Memory: Prototyping and evaluation of a new creativity method in the context of convergent and divergent approaches for application in innovation process**

*Pieper Lena*

**Purpose:** To showcase the concept and prototype of a creativity method developed for innovation processes in teaching as well as for a business context tested in the field.

The example of ‚*Association Memory*‘ is intended to investigate how individual methods could be composed based on a toolbox of key ideas of design.

**Design/methodology/approach:** The concept of the method is based on key ideas from design and particularly design research. ‚*Association Memory*‘ should provide a simple creativity tool for ideation, which expands the solution space and gains a wide variety of ideas in a short time.

Two user case studies are conducted amongst Master students, who are mostly employed at small and medium-sized enterprises (SMEs). The experimental groups apply the method ‚*Association Memory*‘ to an ideation phase during Design Thinking Process for solving a task and compare the experiences and outcomes with the method to those other creativity methods. The gained experiences and results from the case studies are reviewed by questionnaire, e.g. the perceived creativity scored according to the Torrance Test of Creative Thinking (TTCT) is questioned here.

**Findings:** This paper relates key ideas of creativity research to practice and showcases results and first experiences gathered with the new method “Association Memory”. Summarized there is assumed a promising impact for coaching, because the method succeeded in most of the intended aspects within the experimental group.

**Practical implications:** A coach or teacher can gain knowledge and inspiration for creating own creativity methods applied in innovation process.

**Originality/value:** While there is a lot of research about creativity itself on the one hand and there is a multitudinous variety of creativity methods in practical usage, which exhibits similar components, in this paper key ideas of design are used analogous to a toolbox for concepting appropriate methods. First results with new method in reliance on those tested in the field are examined to criteria of creativity and experience.

**Keywords:** Innovation, Gamification, Creativity, Ideation, Design Methods

**Paper type:** Research paper

**Topic:** The Human Side of Service Engineering



## SERVICE ECOSYSTEM DYNAMICS: A CONCEPTUAL FRAMEWORK TO DESCRIBE PHASE TRANSITIONS

*Polese Francesco, Sarno Debora, Payne Adrian, Frow Pennie*

**Purpose** – The aim of this paper is to examine service ecosystems dynamics from a managerial perspective in order to generate an improved understanding of ecosystem emergence and phase transitions.

**Approach** – This conceptual paper adopts the theoretical lens of systems theories and, in particular, “Viable Systems Approach”, to provide a conceptual framework able to integrate concepts related to ecosystem emergence and institutional theory based on the structure/system paradigm. A case study from healthcare sector is provided to illustrate the conceptualizations.

**Findings** – The provided framework permits a clearer understanding of the different adaptation processes shown in the service ecosystem dynamics, and their relationships with ecosystems stability, instability, need for new order parameters and emergent properties. Information and entropy are introduced as the main variables describing the service ecosystem dynamics.

**Research implications** – By analyzing the role and changes of service ecosystem structure in facing emergence, this paper paves the way to further theoretical and practical studies on service ecosystems phase transitions.

**Originality/value** – This paper is one of the first researches that conjugates systems theory and service ecosystem perspective in observing the dynamics of service ecosystems. The focus on structures opens up considerations on service ecosystems design and management.

**Key words** – service ecosystems dynamics; emergence; phase transitions; viable systems approach

**Paper type** – Conceptual paper



## Value-in-use Management – Measures and Effects in Solution Business

*Prohl Katharina, Kleinaltenkamp Michael*

**Purpose** – While there is already extant knowledge on buying decisions and buying processes in business-to-business settings, the subsequent usage processes and their impact on rebuy decisions are less explored. Especially in solution business, where value is co-created in interactive after-sales processes between the customer and the supplier, the customer's quality assessment of the experience needs to be better understood in order to increase customer value and thus to foster customer loyalty. Value-in-use management measures, as part of the customer experience, have been highlighted as critical for the quality assessment in this regard, but have not been further investigated in detail yet. The purpose of this study is therefore to investigate the status quo of value-in-use management processes in practice from a supplier's perspective. Value-in-use management consists of value-in-use monitoring and enhancement measures.

**Design/Methodology/approach** – This study uses a qualitative inductive approach since value-in-use management is a phenomenon that appeared in literature only recently and that is largely unexplored so far. Therefore, to investigate the concept of value-in-use management, we conducted 21 semi-structured in-depth interviews with employees representing supplier companies from different industries.

**Findings** – The overall results reveal a number of different value-in-use management measures implemented by the supplier companies. The results further indicate that all suppliers somehow monitor and/or enhance the value in use for their customers during the usage phase. However, their efforts regarding value monitoring and enhancement vary a lot. Furthermore, they often lack a concrete value-in-use management process that comprises all identified sub-processes and is linked directly to the promises made during the sales process. The data thus reveals a gap between ex-ante value quantification and ex-post value-in-use management.

**Research limitations/implications** – The study considers only the suppliers' perspectives on value-in-use management. Consequently, a further step will be to investigate the customers' view on value-in-use management.

**Practical implications** – This study enhances our understanding of customer-supplier interactions during the customer's usage phase and builds the basis for further studies, which aim at investigating the customer's perspective on value-in-use management. From a managerial perspective, this is particularly interesting with respect to its impact on the customer's experienced value in use and consequently on the customer's rebuy decision. The results might be of high relevance for suppliers in order to sustain long-term relationships with their customers, especially in a solution context.

**Originality/value** – Although recent research highlights the importance of suppliers' continuous value-in-use management efforts, their implementation often remains imprecise. Concrete value-in-use management measures across industries have not been identified based on previous studies.

**Key words** – value-in-use management, value-in-use monitoring, value-in-use enhancement

**Paper type** – Research paper

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## CO-PATENTING AND CO-OWNERSHIP AS DRIVERS FOR UNIVERSITY BUSINESS INNOVATING The case of public universities in Spain

*Quero-Guervilla María José, Díaz-Méndez Montserrat, Gummesson Evert*

**Purpose** – The aim of the present paper is to explore whether in the context of universities as complex services, it is possible to develop new business models rooted in Service Dominant Logic (SDL), where the constituent actors generate resources and co-create value for and within the system. In this context, the innovating perspective (Russo-Spena et al. 2017) can bring to universities the need for the development of institutions in universities (Vargo and Lusch, 2016) that bring out new co-creation formulas (such as co-patenting and co-ownership), which in turn facilitate “system equilibrium” (balanced centricity) in university and business contexts.

**Methodology** – A conceptual approach is applied to develop and propose a framework for a deeper understanding of the “University Business Ecosystem” from the perspectives of SDL (Vargo and Lusch, 2016) and value co-creation (Russo-Spena and Mele, 2012; Quero and Ventura, 2015). Quantitative and qualitative case-study research was conducted using various methods of generating data, including personal interviews and a netnographic analysis of 95% of public universities in Spain.

**Findings** – The findings reveal that enterprises with a technological focus are increasing their relationship with universities and attempting to build up an ecosystem that we refer to as the “service business ecosystem”, and are building new strategies for value co-creation such as co-ownership, co-patenting, and co-ideation. These new formulas of value co-creation can be the basis for the design of strategies, but they need to be re-conceptualized from an open-economy, SDL, and ecosystem perspective.

**Research limitations/implications (if applicable)** – The paper is a conceptual study combined with an empirical approach. The empirical approach relies on a quantitative approach using 6 case studies in Spanish public universities. Research in the private sector and in other countries could improve the perspective afforded by the proposed model.

**Practical implications** – From the present study, we conclude that there is a need to develop specific strategies for innovating in the university context. New strategies are proposed in order to develop a University Business Innovation Model that facilitates the transition in which most universities are embedded: from closed to open innovation. The conceptual perspective, and notions of the Ecosystem and viable systems, can help to develop strategies to allow open innovation, improving the university’s third mission, namely the transfer of knowledge to business and other social actors.

**Originality** – The present paper suggests that University Business Innovation occurs within complex service structures such as public universities in Spain. The model aims to contribute to the literature given the lack of previous research that adapts SDL and innovation theory to the reality of a complex university system. Following an in-depth literature review, the paper redefines concepts such as innovation in complex service ecosystems, university business ecosystems, co-patenting, co-ownership, and co-ideation.

**Key words** (max 5): Innovating, Service Dominant Logic, value co-creation, co-patenting, co-ownership, service ecosystems, systems of value co-creation.

**Paper type** –Research paper

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THE BALANCED INNOVATION MODEL.  
The case of crowdfunding platforms.

*Quero-Guervilla María José, Mele Cristina, Ruiz-Alba José L, Ventura Rafael*

**Purpose** – The paper aims to analyze balanced centrality (Gummeson, 2008) as an institutional arrangement (Vargo and Lusch, 2016) fostering the innovation process by taking out the customer from the central positioning to involve other business partners. The practices of actors' service ecosystem are put in focus (Russo Spena et al., 2017).

**Methodology** – Qualitative case study research was conducted using different methods of data generation including personal interviews and netnography analysis of the crowdfunding context. Six cases on the crowdfunding context in three different countries were analysed.

**Findings** – Results focus on the development of a model for Balanced Innovation in which innovation relies on all the actors in the system (in which the customer is just one more, and not the most important) and puts in the core of the joint value innovation within the service ecosystem. This model addresses that balanced centrality contributes to increase plasticity for innovation on its four dimensions: recursivity, temporality, complementarity and continuity.

**Research limitations/implications (if applicable)** –The empirical approach considers six success cases on the crowdfunding context in three different countries. Other contexts, different from the crowdfunding and new countries would be useful to add new perspectives to the theory development.

**Practical implications** – The Model for Balanced Innovation offers frame to help organisations in their strategies of innovation process. The studies addresses the need for developing new framework that can help to understand how innovation emerge in a Service Ecosystem (Chandler et al., 2018; Mele et al., 2018) and facilitating the management of complexity and viability in service ecosystems (Gummeson, Mele and Polese, 2017).

**Originality**– The present paper defines a theoretical Model for Balanced Innovation, that brings together the concepts “Balanced Centrality”, “Innovation” and “Service ecosystems”. Hitherto, it offers a basis for designing systems of value co-creation which aims to facilitate innovation through institutionalization and value co-creation in viable service ecosystems.

**Key words** (max 5): Balanced Centrality, Service Dominant Logic, value co-creation, viable service ecosystems, systems of value co-creation.

**Paper type** –Research paper

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## Viability Structures for IT Service Operations Management

*Rai Veerendra Kumar*

**Purpose:** This paper explores the use of Viable System Model (VSM) of Stafford Beer to understand IT Service Operations Management as a system and subsystems thereof and investigates viability of these subsystems and IT service operations management system as a whole.

**Design:** Viable System Model (VSM) has been used in this study as a test bed for validating viability of systems. IT Service Operations management is a system whose constituent subsystems are disparate and have different objectives and purposes. Yet, these subsystems must work in tandem to produce requisite IT services within defined Service Level Agreement and requisite service quality parameters.

System 5, acts as global constraint for strategy definition and design. Policies regarding levels of support depending on the context of a service engagement, service engagement models, escalation policies, resource management policies etc. are decided at system 5 level.

The intelligence system explores the external environment to look for scenarios that might influence SLA compliance and/or service quality, for instance. Corresponding to each scenario, intelligence system also develops a set of strategies to handle scenarios. To study the impact of a particular strategy we run time series behavior of the strategy for the duration of a service engagement.

The control system seeks data from monitoring layer in terms of dashboards, health-check reports, etc. and performs root cause analysis to identify the underlying cause for any abnormality that may be present in the current state of IT service operations management system.

Coordination system manages the interfaces between value producing functions within IT service operations management system. The value adding functions are a set of services provided by production support teams that are spread across levels of support and locations.

Operations level consists of support window, configuration item, ticket taxonomy, employees, skills of employees, roles and responsibilities. It must be noted that a ticket is an abstract unit of work and could relate to any of the services mentioned above i.e. from event management to problem management.

**Originality and Value:** The findings of this study will help senior executives with responsibility for managing enterprise IT. The value of this study lies in reducing the cost of production support, automation of commoditized ticket resolution, more resources for “change the business” rather than “run the business” component of the enterprise.



## Temporal Nature of Value Cocreation: Institutional Work and Resource Reconfiguration

*Razmdoost Kamran, Alinaghian Leila*

**Purpose** – Actors’ engagement in resource-integrating processes and interaction mechanisms, whether intentional, unintentional, conscious or unconscious, are influenced by the outcomes (i.e., resources, institutions, and experiences) created in the past and may impact, and thus be influenced by, the outcomes created in an imaginary future. These interdependencies are referred to as temporal nature of value cocreation (Chandler & Lusch, 2015; Storbacka et al., 2016). Our study aims to explore how these interdependencies between/among past, present and future are managed. Specifically, we suggest that value cocreation involves multiplex processes and mechanisms that intentionally (e.g., Razmdoost et al., 2019) or unintentionally (e.g., Akaka et al. 2015) generate resources and institutions to manage this temporality.

**Approach** – This research follows an autoethnography approach (Holbrook, 2005). Two settings of “driving” and “cooking”, from the beneficiary point of view, were chosen as the boundary of two service ecosystems investigated. Data was collected after the actor engagement events over four months. Grounded theory was applied in the data analysis (Glaser, 1978).

**Findings** – Findings showed that temporal nature of value cocreation is managed by actors’ engagement in institutional work (e.g., development of new recipes) and resource reconfiguration (e.g., development of driving skills) that are reciprocally interrelated, driven by actors’ creativity (i.e., including imagination, improvisation and try and error), resource deficiencies (e.g., lack of ingredients), and conflicts (e.g., road traffic) and facilitated by interaction mechanisms (e.g., communication). These engagements occur intentionally or unintentionally and lead to the emergence of temporal resources (e.g., knowledge of past driving experiences) and institutions (e.g., shared expectation of food taste) that carry properties of different time contexts. In several cases, resources showed both temporal and non-temporal properties. For instance, a measuring cup is used (a) to allocate previously established amount of ingredients (i.e., temporal property) and (b) to add the ingredients gradually to the cooking pot (i.e., non-temporal property).

**Research implications** – Our findings are consistent with the notion of historical dependency of service ecosystems (Meynhardt et al., 2016) and interdependency of emerged resources (Peters, 2016). We further explain how these interdependencies work by identifying temporal aspects of resources and institutions, and processes generating them.

**Originality/value** – Our study, in general, contributes to the existing literature highlighting the temporal nature of value cocreation (e.g., Chandler & Lusch, 2015; Storbacka et al., 2016; Vargo & Lusch, 2016) by explaining how the interdependencies of value cocreation in the past, present, and future are created, evaluated and managed.

**Key words** – Temporality, Value Cocreation, Service Ecosystem, Institutional Work, Resource Integration

**Paper type** – Research paper





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## **Understanding the impact of peer-to-peer platforms on micro-entrepreneurship engagement in sharing economy. Evidence from Italy, Greece and China**

*Renzi Maria Francesca, Pantouvakis Angelos, Sigala Marianna, Toni Martina, Zanda Stefania*

**Purpose** - This paper aims to investigate how peer to peer platforms can increase their critical mass of providers, by analysing potential hosts culture's issues and their propensity towards entrepreneurship and gamification.

**Design/Methodology/Approach** - The impact of the Sharing Economy in supporting economic development and fuelling entrepreneurial activity is widely recognised (Cannon and Summers, 2014; Sigala, 2017). The success and market capitalisation of peer-to-peer platforms heavily depends on their ability to fast develop and create network externalities (Sigala, 2017) and to attract a critical mass of 'providers/micro-entrepreneurs' providing good quality of resources in order to attract 'users' who in turn will attract more micro-entrepreneurs to register and rent their services through the platform.

An empirical study has been conducted in Italy, Greece and China in order to understand the different geographical diffusion (House et al., 2006; Hofstede, 2011) of micro-entrepreneurship in sharing economy (Botsman and Rogers, 2010; Gansky, 2010). On this strength, a survey has been conducted in the accommodation sector integrating existing theoretical models, qualitative and quantitative methods. A questionnaire was developed and pilot test was conducted on a convenience sample experts and, thereafter, it was administered in the three involved countries. The non-probabilistic convenience sampling is considered appropriate due to the preliminary nature of the study (Grewal et al., 2000).

**Findings** - The research empirically illustrates the variables (personal traits, cultural values, attitude, platform gamification mechanisms) that cover a key role in instilling an entrepreneurial spirit and propensity. The contribution of this study is multi-disciplinary and it provides various theoretical and practical implications to policymakers, peer-to-peer platforms and micro-entrepreneurs in innovative service ecosystem. Furthermore, the study allows identifying the hosts' drivers and deterrents of P2P platforms and how the latter can increase the critical mass of providers (potential hosts) worldwide considering cultural differences.

**Originality** - The research contributes to deeper understand the most critical success factors of peer-to-peer platforms in hospitality sector, and the impact of strategies adopted from these platform for achieving a critical mass of users and providers.

**Key words** - Entrepreneurship; P2P platforms; tourism; gamification; sharing economy

**Paper type** - Research paper

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## Value co-creation through resource integration: The Role of the ‘Institutional Solution Space’

*Röndell Jimmie, Ekman Peter, Jonas Julia, Maglio Paul P., Reynolds David*

**Purpose** – Introducing the concept of the *institutional solution space*; offering a deepened understanding of how institutional dimensions (i.e., rules, norms, and cultural-cognitive aspects) both enable and delimit the potential value co-creation of solutions (through resource integration) in service ecosystems.

**Design approach** –Synthesizing extant service-dominant (S-D) logic literature with innovation literature, elaborating the conceptualization of the institutional solution space. The institutional solution space is contextualized by two case studies (of distinctively different contexts). This illustrates the impact the three institutional dimensions regarding the role of actors and the resource integrating activities, constituting value co-creation in markets-as-service ecosystems.

**Findings** – The institutional solution space is, partly, related to the interplay between the institutional dimensions – what is perceived as ‘allowed’, ‘prescribed’, what actors ‘think’, ‘feel’ and ‘know’ – and partly to the actors’ experienced solutions (service provision) derived from integrating resources. The structural position and, hence, functional identity of the different actors in the service ecosystem and their value proposing role (in terms of the relevance of resources and activities) continuously evolve. These changes vary on the magnitude and the effect (controlling/enabling) of the institutional dimensions. As illustrated by the cases, institutionally derived change (be it, regulative, normative or cognitive) in the service ecosystem results in changes of the established institutional arrangements. This affects actor-activity-resource constellations and configurations. Acknowledging the impact of the institutional solution space consequently offers an increased conceptual and business practice understanding of the institutional dimensions’ enabling and delimiting impact on resource integration activities and the role of social and economic actors.

**Research limitations** – The institutional solution space brings the issue of actors’ activities of resource integration and the impact of institutional arrangements towards midrange theory development and managerial implementation. The mainly illustrative nature of the cases limit empirical generalizations, why further empirical studies are needed.

**Practical business implications** – The institutional solution space bridges theory on institutional dimensions with mid-range theory on resource integration, actor engagement, and value co-creation, allowing enterprises to better identify their value proposing role. This can enable enterprises to focus on creating and acting upon ‘opportunity market spaces,’ rather than (as traditionally) focusing on sustaining or gaining ‘market shares’. Engaging in institutional work to reposition their resource facilitating role in the service ecosystem may serve to uphold market positions or even spark market shaping activities.

**Originality/value** – Offers a S-D logic perspective of market opportunities that transcends traditional marketing management’s focus on market shares. Supports further S-D logic midrange theory developments and managerial understanding regarding the contextually and institutionally bounded aspects of value co-creation, from a markets-as-service ecosystems view.

**Keywords** – Resource integration, value co-creation, value proposition, institutional arrangements, solution space



## **Interfunctional coordination: the role of institutional arrangements**

*Ruiz-Alba José L., Ayestarán Raquel, Guesalaga Rodrigo, Morales Mediano Javier*

**Purpose** – Service-dominant (S-D) logic is considered to be the philosophical foundation of service science (Maglio and Spohrer, 2008). The lack of discussion about articulated mechanisms of coordination and cooperation is a limitation of S-D logic (Vargo and Lusch, 2016). Consequently, these authors recently introduced an eleventh foundational premise (fifth axiom) that focuses on the role of institutions and institutional arrangements (Vargo and Lusch, 2017) and they suggest that institutions have moved to the forefront. This study investigates the role and mechanisms of interfunctional coordination (IC) in alignment with the fifth axiom. IC involves coordinating resources across departmental boundaries to create superior customer value (Narver and Slater, 1990).

This research aims to contribute to a better understanding of the role of instrumental institutions in the cooperation and coordination (Ostrom, 2005) of complex and resource-integrated service-exchanges. IC is studied here to shed light on complex scenarios and to support decisions made in service exchanges (Gummesson, Mele and Polese, 2018). Engaged actors integrate their resources and contribute to gaining value for the contexts of all involved (Polese et al., 2017).

**Design/methodology/approach** – This research adopts qualitative analysis (Yin, 2003) consistent with both the purpose of this study and the complex nature of the phenomenon investigated. This research integrates three sequential studies conducted in Spain, as follows: 1) a focus group (7 participants); 2) in-depth semi structured interviews conducted on top managers at a range of firms (35 interviewees, 45-60 minutes); 3) an online forum (6 participants).

**Findings** – Enablers and barriers for IC were identified. Culture, power, and digital transformation are factors that are shown to have a relevant impact on IC. The processes that facilitate IC should balance the negative effects of working in silos. Finally, IC should help to decrease the complexities faced in some situations, and instead ensure simplicity. Within this, IC facilitates satisfactory service exchanges and customer solutions.

**Research implications** – This study advances existing knowledge through an empirical investigation and academic discussion on the eleventh foundational premise (fifth axiom).

**Practical implications** – It provides interesting insights for practitioners, especially top managers, about the barriers and enablers of IC and the best practices for use.

**Originality/value** – This is a novel approach to the fifth axiom of S-D logic, where the study of interfunctional coordination relevantly contributes to the clarification of institutions and institutional arrangements, as well as demonstrating its impact on value cocreation.

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## Market Innovation through Blockchain

*Russo Spena Tiziana, Mele Cristina, Pels Jaqueline, Carotenuto Adriana*

**Purpose-** The importance of innovation in structuring new market forms in which networks and individuals play complementary roles is well recognised by scholars (Callon, 1997; Mele and Russo Spena, 2015). The performative idiom directs attention to the social–material practices (Orlikowski) that agencies engage in to construct markets. In the last few years, there has been an increasing development of applications and systems that use Blockchain Technology to foster innovative practices and enable resource integration between multiple actors (Swan, 2015; Seebacher, S., & Schüritz, R., 2017). However, the scholarly debate in business studies is scant (Chakrabarti, A., & Chaudhuri, A. K. 2017, Tapscott, D., & Tapscott, A. 2016). This paper analyses how Blockchain technology enable actors in their market innovation strategies.

**Design/methodology/approach-**The work adopts a case theory method useful to analyzing important social phenomena and their impacts (Gummesson, 2017). Twenty cases studies have been analyzed to understand how blockchain technology is affecting actors and processes in different sectors (Industry 4.0, healthcare, banking, digital payment, and Fintech).

**Findings-** The application of Blockchain allow actors to break many of the traditional rules and conventions, pushing them to think and act differently about how they create a value proposition and innovate the market. Blockchain technology has been designed not to be centralized, and therefore managed by a single actor, but it is a multi-user system. This way of doing supports the development and implementation of market innovation in a more collaborative way. A model is proposed focusing on 3 issues - decentralization, security, traceability – around which 4 market practices emerge: monitoring, facilitating, trusting, sharing.

**Practical implications-** The study focuses on the role of Blockchain technology on market innovation, addressing how companies can change their market proposition affecting the interactions between information, data and experiences in multiple contexts.

**Originality/value-** The paper brings new insights into the understanding of Blockchain applications and particularly how actors perform a market innovation exploiting the key issues of distributed ledger technologies.



## **Applying Blockchain Technology for Service Innovation within the Government Sectors in Italy**

*Sabbagh Parisa, Marra Francesco, Troisi Orlando*

**Purpose** - The main motivation of this article is to explore the following two questions: 1. what are blockchain-based solutions which lead to service innovation within the public sector?. 2. What applications of blockchain technology in the public sector, are the main priority for the Italian government in practice?

**Methodology** - The research implement a mixed method approach. In the first stage, qualitative data collection and analysis conduct using a systematic literature review to seeks to answer the first research question. In the second stage, following the findings of the first stage, in order to answer the second research question, two instrument will be used as follows: a) qualitative interviews with government leades. b) conducting a web-based survey for experts.

**Originality/value** - Applying blockchain in government offers a new method for delivering and managing public services. The paper provides a blueprint for government leaders in their endeavor of planning and investment to implement blockchain technology. This research is the first study in the area. The experience of the government could be the first step in the development of blockchain-based public services.

**Research Findings** - This research identify the blockchain-based solutions which lead to service innovation within the public sector in which blockchain applications are customized to ensure a fit with requirements of administrative processes in Italy. The findings yield new research venues, which are promising to further explore the topic of blockchain with in the public administration to experiment and figure out where the real opportunities are, where this technology can actually solve problems in new kinds of ways.

**Research implications** - This paper has implications for practitioners with illustrating the ways to modernise their services along digital lines. The blockchain-based solutions that identified in this study lead to innovative services, transform government processes and citizen services.

**Keywords:** Blockchain technology, Government, Public Sector, Service innovation, Italy.



## How Service Providers Manage the Customer's Service Value Experience throughout the Customer Journey: A Multiple Ethnographic Study

*Sahhar Yasin, Henseler Jörg, Loohuis Raymond*

**Purpose** – In service marketing theory and practice, it is increasingly accepted that service value experience (SVE) is phenomenologically determined by the beneficiary. The creation of SVE is based on a temporal and dynamic process in which customers actively participate. However, little is known how service providers anticipate and manage these micro dynamics that influence SVE throughout the customer journey (CJ). Therefore, we examine what service providers do to manage the SVE of customers in multiple stages and touchpoints of the CJ.

**Design/methodology/approach** – We conducted ethnographic research at two training and IT consultancy firms with each having its own CJ trajectory and ways of managing the customer's SVE. We analysed how both firms managed the SVE as a collective effort during service encounters in various phases of the CJ such as information search and orientation, negotiation, usage in terms of training or consultancy activities, aftersales care and service safeguarding.

**Findings** – Managing the customer's SVE appears to be a critical act between balancing the management of customer expectations set by the service provider and SVEs throughout the entire CJ. We found critical events and unforeseen contingencies especially in prepurchase phases where accurate expectation management, uncertainty reduction and tailored offerings are necessary or phases where 'repair work' by the service provider is required to adhoc re-align expectations with SVE. Responsive coordinated efforts, proactive and resolute behaviour and careful relation management aimed to restore the expectation–experience balance. However, uncoordinated SVE management and slow response in case of events caused a certain SVE destruction and, in some cases, even beyond repair.

**Implications** – This study advances theory by showing how SVE is managed across the CJ in a business service context. For practitioners aiming to improve SVE management, the micro perspective offers useful insights in which we propose key drivers to maintain or restore SVE. A crucial managerial implication is that SVE management is a collective and coordinated effort which starts before purchase and does not end after purchase but remains critical across the entire CJ.

**Originality/value** – This study is the first to shed light on the micro dynamics of SVE. This paper provides – through rich and fine-grained ethnographic data – a novel contribution to this endeavour by examining and uncovering critical SVE creation and destruction practices in different phases along the CJ.

**Key words** – Service value experience, micro dynamics, customer journey, ethnographic study, knowledge intensive consultancy and training firms

**Paper type** – Research paper

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**Understanding the Value Phenomenon:  
Presenting a typology of value creation practices- through a Illustrative Case – A Subjective  
Personal Introspection (SPI) - autoethnographic Personal Flight Journey from the Prishtina  
to Naples-2017**

*Sahiti Driton, Paton Robbie, Veloutsou Cleopatra*

**Purpose** - This article central aim is to advance, extend and deepen understanding of the value creation and evaluation, thus of Value Phenomenon (VP) as initiated in SDL of marketing discussion. In so doing, this study brings conceptually (MacInnis, 2011) forward new theoretical concepts that enable to achieve the aim, such as taxonomy and typology by supporting them with illustrative case.

**Design/Methodology/approach** - Through the use of literature review as data, the different types of value creation are acknowledged such as: value -in-exchange; value -in-use; value-in-experience, value-in-social practice, value-in-social context, value-in-social ecosystem, etc. Thus, resulting into two dimensional (individual and societal) Taxonomy, that clarifies the relationship among the identified Value Creation Types (VCT). This Taxonomy advances further the understanding of VP.

Next, I address the rationale for choosing the Extend Case Method (ECM) (Burawoy, 1991) as a research methodology and autobiographic -subjective personal introspection (SPI) (Holbrook, 2005, 2006) as a method that offers possibility to achieve the main aim namely advancing the understanding of VP, thus the S (D) L of Marketing. This is done by involving taxonomy, meta (interpretative) and macro (social construction) theories in addition with the data from the personal flight journey (PFJ) in my last Naples (Forum) 2017 journey.

**Findings** - The PFJ is firstly used as an explorative case study and in concert with middle and macro theories the novel (matrix type -four dimensional) Typology of VCP has emerged. Additionally the PFJ case is used as Illustrative Case study (Sigellkoff, 2007) for demonstrating the use of the Typology of VCP. Photographs from the two main scenes; airport and airplane are presented as archival artefacts, where the value creation practices are happening, thus also identified and described through the use of the dimensions and realms that characterize typology. So the further understanding of value creation will be achieved and ultimately S (D) L of Marketing will be extended. On top of that, this exploration will enable a methodological advancement of ECM by involving the Typology of VCP as a form of data analyses framework during SPI.

**Research limitations/implications** - The paper uses Inductive, Analogical and Abductive reasoning to come to the findings and it is advised to empirically (deductively) test Taxonomy and Typology it in other contextual situation.

**Originality/value and Practical implications** - Through the use of the Integrative theories, unique Taxonomy of VCT and the novel Typology of the VCP the understanding the multiple nature of VP in micro, mesa and macro context is achieved that subsequently extends the S(D)L as middle range theory and ultimately new possibilities for innovating value in the real world is offered.

**Keywords:** value phenomenon, value creation practice , ECM, SPI, typology, auto-ethnography.

**Paper type** – Conceptual paper with supporting Illustrative Case





## CO-DESIGNING INNOVATION LABS FOR SERVICE ECOSYSTEM CHANGE.

### The case of mental healthcare Co-Labs

*Sangiorgi Daniela, Carrera Marta, Lucchi Fabio*

**Purpose** – There is a growing interest in the role played by Public Innovation Labs, research labs “set up to change both the mindset and the practices of identifying problems and of developing solutions within their agencies” (Junginger 2014, 65). Given the mixed signs of success and failures, studies have been looking into their characteristics (Schuurman e Tönurist 2016, McGann, Blomkamp e Lewis 2018), the role they play to transform innovation practices (Carstensen e Bason 2012, Kimbell 2015); and their potential to enhance co-creation, experimentation and learning (Thenint 2009), but little has been said on how they should be set up to achieve so. This paper aims to illustrate the initial stages of setting up an innovation lab, as a precondition for the transformation of complex service ecosystems (Vargo & Lusch, 2011), such as in the case of mental healthcare.

**Design/Methodology/approach** – This paper will illustrate the first step of an action research project toward the establishment of 3 Recovery Co-Labs in the Lombardy region in Italy. The set-up of the labs has been planned in three main stages: a preliminary research, 4 co-design workshops, prototyping and specifications. The preliminary research consists in a literature review on innovation labs, an in-depth study of 3 key exemplars, and a collaborative mapping of local resources facilitated by a team of sociologists. The collected data then informed a common co-design workshop to elaborate on possible scenarios that were then declined into 3 dedicated workshops in each location; short experience prototypes were then conducted to experiment with activities and draw specifications for the design of spaces.

**Findings** – The role of service design (SD) is generally associated with how Innovation Labs operate for public service innovation, while this paper will illustrate and discuss how SD has been used to: 1) Engage, activate and test the roles of the core teams of the developing labs; 2) Familiarise and test SD as process against existing practices and working models; 3) Reveal and expose some of the existing values and assumptions across the multiple partners; 4) Experiment with and test ways to favour the emergence of opportunities for co-creation.

**Research limitations/implications (if applicable)** – The set-up of the 3 labs is the first step of a wider transformational project aiming to lead mental healthcare toward a community-based psychiatry. This paper will be able to discuss initial findings and a developing theoretical framework to be further tested as the project evolves.

**Practical implications (if applicable)** – This paper will provide an initial guide for public sector managers aiming to establish innovation units and build design capabilities in their organisations as a way to initiate system change.

**Originality/value** – Studies are exploring SD as a transformational practice (Sangiorgi et al. 2019) contributing to complex service system change (Sangiorgi, Patricio, & Fisk, 2017), but there is no research on how SD can forge innovation units to lead the transformation of service ecosystems.

**Key words:** mental healthcare, service design, innovation labs, service ecosystem change

**Paper type** – Research paper



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## **Co-creating Inter- and Transdisciplinary Knowledge for Sustainability: First Insights for the Cosmetic Industry from a Service & Systems View**

*Saviano Marialuisa, Cosimato Silvia, Zanda Stefania*

**Purpose** – Inter- and transdisciplinarity are key issues of sustainability. Co-creation approaches are required to integrate the knowledge produced inside and outside multiple disciplinary domains. This work aims to discuss the basis of a theoretical framework of reference for the practice of knowledge co-creation, in order to boost dialogue among and beyond the different disciplines that contribute to sustainability using the cosmetic industry as a real case example.

**Design/Methodology/Approach** – Drawing on the main contributions of literature on inter- and transdisciplinarity issues in sustainability research, we integrated the outcomes of service and systems research about knowledge co-creation to advance the research on knowledge creation for sustainability. The problems of inter- and transdisciplinarity are considered as expressions of sustainability complexity; thus, possible reference models and approaches to knowledge co-creation are illustrated and supported by practical examples derived from the cosmetic industry.

**Findings** – The results of this study offer interesting insights for a general reflection about the importance for addressing the theoretical and practical problems posed by the multidimensional nature of sustainability and the need to co-create knowledge in multidisciplinary and transdisciplinary contexts, involving science, policy and industry actors. The way different-minded actors can dialogue to co-create knowledge for sustainability is discussed according to the systems thinking view, highlighting the leading role of science.

**Research Limitations/Implications** – This paper is the outcome of a preliminary study whose aim was to outline the key issues of sustainability research and the possible contribution of service and systems research. Deeper analysis and further discussion based on empirical research are required to advance further the study.

**Originality/Value** – The present paper represents one of the first attempts to investigate the contribution of service and systems research to the inter- and trans-disciplinary issues of knowledge co-creation for sustainability. The originality of this study also lies upon the adoption of a similar approach in cosmetic industry. This preliminary study offers interesting insights in terms of the importance that an open and constructive dialogue among and beyond the disciplines that interact in a specific industry domain, such as cosmetics, can have on the sustainability of its companies and their contribution to the challenge of sustainability.

**Keywords:** *Sustainability, Interdisciplinarity, Transdisciplinarity, Knowledge co-creation, Cosmetic industry.*

**Conceptual paper**

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## Open Innovation and Industry 4.0: the new frontiers for value co-creation?

*Saviano Marialuisa, Del Giudice Manlio, Pironti Marco, Caputo Francesco*

**Purpose** – Innovation and Information and Communications Technologies (ICTs) are new levers on which act for redesigning social and economic relations and structures. The technology shifts produce disruptive effects on business models, having revolutionary impacts on internal growth strategies for the future of manufacturing. Joining the vibrant debate about the role of Innovation and ICTs in ensuring companies' viable survival, the paper aims at investigating Open Innovation and Industry 4.0 using an interpretative framework rooted in Service and Systems research highlighting new opportunities to advance knowledge about value co-creation.

**Methodology/approach** – A brief literature review on Open Innovation and Industry 4.0 is conducted using the interpretative lens provided by the Service and Systems perspectives. A deductive approach is adopted for interpreting key processes of Open Innovation and Industry 4.0 as drivers for enhancing value co-creation.

**Findings** – The findings direct to identify Technology Readiness, Cognitive Alignment, Collaborative Orientation, and Shared Strong Beliefs as possible drivers that enhance the value co-creation potential created by Open Innovation and Industry 4.0. A framework of synthesis is outlined that can represent a useful reference for exploiting the value co-creation opportunities of Open Innovation and Industry 4.0.

**Research implications/limitations** – The paper contributes to the multi- and inter- disciplinary research stream aimed at overcoming the limitations of a still dominant reductionist view by adopting systems approaches. Analyzing Open Innovation and Industry 4.0 as potential paths for addressing future evolutions in value co-creation studies, the paper enriches previous managerial researches. Nevertheless, the work is currently a preliminary study mainly directed to share ideas and views within the multi-perspective context of the Naples Forum on Service.

**Practical implications** – Valorizing the opportunities for value co-creation linked to Open Innovation and Industry 4.0 practices, the paper provides decision makers with a road map for better understanding and managing critical drivers for effectively implementing value co-creation logics.

**Originality/value** – The paper enriches the ongoing debate about Open Innovation and Industry 4.0 providing new insights through the interpretative lens of the Service and Systems perspectives that highlight the great potential for value co-creation linked to these new technologies.

**Keywords** – Open Innovation; Industry 4.0; Value co-creation; Systems perspective; Service perspective.

**Paper type** – Conceptual





## **Innovation of service system by human-centered design and effectual evolution: Hypothesis development and case verification**

*Sawatani Yuriko*

**Purpose** – In order to realize service innovation, it is very important to understand how new value is created in a company's innovation mechanism and how internal and external corporate resources are combined. This research focuses on human-centered design thinking and effectuation and forms hypotheses about value creation and execution of service innovation. Then, in the service innovation creation project, we will examine how the problem definition is made and how the configured project is evolving toward problem-solving.

**Design/Methodology/approach** – The case study method is chosen for this study.

**Findings** – In order to create new service innovations, a mechanism to connect actors (Actor Involvement), a mechanism to form a new team (Teaming), a mechanism to encourage new problems to be discovered (Problem Discovery), and a mechanism to support the service system integrating social capital brought by evolving team members (Resource Integration) are effective.

**Originality/value** – These findings have two important implications. First of all, the design activity that enhances interactions both inside and outside the company seems to have an impact on the radical innovative capability. Innovation is basically a collaborative effort and successful incorporation of diversity plays a central role in creating radical innovation. Diversity, communication, fluid diffusion of information, sharing and assimilation of knowledge is an important element of innovative capabilities regardless of its kind. It is unlikely that radical innovation will be created only by processing route-dependent information in a way that is routinized in the enterprise. Investment in design activities that encourage interaction and co-creation of value inside and outside the company enables problem setting by a new perspective from various actors, encourages internal and external interactions and new associations of organizational capital and can be the basis for selectively using these capabilities to gain the flexibility to respond to market or competitive emergencies. Therefore, design activities open to the inside and outside of companies can be key to developing "dynamic ability" that is not only to create ideas from the discovery of new perspectives but also to enable organizations to change the focus of competition and achieve a new form of competitive advantage.

Secondly, in order to create discontinuous ideas from internal and external interactions, it is essential to invest continuously in design activities to encourage setting new problems, not only for the organizational capital to solve the given problem. However, it is suggested insufficient for radical innovation if the firm is biased toward strengthening only design activities or only organizational capital. In order to enhance the radical innovative capability of the organization, it is important to enhance the ability to realize potential enhancement obtained by interaction with the inside and outside of the company through the introduction of design thinking, without conflicting with the fundamental aspect of corporate organizational capital and intellectual capital for individual skill improvement.

**Key words** (max 5) Service Innovation, Service Design, Design Thinking, Resource Integration

**Paper type** – Research paper



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## Everybody's Darling? Management of Competing Stakeholder Demands

*Schlomann Katharina*

**Purpose** – Nowadays practice and theory similarly consider a stakeholder perspective as a valuable approach to strategy in business. Consequently, companies incorporate a variety of stakeholders and their interests into strategic planning. In academia, this current interest is reflected by the rising number of publications dealing with stakeholder management and several calls for stakeholder-related special issues.

As of late, literature has taken more stakeholder groups into account, e.g. NGOs, lobbyists, universities, etc. However, “literature to date has not gone much further than observing that firms have multiple stakeholders. Implicitly or explicitly, stakeholders have been dealt with by simply “adding” other stakeholders or stakeholder groups.” (Hillebrand et al. (2015), p.412). By incorporating multiple and interrelated stakeholders, decision-making becomes more difficult for firms. Bringing together a diverse group of stakeholders - and therefore potentially diverging goals and interests, cultures and organizations - may lead to tensions between the firm and its stakeholders. Research has remarked the existence of tensions. However, most studies have solely focused to describe the tensions between the company and a single stakeholder. Therefore, a research gap exists with regard to the analysis of different types of tensions between the company and its various stakeholders.

To cope with these tensions, organizations require distinct Stakeholder Management Capabilities (SMCs). Although research has recently focused on SMCs, research is still very fragmented and has focused on either capabilities towards a single stakeholder, capabilities towards multiple stakeholders within a specific context, e.g. innovation, or within a specific industry, e.g. tourism. Therefore, research on SMCs towards multiple stakeholders and across various industries and contexts is scarce. In this respect, we identify a second research gap. Furthermore, the elaboration of SMCs especially in order to cope with stakeholder tensions has rarely been a topic in research.

**Design/Methodology/approach** – We applied an exploratory qualitative research approach and are currently conducting 20 qualitative interviews with high-level experts from various industries.

**Findings** – We develop a set of capabilities to manage stakeholder tensions. Further, we derive insights into how companies perceive the existence of tensions and which role a cultural context plays in terms of how stakeholder tensions are managed.

**Originality/value** – This paper is the first that addresses different organizational capabilities on how to manage tensions with stakeholders. Further, it extends instrumental stakeholder theory by combining insights from the literatures on SM and on capability research

**Key words** (max 5) Stakeholder theory, stakeholder tensions, stakeholder management capabilities

**Paper type** –Research paper

## A Framework for the Impact of Artificial Intelligence on Value-Co-Creation

*Schmidt Rainer, Dacko Scott, Keller Barbara, Möhring Michael, Zimmermann Alfred*

**Purpose** – Value co-creation is a process embracing generic actors, resource integration, service exchange, institutions and services ecosystems (Vargo and Lusch, 2016). The actors integrate resources and participate in service exchange co-creating value (Vargo and Lusch, 2016). Coordination and collaboration are necessary for integrating resources and service exchange (Vargo and Lusch, 2016). The complexity of the coordination and collaboration required the involvement of human actors so far. However, the introduction of a general actor in (Vargo and Lusch, 2011) paved the way for new actors types. Today, a possible new kind of actor holding coordination and collaboration capabilities are information systems using concepts and technologies of Artificial Intelligence (AI) (Ransbotham et al., 2017). Artificial Intelligence based on computational agents (Poole and Mackworth, 2017) with machine learning algorithms can learn inductively by analyzing data. It has to be assumed that AIbased information systems are increasingly capable of participating in value co-creation. Therefore, there is a need to explore the capabilities of AI-based information systems to participate in value cocreation. Aiming to close this gap, we develop a framework identifying the impact of artificial intelligence on value co-creation and its constituents such as generic actors, resource integration, service exchange, institutions and services ecosystems.

**Design/Methodology/approach** – Drawing upon SDL (Vargo and Lusch, 2004), we use a design science research approach (Vaishnavi and Kuechler, 2015) to create a framework (March and Smith, 1995) as an artifact (Mora et al., 2008). First, we create awareness of the problem that a specific framework is necessary to describe the Impact of AI on value co-creation. After creating the tentative design, we create the framework as target artifact of our design science approach. We used a descriptive evaluation according to Hevner et al.(2004) for the first evaluation, because this research is part of an ongoing project. Further evaluation will be a part of future steps in the research project.

**Findings** - We have built up a new first framework allowing identifying the sections of the value co-creation processes impacted by AI. Additionally, the concepts of Artificial Intelligence responsible for the impact are described.

**Research implications** –The framework on the impact of AI on value co-creation paves the way for future search on the interface of SD-Logic and Artificial Intelligence.

**Originality/value** – Our research findings demonstrate the importance of SDL for researchers and practitioners in connection with information systems.

**Key words** – value co-creation, service-dominant-logic, artificial intelligence

**Paper type** – Research paper

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## Categorizing Value Co-Creation in Service Systems using the Meta-Service Construct

*Schmidt Rainer, Dacko Scott, Keller Barbara, Möhring Michael, Zimmermann Alfred*

**Purpose** – The concept of value co-creation (Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004) fundamentally changed the relationship between the partners in the value chain. The strict separation of participants into value creators and “destroyers” following Taylorism (Taylor, 1911) and Fordism (Shiomi and Wada, 1995) were replaced by the idea that each participant could play different roles in the value creation. Service systems (Maglio et al., 2006) are composed of people, technology, and organizations to create value. However, up to now there is a lack of means to identify and localize the creation of value within service systems. Due to resulting lack of knowledge on the underlying resource integration and service exchange (Vargo and Lusch, 2016) non-optimal decisions are made.

**Design/Methodology/approach** – We used a design science approach from the area of information systems research according to Hevner et al. (2004). The developed construct is an artifact that addresses the identification and categorization of value co-creation distortion in service systems. It is relevant because it allows explaining real-world phenomena. The design evaluation is done using informed argument.

**Findings** – In many complex service systems, value-co-creation can be localized by identifying so-called metaservices (Schmidt, 2010). Meta-services are resource integrations and service exchanges acting upon service to improve value co-creation. E.g., service and resource configuration often improve value co-creation by integrating the knowledge. There are three basic types of meta-services: resource integration, service configuration, and exception handling. Resource integration meta-service make available additional resources and thus increase value creation. Service configuration meta-services improves the configuration of services. The exception handling meta-services handles disturbances of services and thus reduces negative effects on value co-creation.

**Research limitations/implications (if applicable)** – Limitations can be found in a deeper empirical validation in different sectors.

**Practical implications (if applicable)** – Meta-service on resource integration, service configuration, and exception handling is often used but not identified and categorized. A clearer definition and categorization will allow better optimization.

**Originality/value** – The research introduces a new perspective by making explicit meta-service. In this way, meta-service can be better identified and categorized. This and the description of metaservice types lay the foundation for better methodological support of service science.

**Keywords** (max 5): Service Systems, Meta-Service, Resource Integration, Service Configuration

**Paper type** – Conceptual paper



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## Value-Co-Creation in the Internet of Things Industry 4.0 and Digital Transformation

*Schmidt Rainer, Dacko Scott, Keller Barbara, Zimmermann Alfred*

**Purpose** – The Internet of Things is quickly changing from a technical platform to a complex environment supporting value co-creation (Vargo and Lusch, 2016) by resource integration and service exchange. Therefore, it is necessary to explore the structures and processes in the Internet of Things that can support value-co creation to systematically increase the value created. To promote research on this subject, we present a case study on the transformation of individual heating systems to an integrated solution in the Internet of Things. Using Digital Twins (Glaessgen and Stargel, 2012; Pettey, 2017) the co-creation of value is enabled between the heating systems operating in isolation before. This is achieved by creating a digital image (“Twin”) of the heating system on in the cloud.

**Design/Methodology/approach** – We used a descriptive evaluation according to Hevner et (2004) for the first evaluation, because this research is part of an ongoing project. In a real-world setting, we investigated the potentials of IoT concerning value co-creation. Therefore, further broader evaluation will be made as a part of further steps in the research project.

**Findings** - The case study shows that the Internet of Things enables value co-creation in some areas. The first optimization of operation is enabled by implicitly exchanging knowledge on the proper parametrization and control of heating systems. This also impacts the value in use because in the example, the system is providing information, exchanging value through higher reliability (Vargo et al. 2008). Second, the Internet of Things enables the collection of knowledge on factors impacting the reliability of the heating systems. This can be backlinked to the enterprise and the consumers and resulting consequentially here in an increased value in use (Vargo et al., 2008). Coming from our case, we elaborate generalizable aspects for further IoT devices and solutions and stimulate starting point for future investigation of this subject in the context of SDL.

**Research implications** –The cases study contributes to future research on the impact of the Internet of Things and value co-creation.

**Originality/value** – Our research addresses the Internet of Things, an area of huge importance for the further advancement of SDL.

**Key words** – value co-creation, service-dominant-logic, Internet of Things

**Paper type** – Case Study

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## A Framework for Assessing Value Co-creation of Enterprise Social Platforms

*Schmidt Rainer, Kirchner Kathrin, Razmerita Liana*

**Purpose** – Enterprise Social Platforms are an important example of social information systems (Schmidt et al., 2019) designed to support coordination and collaborations that are essential for value co-creation. Coordination and collaboration enable the integration of resources and service exchanges (Vargo and Lusch, 2016) within and across organizations that allow to include stakeholders and customers in the co-creation process. Kirchner and Razmerita (2019), introduced a social media business value compass to measures and quantify the effects of social platforms and thus enables organizations to improve their usage. They also identified empirically derived recommendations for improving the use of social platforms. However, there is still the need for a comprehensive theoretical framework that describes how the paradigms of social information systems (Schmidt et al., 2019), weak ties (Granovetter, 1973), social production (Benkler, 2006) and egalitarian decisions using the “wisdom of the crowds” (Surowiecki, 2005) can be used to explain value co-creation on social platforms.

**Design/Methodology/approach** – Drawing upon Service Dominant Logic (SDL) (Vargo and Lusch, 2004, 2016), we use a design science research approach (Vaishnavi and Kuechler, 2015) to create a framework (March and Smith, 1995) as an artifact (Mora et al., 2008). First, we create awareness of the importance to assess business value problem using a framework that enables to assess and explain the impact of the core paradigms on value co-creation. After introducing the tentative design, we create the framework as target artifact of our design science approach. We used a descriptive evaluation according to Hevner et al. (Hevner et al., 2004) for the first evaluation, because this research is part of an ongoing project. Therefore, the further broader evaluation will be made as a part of further steps in the research project.

**Findings** - We introduce a framework that describes the impact of weak ties, social production and egalitarian decision on the four dimensions of social media business value (Kirchner and Razmerita, 2019): Efficiency, Innovation, Retention, and Transparency of social platforms. Using the developed framework, the value co-creation in social platforms can be measured and increased by describing the impact mechanisms of the basic paradigms on value co-creation. Organizations will be able to optimize the usage and increase the value created by social platforms.

**Research implications** – The research contributes to the creation of methods and methodologies for evaluating and orienting the value co-creation. It lays the foundation for further research on systematic approaches for boosting value co-creation.

**Originality/value** – Our research contributes to the development of a framework for assessing business value co-creation taking into account SDL and design science approach for researchers and practitioners.

**Key words** – value co-creation, service-dominant-logic, social platforms

**Paper type** – Research paper



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## Architecting value-oriented digital service – A Service-Dominant Logic perspective -

*Schmidt Rainer, Möhring Michael, Sandkuhl Kurt, Zimmermann Alfred*

**Purpose** – Enterprises are transforming their strategy, culture, processes, and their information systems to become digital (Brynjolfsson, & McAfee, 2014). New business opportunities have appeared using the potential of the Internet and related digital technologies, like Internet of Things, services computing, cloud computing, artificial intelligence, big data with analytics, mobile systems, and social networks. The digital transformation deeply disrupts existing enterprises and economies. Digitization (Schmidt, Zimmermann, Möhring, Nurcan, Keller, & Bär, 2016) fosters the development of IT environments with many rather small and distributed structures, like Internet of Things (Atzori, Iera, & Morabito, 2010). This has a strong impact for architecting digital service guiding the design through exploiting Service-Dominant Logic (Vargo & Lusch, 2016), (Vargo, Akaka, & Vaughan, 2017). We are applying four design principles based on S-D Logic (Blaschke, Haki, Riss, & Aier, 2017): ecosystem management, technology management, mobilization management, and co-creation management. The main result of the current paper integrates methods for digital strategies (Bones, Hammersley, & Shaw, 2019) with value-oriented business models (Osterwalder, & Pigneur, 2010), (Osterwalder, Pigneur, Bernarda, Smith, & Papadokos, 2014) and resulting enterprise architectures (Lankhorst, 2017), (Meertens, Iacob, Nieuwenhuis, van Sinderen, Jonkers, & Quertel, 2012) for digital service by using a special digital enterprise architecture reference model.

**Design/Methodology/approach** – Our work combines and extends base methodologies like servicedominant logic (Vargo & Lusch, 2016), (Vargo, Akaka, & Vaughan, 2017), digital business modeling (Osterwalder, & Pigneur, 2010), (Osterwalder, Pigneur, Bernarda, Smith, & Papadokos, 2014) and enterprise architecture (Lankhorst, 2017) with ArchiMate (Open Group, 2016). This work is part of an ongoing research project that applies and combines prototype-based approaches of design thinking with the rigor of design science research.

**Findings** – We have identified design principles derived from S-D Logic for a value-oriented integration of digital strategy with business models in order to consistently define digital service composition models and the resulting digital enterprise architecture for a globally open world.

**Research limitations/implications (if applicable)** – Currently, we are extending our digital enterprise architecture reference model to cover also AI-based intelligent digital services.

**Practical implications (if applicable)** – The work advances knowledge in architecting digital service following a consistent service- and value-oriented service-dominant logic.

**Originality/value** – The paper describes the background of S-D Logic for architecting value-oriented digital services.

**Key words** – Digital Transformation, Digital Service, Value- Orientation, Service-Dominant Logic, Digital Enterprise Architecture

**Paper type** – Research paper

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## Food Consumption attitudes: changes and impact on retail

Sciarelli Fabiana, Vona Roberto, Greco Fabio

**Introduction and purpose** - In 2016 28.7 million Italians eat regularly or occasionally in an ethnic restaurant. (Coldiretti 2017).

In the same Coldiretti research (2017) it emerges that 97.1% of respondents believe that health and well-being depend on what we eat.

Ethnic food can be defined as “*foods originating from a heritage and culture of an ethnic group who use their knowledge of local ingredients of plants and/or animal sources*”. (Kwon Y., 2015 p.1).

“*Superfood is a marketing term for food with supposed health benefits as a result of some part of its nutritional analysis or its overall nutrient density*”(European Food Council 2014).

Different motivations contribute to the complexity of the topic, such as the regulation of commercial activities in Italy, the different Italian business models, the technological innovation (Vona R., Sciarelli S., 2009).

The aim of this the work is precisely to describe the complexity of the phenomenon in all its nuances and attempt to identify the social and cultural motivations.

**Design/Methodology/Approach** - During the research we will use some insights obtained from the Iri Info Scan.

Furthermore, questionnaires will be administered in some sales points located in different five different districts of the city of Naples.

**Preliminary Findings** - The questionnaires administered to the owners and managers of small distributors, emerge a series of answers that confirm the advanced theoretical hypotheses and also the data obtained by the Iri info Scan company.

Respondents also added valid observations arguing that there is a need to sensitize the inhabitants of southern Italy towards a "food education" that aligns them with the inhabitants of northern Italy. 9 respondents out of 10 declare that the professional qualification of the employees is a fundamental element for their own activity.

Even if the consumers of healthy and ethnic food are not many in the city of Naples, at the same time emerges a careful and demanding profile consumer: 6 respondents out of 10 declare that their customers expect salespeople prepared and capable to satisfy their product information needs, 4 declare that their customers focus attention on leaflets and on printed information material.

**Practical Implication** - Healthy dining culture is spreading more and more in Italian cities and more and more chefs are updating themselves to offer dishes that satisfy the needs of the most attentive to the relationship between food and health.

A fundamental role has been played by the media, which in recent times attach great importance to contents concerning food culture.

**Keywords** – Large scale retail; small food retail; Healthy food; Ethnic food; Consumption

**Paper Type** – Empirical Research



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## Digital-mediated healthcare: defining a new, emerging and valuable service ecosystem

*Sebastiani Roberta, Anzivino Alessia, Caridà Angela, Melia Monia*

**Purpose** – Digital technologies based remote care solutions (i.e. smart devices) emerge as disruptive and transformative technologies that foster the development of new and innovative healthcare services (i.e. remote health monitoring, smart track and analyze health data: Ostrom et al., 2015; Free et al., 2013) and drive the emergence of a more effective and cost-efficient service ecosystem (i.e. self and personalized healthcare; Caulfield, Donnelly, 2013). In such emerging healthcare ecosystems, smart devices effectively connect the emotional, social and physical needs of the actors (patients and their families, physicians, other service providers, etc.) to transform the patient into an active actor who integrates resources and co-creates value (Anderson et al., 2013; Danaher, Gallan, 2016; Anderson et al., 2018).

Therefore, this paper aims to investigate the combinatorial processes of resource integration transforming patients in a resources integrator (Vargo, 2008) and leading new and emerging service ecosystems (e.g., Meynhardt et al., 2016; Peters, 2016; Taillard et al., 2016).

**Design/Methodology/approach** – The study adopts a qualitative methodology based on 30 in depth interviews to patient with different pathologies, using digital health devices useful for their own body and its vital functions and on interviews to key informants, experts of Italian healthcare service ecosystem.

**Findings** – Health technologies transform the patient-provider relationship and lead the emerging of a new and collaborative service ecosystem based on adaptive interactions among actors (i.e. patients, physicians, patients' families, etc.). The emergence of a more efficient and effective ecosystem seems to be driven by actors that usually are not in charge of the evolution in a bottom-up perspective. In such context, digital technologies become an enabling tool that allows the systemic networking and the development of new social practices (i.e. sharing clinical data, patients empowerment, disease self monitoring, etc.) that are perceived by the whole service ecosystem as the best way for improving the collective wellbeing of society.

**Research implications** – This work advances the extant knowledge on the relationship between service ecosystem and technology (Ostrom et al., 2015; Lusch, Nambisan, 2015; Vargo, Akaka, 2012; Akaka, Vargo, 2014). Digital health devices drive the development of an entirely new context that is characterized by technology-enabled actor-to-actor (A2A) service ecosystems without clearly defined contextual boundaries. The technology-mediated healthcare service ecosystem emerges as a valuable entity based on institutional arrangements - new social practices (sharing clinical data, patients empowerment, disease self monitoring, etc) that drive and manage the becoming on new resources and their integration amongst its actors.

**Originality/value** – This research contributes with reflections and suggestions on the emergence of new healthcare ecosystem mediated by digital technologies.

**Key words** Service ecosystem, healthcare, healthcare technologies, resource integration

**Paper type** – Research paper

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## Value co-creation model in the manufacturing industry

*Seino Satoshi, Jiang Xianghua, Muramatu Junichi, Ohyabu Akira, Zhang Jing*

**Purpose** – Customers interact to create value in use, but if they may not have enough knowledge and skills to create value in use, they cannot create value. In this case, a firm has a opportunity to co-create value in use by directly interacting with the customer. Service firms usually have direct contacts with customers and make direct interactions according to customers' circumstances. But in the manufacturing industry, there is no direct contact with customers. A firm is required the different system from the ordinary marketing system. The purposes of this research are to clarify how a firm practice direct value co-creation in the manufacturing industry and to make a co-creation model applicable to manufacturing industry.

**Design/Methodology/approach** – Case study methodology is adopted. The actual state of value co-creation with direct interaction in the manufacturing industry is based on qualitative approach. The marketing of SONY 's SLR camera is adopted as a case of direct interaction. We derive the key point on how to effectively increase customer value to make a model for applying value co-creation to manufacturing industry based on the case study.

**Findings** – A corporate system for making direct value co-creation consists of two areas: an area where direct interaction takes place and an area where value co-creation is supported within the company. The area of direct interaction consists of contacts, communication, co-creation, and value in context, and the area to support consists of the process of preparing value co-creation and the company-wide backup.

**Research limitations/implications (if applicable)** – The study makes a better understanding of mechanisms of value co-creation with direct interactions from a theoretical point of view.

**Practical implications (if applicable)** – The study gives suggestions on organizational functions to be held within a manufacturing firm when the firm turns into service.

**Originality/value** – The system of value co-creation in a manufacturing firm is clarified.

**Key words** (max 5) – Value co-creation, Servitization of manufacturing firm, Value in context, Empirical study

**Paper type** –Research paper

## Dynamic Customer Ecosystems: A Ritual Perspective

*Servadio Luigi, Mickelsson Jacob*

**Purpose** – This paper studies the function of customer ecosystems in service by viewing them through the concept of rituals. Rituals are extraordinary, highly involving experiences of value creation that customer tend to be separate from ordinary life. Customers' rituals activate a particular form of temporary (i.e. liminoid) customer ecosystems, wherein the elements involved in cocreation reach beyond the scope of the service as defined by providers.

**Design/Methodology/approach** – We apply an ethnographic approach to study rituals within the context of wine consumption. The data was collected in Sweden and Italy by means of participatory studies of consumer's private and public wine consumption rituals.

**Findings** – We argue that customers drive cocreation of value within their rituals, and that rituals bring certain parts of the customer's existent ecosystem into focus, in terms of artifacts, scripts, roles and audience. Thus, parts of the customer's ecosystem become "actualized" within the ritual.

**Research limitations/implications (if applicable)** – The paper clarifies and further develops the concept of the "customer ecosystem", which has been characterized as customer-centered systems that involve service providers, other customers and actors, as well as various physical and virtual structures that are relevant for the customer's use of a particular service.

**Practical implications (if applicable)** – Since rituals can entail greater customer satisfaction, the theoretical framework may be useful to managers to identify rituals and in so doing, feed the customer's *needing* for rituals. Another important managerial contribution refers to the temporal dimension of rituals. We illustrate how the ritual unfolds along three stages. As such, managers should be aware that rituals are dynamic as they change value of service offerings before, during and after rituals.

**Originality/value** – The paper contributes to research on customer ecosystems by problematizing the current "static" view of the ecosystem. Instead of customers operating in static, pre-determined ecosystems, the paper illustrates the dynamic character of customer ecosystem and how customer ecosystems unfold along the temporal dimension of value formation (i.e. before, during and after). In addition, the paper identifies the key element constituting the customer ecosystem *in a ritual event*. Since rituals are claimed to be extraordinary (i.e. detached) events in customer's life and thus linked to high levels of customer satisfaction, the paper identifies key elements of customer ecosystems at the core of customer value creation.

**Key words** (max 5) Customer ecosystem, rituals, service logic, liminoid, wine consumption

**Paper type** –Research paper

## **Analysis of Actor Behaviors in Service Ecosystems: Investigation on Local-Oriented Behaviors in Japan**

*Shoji Masato, Inoue Takamichi, Taguchi Takashi*

**Purpose** – Many service-dominant logic studies seek to explain the creation of value as resulting from the value cocreation(Lusch and Vargo 2014; Vargo and Lusch 2004), and one of the distinctive characteristics of this kind of study is using a wider lens to examine service for service exchange(Lusch and Watts Jameson 2018; Vargo and Lusch 2016).. In recent years, the concept of a service ecosystem that acts as a venue for the service exchange has been introduced(Frow et al. 2014; Vargo et al. 2017; Vargo and Lusch 2011), and although research related to its effectiveness is underway, the relationship between resource integration and service ecosystems has not yet been fully considered(Vargo and Lusch 2017).

For this reason, we analyzed the behavior of actors based on attachment and local-oriented factors for one city in Japan, with the goal of demonstrating the importance of an engagement perspective for the resource integration actions of the actor.

**Design/Methodology/approach** – This research defined local-oriented behaviors as engagement with areas for which one has special affection. These areas include not only places where the actors were born and raised but also areas where they currently live and areas with connections to their families. We also conducted analysis based on a questionnaire survey concerning the relationship between local-oriented aspirations and resource integration actions.

**Findings** – One of the distinctive characteristics of this research is its focus on the importance of non-economic factors as drivers for resource integration. As a result, we were able to consider the necessity of implementing elements, such as royalties, as systems available for use by actors within the service ecosystem.

**Originality/value** – The value of this research lies in the engagement actions by actors, which was conducted to analyze the structure of the service ecosystem. We expect further progress in understanding this ecosystem structure in the future.

**Key words** (max 5) - Service ecosystem, Service-Dominant Logic, Local-orientate, Actors Engagement

**Paper type** –Research paper

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## Value Co-creation and Co-destruction in Buyer-Seller Relationships in BOP Service Ecosystems

*Shukla Yupal, Singh Ramendra*

**Purpose:** The objective of our study is unravel the mechanisms of value creation/destruction during interaction between bottom of pyramid (BOP) customers and retailers. In addition, these interactions help to develop various forms of buyer-seller relationships in the BOP service ecosystem.

**Design/methodology/approach:** We collected in-depth interview data in major cities of India namely Mumbai, Delhi, Kolkata and Chennai from 240 BOP customers (60 interviews in each of the four cities) and 120 retailers (30 responses from each of the four cities). We analysed the data using thematic analysis, through three levels of coding.

**Findings:** Our analysis suggests that two different forms of relationships are developed, namely, (a) Gemeinschaft (revolves around the sense of civic engagement, a sense of belonging, and social contribution, caring, sharing communal ideal) and (b) Gesellschaft (formal, contractual, socially distanced relations). The findings of the study suggest that customers and retailers have different expectations and based on these, they form relationships with each other and in a way the value is created/destroyed.

**Practical implications:** The present study would guide managers to design marketing strategies to facilitate buyer-seller interactions to increase value co-creation, rather than value destruction.

**Originality/value:** The study is among the early ones to study buyer-seller interactions from relationship and value creation/destruction point of view.





## POWER, INSTITUTIONS AND SERVICE-DOMINANT LOGIC

*Siltaloppi Jaakko, Wieland Heiko*

**Purpose** – Over the last decade, service-dominant (S-D) logic has evolved from its initial refutation of goods-centric thinking to a systematic meta-theoretical perspective to value creation and exchange in markets (e.g., Vargo & Lusch, 2016, 2017). Its systemic and institutional conceptualization, however, has thus far overlooked power as essential element in the exchange and value cocreation among actors (Siltaloppi & Wieland, 2018). To this end, the purpose of this paper is to relate the concept of power to other core concepts and axioms of S-D logic in general, and to highlight the importance of power in value cocreation and institutional processes in service ecosystems in particular.

**Design/Methodology/approach** – The paper is conceptual in nature and aims to further the theoretical development of S-D logic.

**Findings** – The paper is organized around three main insights. First, the paper draws on extant literature in sociology and organizational theory to present different dimensions or ‘faces’ of power (Fleming & Spicer, 2014): coercion, manipulation, domination and subjectification. Second, the paper discusses how the four dimensions of power influence value cocreation among actors, as well as how they shape the institutional processes in service ecosystems. Third, the paper explores a concrete example of power dynamics in service ecosystems by discussing how solutions built around new technology shape markets by changing the relations of power among market actors.

**Research implications** – By recognizing power as an essential part of actor relations, this paper advocates a shift in S-D logic and marketing literature at large toward increasing awareness and acknowledgement of the differential capacities of actors to contribute to, and appropriate benefits from, collaborative resource integration. Moreover, this paper provides novel grounding for critical examination of various market arrangements in light of questions pertaining to social sustainability, equitability and discrimination, to give but few examples.

**Originality/value** – The paper is among the first to explicitly unpack the concept of power within S-D logic.

**Key words** – Institutions, power, service ecosystems, resource integration, value cocreation

**Paper type** – Conceptual paper

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## The value of perceived servicescape in the leisure cruise experience

*Sorrentino Annarita, Del Chiappa Giacomo, Ferretti Marco, Risitano Marcello*

**Purpose** – The purpose of this paper is to investigate the impact of perceived cruise shipscape on experiential responses, delight and memorability in the cruise context.

**Design/methodology/approach** – The research proposes a conceptual model comprising four latent variables and thirty-one manifest variables. An empirical survey was carried out on a random cruiser sample disembarking from Naples in 2017 (n = 415). The research hypotheses were tested using structural equation modeling. In a second step, a multi-group analysis was performed to evaluate the moderating effects of residence, past experience and income.

**Findings** – The empirical study confirmed the predictive role of the perceived cruise shipscape, experiential responses and cruiser delight on future memories, with a greater effect for the first latent construct. Past experience, residence and income also are considered relevant moderating factors.

**Practical implications** – The results provide critical guidance for marketing managers to achieve successful delivery of an experience-centric service. Marketing managers should increase their attention to elements of the shipscape because they influence the post-consumption stage for passengers.

**Originality/value** – The study provides an original model to evaluate the impact of service experience innovation drivers on cruisers' emotional responses in the cruise industry.

**Keywords:** service experience innovation, shipscape, cruise delight, experience memorability

**Paper type:** Research paper

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## Special Session: Handbook of Service Science, Volume II

*Spohrer James C., Kieliszewski Cheryl, Maglio Paul P.*

**Purpose** – Special Session for Handbook of Service Science, Volume II (HOSS2) and planning HOSS3.

The chapters collected in the Handbook of Service Science, Volume II, are drawn mainly from researchers who have grown-up with Service Science. By looking through the eyes of today's young service scientists, we see a novel integration of theories, methods, and techniques for studying service, rooted deeply in service-dominant logic and systems thinking. In this session, editors and authors will present briefly some key elements of the volume, and they will discuss prospects for a third volume. Discussion of a future volume of the Handbook will center on questions such as "How do you imagine service research evolving?", "What tools (technology, dataset, resource, etc.) are needed for the future of service science?" and "What discoveries will push service science forward?".

**Design/Methodology/approach** – community discussion of (Maglio et al 2010, 2018; Ostrom et al 2010 2015; Basson et al 2013; Vargo & Lusch 2018) and gathering ideas for the future.

**Findings** – will emerge during session.

**Research limitations/implications (if applicable)** – Focus is primarily evolution of service science research as evidenced in HOSS 1 and HOSS 2, so limited scope. This session intended as a community project to discuss and survey what has come before, and what is foreseen and needed for the future of service science research

**Practical implications (if applicable)** – planning for Handbook of Service Science, Vol 3

**Originality/value** – nassdefining future research agenda for service science

**Key words** (max 5) Service Science

**Paper type** – Conceptual paper

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## Five Principles to Support Value Based Healthcare

*Spurrell Mark, Araujo Luis, Proudlove Nathan*

**Purpose** – Healthcare commentators see “value generation” as at the heart of service. There is a gap between that ideal and support for practitioners to realise it. To be convincing, any proposed framework has to work for complex cases. The purpose of this paper is to review the conceptual landscape and, after empirical explorations of patterns of practice in a case series, to propose fresh ideas for developing value generating service platforms to support complex case management.

**Design/methodology/approach** – This paper first considers the idea of the complex case in healthcare, and critiques the applicability of the widely used Chronic Care Model (CCM). Drawing on valuographic literature, a perspective of collaborative value realisation is introduced. The key question is what practical conceptual tools can better support participants with realising valued outcomes. Adopting a pragmatic stance, this is explored via an overview of complex case review practice in a learning disability service. Three inter-related documentary investigations explore network activation, styles of value realisation, and the relationship between these in a series of case reviews. The emergent findings are considered in the light of relevant literature to offer a range of fresh conceptual tools to consider.

**Findings** – Five principles are developed to support value based complex care. First the individual case should be the focus of interest. Second, care is contextualised by a unique service delivery network (SDN). Third, case management reviews function as episodes of co-valuation, each adopting individual styles of practice. Fourth, “what matters to us” is an emergent valued outcome from reviews, which can be aggregated to have wider currency within healthcare. Fifth, assembling these principles, a complex case management framework can be proposed. This enables participants to co-customise a dedicated platform for service for use.

**Research limitations/implications** – These principles set the stage for further exploration of complex value realisation. Each principle offers a focus for service improvement work in healthcare. Further work would evaluate other aspects of the care phenomenon in more diverse settings.

**Practical implications** – These principles offer a more refined framework for practically enstructuring value based healthcare. Further work is needed to evaluate the practical application.

**Originality/value** – This original work contributes to the applicability of service theory to complex care. It sets the stage for the practical, collaborative platforming of complex care.

**Keywords** – Value based healthcare, Complex case management, Service platform design, Valuographic research

**Paper type** – Conceptual



## **The Service Context of Meanings and its Dynamicity: The Case of Japanese Restaurant Market in Bangkok**

*Suzuki Satoko, Fujikawa Yoshinori, Matsui Takeshi, Uehara Wataru*

**Purpose** – The purpose of this paper is to better understand the context of service by integrating consumer culture theory and service dominant logic perspectives and exploring the meaning aspects of context.

**Design/Methodology/approach** – The authors employ critical ethnographic methods to examine empirically firms and customers' processes of (re)forming service context at Japanese restaurants in Bangkok. The authors conduct research methods of participant observation, depth interviews, photographic records and material cultural artifact analysis over the two year period 2016-17.

**Findings** – Customers' service experience at the Japanese restaurants in Bangkok depends not only on the quality of food and customer service provided by the restaurants, but also by the symbolic meanings in the market. The service context as meanings is not pre-existing or static. It is dynamic—changes are made at the meso and micro levels. At meso level, the participation and perspectives of firms and other actors in co-creating shared norms and collective meanings bring forth the changes in service context as meanings. It is important to note that firms can create meanings only within the understandings of customers. At micro level, customers enact or adapt the meanings existing in the market during the service experience. For instance, customers interpret their own meanings and deviate from the idealized messages firms communicate.

**Research limitations/implications** – As with any qualitative research, generalizations are difficult due to the problems associated with sampling the Japanese restaurants in Bangkok as research context.

**Practical implications** – Extending the scope of service context to include the meanings in markets draws attention to managing the meanings, as well as service encounters, servicescapes, and service ecosystems. This points toward the need to consider the competences and skills of firms in the design and development of meanings.

**Originality/value** – Past research on service context mainly adopted a conceptual approach and lacked empirical research providing evidence of the proposed framework. This paper further extends the understanding of service context by providing empirical investigations of heterogeneous viewpoints among different types of actors (i.e., firms and customers).

**Key words** – context, consumer culture theory, service dominant logic, value-in-context, experience

**Paper type** – Research paper





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## Co-creation as Institutional Work at Lego

*Taillard Marie, Muniz Albert, Schau Hope*

**Purpose** –Extant research on cocreation fails to explore how to institutionalize cocreation to mitigate this risk and to make cocreation more efficient. We show how cocreation actions in which employees and customers reach beyond their institutional boundaries to solve everyday challenges serve to institutionalize cocreation.

**Design/Methodology/approach** –We drew methodological inspiration from prior work in institutional theory and practice-based consumer research (Barley and Tolbert 1997; Schau, Muñiz, and Arnould 2009). We captured detailed accounts of the stages of development and used observational, archival, and interview data, including observation and analysis of relevant blogs and forums, project documents and team communication, and interviews. We analyzed the data using coding, categorizing, and memoing techniques (Glaser and Strauss 1968). Given that our core theory is not established in marketing and studies of cocreation, we followed these authors and adopted a discovery-oriented approach.

**Findings** – Building on institutional theory and using data from the development of new models on the Lego Ideas cocreation platform, we show that individuals exercising their own agency can free themselves from institutional constraints at specific points of “slippage” to create solutions from which new institutions emerge. As individuals seek innovative solutions, they are drawn to institutions beyond their own—institutional boundaries act as inhibitors, but they also hold the key to new opportunities. Recognizing boundaries as junctures acknowledges the multidimensional benefits of cross-boundary collaborations: Beyond enabling individual solutions, they are a source of institutional innovation and resilience (Quick and Feldman 2014). The overall outcome of cocreation is the emergence of a new institution with its own logics whose manifestations are associated with specific slippages. We view cocreation as having two productive outcomes: producing solutions for individuals and their communities (sharing a new design, promoting a model, voicing doubts, posting updates, codesigning, cocrafting a go-to-market strategy), and performing institutional work that creates and maintains institutions that are relevant to all stakeholders.

**Practical implications (if applicable)** – While firms looking to engage in cocreation must seek its institutionalization as a strategic objective, this is not solely in the firm’s control: It is shared with cocreating customers whose own institutional work is indispensable. Firms must facilitate cross-boundary resourcing.

**Originality/value** – Our research complements existing work on customer solutions (Epp and Price 2011; Sawhney 2006) in which goal-driven customers solve problems creatively by engaging with firms and their products to craft the solution that best fits their needs. We show that these creative solutions also have institutional effects: They promote the creation and maintenance of new institutions.

**Key words** co-creation, institutions, institutional work, customer goals

**Paper type** – Research paper



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## Cryptocurrencies and Service Ecosystem Transformation

*Tana Silviana, Breidbach Christoph F., Turpin Andrew*

**Purpose** – In 2008, Satoshi Nakamoto developed the cryptocurrency Bitcoin in response to the global financial crisis. Today, the Bitcoin market alone is worth \$70 billion dollars, and cryptocurrencies represent a prime example for how information technologies (IT) transform service ecosystems like banking. However, despite the emerging technological advancements associate with cryptocurrencies, existing knowledge pertaining to its transformative impact on service ecosystems is very limited. Specifically, no existing work to date has analyzed how the role of actors, value propositions and value cocreating processes are transformed. Here, we address this gap in knowledge.

**Approach** – We conducted an in-depth ethnography of Agnes Water in Queensland, Australia, which established itself as the first ‘crypto town’ in Australia. The cryptocurrency initiative in Agnes Water involved the complex integration of dedicated cryptocurrency payment platforms, external infrastructure providers, as well as the local business communities to transform the value proposition associated with tourism services in the Southern Great Barrier Reef region of Australia. We analyse the impact of cryptocurrencies in Agnes Water by adopting a service ecosystem perspective on macro (i.e., state government), meso (i.e., local businesses), and micro (i.e., customer) levels of analysis, and inductively build theory to identify and reveal the complex transformative processes associated with cryptocurrencies.

**Findings** – Our present work empirically maps the transformative journey of the service ecosystem represented by Agnes Water for the actors, resources and processes involved. We empirically identify four archetypical pathways towards a new crypto value proposition development, and explain how Agnes Water’s community engaged in market shaping by developing a crypto-tourism niche-market. In addition, we also show that value-in-use in cryptocurrency contexts is impacted by customer-learning and introduce ‘value-in-trial’ as a novel conceptualization that helps understand interactions in emerging decentralized cryptocurrency systems.

**Limitations** – While our work addresses substantial gaps in knowledge within the Service Science literature related to digital transformation and cryptocurrencies, generalizability is limited to the unique context and case of Agnes Water, QLD, Australia.

**Practical implications** – This work provides guidelines for regulators, government agencies, as well as organisations aiming to implement and benefit from, cryptocurrencies in financial service ecosystems. In addition, this study demonstrates the transformative opportunities cryptocurrencies can bring.

**Originality** – Understanding how digital technologies transform service businesses more generally, and financial services more specifically, is an ongoing research priority for Service Science. In an effort to gain insight to this problem, we present, to the best of our knowledge, the first in-depth ethnographic study investigating the transformative impact of cryptocurrencies on an entire service ecosystem. Our work provides important theoretical and empirical contributions by bridging the emerging discourse associated with cryptocurrencies, SD logic, and Service Science, thus explaining how service ecosystems are transformed by technology.

**Key words** – Bitcoin, cryptocurrencies, digital transformation, service ecosystem

**Paper type** – Research paper

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## **The influence of service employee institutional work on consumer brand-related practices and brand meaning cocreation**

*Tierney Kieran, Karpen Ingo O, Westberg Kate*

**Purpose** - This paper aims to build an understanding of the process of Brand Meaning Cocreation (BMCC). We provide empirical insight into what service employees do to navigate competing institutions in service interactions and the influence this has on consumer practices and meaning-making processes.

**Design/Methodology/Approach** - The research is based on 40 interviews with bank service staff and customers that lasted between 60 and 90 minutes each. Interviews were conducted in Vietnam and informants were contacted through purposeful sampling applying the snowball technique. Data were analysed applying the Gioia et al. (2012) method. This involves identification of second-order themes and third-order aggregates based on first order-incidents that help reveal the BMCC process.

**Findings** - The results reveal service employee practices used as institutional work (Lawrence and Suddaby 2006) in service interactions and consequential consumer practices, that contribute to BMCC of brand authenticity and legitimacy. This helps managers understand how employee institutional work stimulates consumer practices and so facilitate or constrain BMCC.

**Research Implications** – This study uncovers the process of BMCC that occurs in interactions between service providers and consumers (Tierney et al. 2016). We contribute an empirical understanding of how service employees navigate multiple competing institutions to (re)frame customer service interactions and in consequence contribute to consumer practices and BMCC.

**Originality/Value** - We extend and integrate extant branding and cocreation literature and shed light on the process of BMCC. The interactional process through which this occurs has not been explored and firms need to understand how institutional work influences the cocreation processes of customers, including practices, in order to facilitate mutually beneficial cocreation opportunities and outcomes (Karpen et al. 2012) that influence brand meaning.

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## **Studying resource exchange through actor interactions in the smart city service ecosystem, using the service dominant logic**

*Toli Angeliki Maria, Murtagh Niamh*

**Purpose** - The detrimental effects of rapid urbanization have led to the urgent need to reconstruct the way in which cities operate and utilize resources. Smart cities have emerged as a possible solution towards more efficient urban environments. Using the service-dominant logic, this research studies how smart city actors, namely the university, government, industry and civic society, exchange resources between them through interactions in organisational level.

**Methodology** - In order to identify these resources, qualitative interviews with senior staff from representative organisations from the university, government and industry have been performed, while interactions with the civic society have been drawn upon from collected data of the other three groups. These were used to map the dyadic and triadic interactions that occur between organisations within the smart city service ecosystem.

**Findings** - Early indicative findings suggest that university actors use urban data sourced from citizens and planning authorities, and funding from the industry, to analyse and develop models and theories, while industrial actors appear to use this output and user data to create consumer services. The government appears to be both a regulator and an active player, by addressing emergent topics and providing funds and data. The civic society data has behavioural influence on the institutional norms under which the service ecosystem operates.

**Value** - The mapping of resources exchanged between actors allows for a more holistic understanding of how the smart city service ecosystem works. This may lead to more efficient management of smart city organisations and consequently to managerial and organisational urban innovation.

**Keywords** - SDL, Smart City, Resources



## Orchestrating the Co-creation of Value in Service Platforms: An Agent-based Simulation Study of P2P Lending Platforms

*Torres Pena Maria Veronica, Breidbach Christoph F., Turpin Andrew*

**Purpose** – The purpose of this paper is twofold. First, this paper explores how digital technologies orchestrate interactions between economic actors in service systems. Second, this paper assesses the performance implications for service systems where digital technologies are deployed as a service orchestrator. The study is set for peer-to-peer (P2P) lending, where service platforms play an ongoing central role on enabling and guiding interactions between prospective borrowers and lenders in financial service transactions.

**Design/methodology/approach** – This research develops agent-based modelling (ABM) simulations to investigate how digital technologies orchestrate value co-creation processes. The bottom-up approach of ABMs enables the authors to capture and analyse fundamental service system properties like self-organizing practices and structure emergence. To contextualize the simulations for P2P lending, data from the P2P lending site LendingClub.com is used.

**Findings** – The study shows the effects of different digital orchestration mechanisms on actors' interactions, resource integration, resource density, and service system performance, in the context of P2P lending. Thus, the research also delivers insights on the assemblage, behaviour, and evolution of platform-based service systems.

**Research implications** – Firms looking to succeed in competitive marketplaces need to facilitate and coordinate value-creating processes for their customers. This orchestrating role of the firm has traditionally been achieved through dedicated frontline employees. Today, however, digital service platforms orchestrate value co-creation processes by connecting and coordinating the interactions among other interdependent actors. However, despite being a key priority for service research, limited attention has been paid to investigating how digital technologies orchestrate value co-creation processes. Moreover, this work provides service researchers and practitioners with a blueprint on how to use ABM as a new research method to investigate value co-creation and digital orchestration.

**Practical implications** – The results of the study have design implications relevant for the orchestration of value co-creation on digital platforms, specifically, P2P lending platforms. The findings can address decision-makers to identify the most adequate strategies to orchestrate value co-creation processes in service platforms more effectively.

**Originality/value** – At the intersection of ICT and service research, this paper is a novel contribution investigating the orchestration of value co-creation in service platforms, particularly, in the context of P2P lending platforms. First, the authors provide important empirical insights that digital service orchestration has on actors' interactions, resource integration and density, and service performance. Second, the methodological approach of this paper contributes by introducing and demonstrating the applicability of ABM for the study of value co-creation in platform-based service systems.

**Keywords** – service platform, orchestration, co-creation, value, P2P lending platforms, agent-based simulation

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## SERVICE LOGICS AND SERVICE DESIGN INTERTWINE IN THE NEW MANAGEMENT COMPETENCES

*Tossavainen Päivi J., Luojus Satu*

**Purpose** – Management as a profession is complex. This paper discusses the competence development of managers required in service business focusing on service logics and the emerging discipline of service design. This paper examines the new management competences delineated first, service logics as theoretical stronghold and second, linked with service design competences usually regarded as execution skills. The main argument of the paper is that service logics and service design intertwine in the new management competences. Thus, in order to solidify the theoretical foundation and to have impact on business management, service design approach needs to be anchored to one of the conventional academic business disciplines. The purpose of this paper is to show how these new competences are learned.

**Design/Methodology/approach** – This descriptive single case study uses a combination of collected data (semi-structured survey), discussions, observation and content analysis to understand deeper, what do the master students in service design expect from their studies, how the students evaluate development of their own competences, and how the expectations of master's degree students and the learning outcome requirements i.e. educational competence development requirements (by EQF) differ.

**Findings** – This paper advances identified new management competences of service logics and service design. Preliminary findings suggest that the management competence develops during higher education slowly and competence requirements are usually fulfilled only when the master thesis project is accomplished. The findings also indicate that students seem to want to complete the expertise on execution level rather than reaching the managerial levels of development and strategy.

**Research limitations/implications (if applicable)** – This research uses a single case study method to confirm the existence of the occurrence, detected with long-term teaching experience. While this is our first attempt to study how the new management competences develop, there are some shortcomings: it is a single case study and the number of the responses are limited.

**Practical implications (if applicable)** – The service logics and service design methods bring customers and user experience into the focus of service development. Future managers need to adopt service-oriented mindset and be capable to utilize service design approach with customers and other stakeholders to improve the service business by sensing, seizing and shaping new business opportunities.

**Originality/value** – Little attention is paid in literature to the influence of service logics into management competences. The contribution of this paper is to advance the intertwined management competences of service logics as theoretical approach which can be operationalized thru service design approach. The paper increases knowledge of the management education in modern service society.

**Key words** service logics; service design; higher education; management competences; case study

**Paper type** – Research paper

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## How the service ecosystems lens supports valuable user innovations

*Trischler Jakob, Johnson Mikael, Kristensson Per*

**Purpose** – User innovation is conducted by millions of users (e.g., consumers) who spend their unpaid discretionary time on developing individually and socially important solutions. However, most user-driven solutions remain under-developed and never diffuse to the broader market because current innovation policies do not recognize and support these activities. The purpose of the present research is to evaluate the service ecosystems lens as a theoretical basis for building an infrastructure that supports the development and dissemination of valuable user innovations.

**Design/Methodology/approach** – The paper is conceptual in nature. Following the examination of the user innovation literature, the service ecosystem lens is evaluated as a possible alternative to current innovation models.

**Findings** – The service ecosystems lens makes three important departures from the dominant producer innovation model which assumes that innovation activities are primarily initiated and driven by firms: 1) It recognizes the dependency and influence of multiple actors on innovation activities across the systems levels; 2) It removes presumed labels and roles from actors which opens possibilities for institutionalization; 3) It focuses not on for-profit but on for-use value and changes in value creation resulting from innovation.

**Research limitations/implications (if applicable)** – We call for in-depth investigation into specific user innovation cases in order to better understand the factors affecting user innovation activities across the service ecosystem levels.

**Practical implications (if applicable)** – Policy makers receive guidance on how to create an infrastructure that supports the collaborative development and dissemination of socially valuable innovations on the consumer level.

**Originality/value** – This research contributes a new perspective that successfully considers the potential and contributions of user innovations, rather than assuming that innovations are primarily initiated and driven by firms based on profit incentives.

**Key words** User Innovation, Service Ecosystems, Public Policy

**Paper type** – Conceptual paper

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## DIGITAL SERUITIZATION AMONG SERVICE ECOSYSTEM ACTORS

*Tronvoll Bård, Kowalkowski Christian, Skylar Alexey, Sörhammar David*

**Purpose** – The aim of this paper is to explore how firms need to make the necessary shifts to transform to digital servitization. Digitization is posing challenges and disturbance to organizations and networks (Ng and Wakenshaw 2017). Technical developments reforms the business market landscapes, making space for what Rapaccini and Visintin (2015) refer to as *digital servitization*. Digital servitization includes different technology-enabled processes grounded in the firms' business model.

**Design/Methodology/approach** – The paper is a longitudinal in-depth single case study (Yin, 2009) where we follow a multinational company over a period of one and a half year. The case firm is a leading provider of maritime solutions, with operations in several countries. In total, 45 in-depth interviews were conducted.

**Findings** – For firms to achieve digital transformation and accomplish digital servitization, it requires more than just an incremental change; it entails a series of shifts within the firm and network in the way they are organized and how they create value. As opposite to earlier types of incremental changes, the environment of digitalization is changing exceptionally quick and requires that organizations adopt and adjust rapidly to changes caused by the technology.

**Research limitations/implications (if applicable)** – The present paper has several limitations that open avenues for future studies. It is a case focuses on a single actor in its network.

**Practical implications (if applicable)** – The new digital landscape forces firms to rethink the idea of resource integration and value co-creation (Vargo and Lusch 2004; 2008). Indeed, digitalization is enabling and pushing firms to create and use service in order to stay competitive, and thus migrate from the product-centric approaches to (digital) service-oriented approach (Adrodegari and Saccani 2017; Rust and Ming-Hui 2014).

**Originality/value** – This paper makes three contributions to extend the understanding of digital transformation processes. First, we identify three shifts that the firms and network need to accomplish in their digital transformation and discuss their importance. Second, we highlight the dynamics of the process, arguing that the three shifts are intertwined and necessary to accomplish in the transformation to become digitally servitized. Finally, we shed light on how the transformation requires a change in mindset in the organization from being reactive to creative and change from a mindset of scarcity, certainty and authority to mindset of abundance, discovery and partnership.

**Key words** digitalization, servitization, service ecosystem

**Paper type** – Research paper

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## Exploring complex service design: Understanding the Diamonds of Context

*Wallezky Leonard, Carrubbo Luca, Ge Mouzhi*

**Purpose** – The paper aims to describe the way of mind model creation in service design. The second target is to describe how the different mind models, coming from different domains can be united and understood in situation of solving complex service with practical examples in Smart City domain.

**Design/Methodology/approach** – The paper will show the limitations of current modeling tools. Using Service Science and System thinking we will show the main ideas of complex mind modelling and introduce the model of individual mind modelling. Following the idea of multidisciplinary, the second part of the paper proposes how to combine different mind models with the emphasis of understanding different contexts and the shared value within (value-in-context). The proposed approaches will be validated by practical examples from the Smart City domain, and smart mobility particularly.

**Findings** – The paper proposes a new approach to understand complex services and provides the systematic way of how to combine the different domains to find optimal multidisciplinary solution, represented by complex service design.

**Research limitations/implications** – The model proposed by the paper is mostly theoretically oriented and more practical approaches will be developed. We expect to obtain more insights to prove the value of the model in practice.

**Practical implications** – The problem of understanding the opinions and problems cross more than one discipline is critical in complex service design. By establishing of common vocabulary that will be understood by all members of the team, we can avoid the issues of misunderstanding and wasting of resources.

**Originality/value** – The paper shows practical implications of Service Dominant Logic, Service Science, as well as Network and Systems Theory by providing an effective application of methodological framework to understand complex service problems. Both theoretical and practical contributions can be used in multidisciplinary teams to understand the key problem and improve the service design.

**Key words:** Service Dominant Logic; Service Science; Network and Systems Theory; multidisciplinary, complex services design, transdisciplinary teams.

**Paper type** – Conceptual paper

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## **From Product Organization to Platform Organization – Observations of Organizational Development in the Insurance Industry**

*Warg Markus, Zolnowski Andreas, Frosch Markus, Weiss Peter*

**Purpose** - As digital attackers, Insurtechs change the insurance industry more and more. A major driver for these changes is their talent to quickly build capabilities that create direct value for their customers. For this, digital attacker build up and bundle capabilities on service platforms and constantly improve these platforms with their open and innovative culture. Traditional companies must respond adequately to these developments. In this way, they must challenge their existing product-based business logic, architecture, and culture, and develop new structures that enable rapid responsiveness and the opportunity to build up necessary capabilities. As can be observed, one possibility seems to be the development of own platforms in order to gradually transform existing organizations. The purpose of this paper is to explore and describe the impact of service platforms in the development of S-D logic fueled platform organizations.

**Design/methodology/approach** - This research uses a qualitative research approach that considers a particular implementation of a service platform in the transformation process of a traditional insurance company.

**Findings** - The contribution of this research is twofold. Firstly, it gives insights into an actual transformation process of a traditional insurance company. Within this process, the company consequently changes their mindset to an S-D logic based perspective and implements a service platform based on the Service Dominant Architecture. Secondly, this research discusses the observed changes and offers thoughts on characteristics of a platform organization.

**Originality/Value** - This research consist of a long time study of an S-D logic based transformation process in a traditional insurance company. By implementing the Service Dominant Architecture that offers a resource integrating and interactive service system for developing customer centric solutions, the company operationalizes an S-D logic based business logic.

## BUILDING SYSTEMS OF ENGAGEMENT TO OVERCOME THE CHALLENGES OF DIGITAL TRANSFORMATION

*Weiss Peter, Warg Markus, Zolnowski Andreas*

**Purpose** – Digital transformation requires companies to review their strategy. Today, information technologies fundamentally transform whole business models, products and services. Most practitioners perceive a gap and disconnect between design of digital strategies and their execution. Building systems of engagement are central to key industries and evolve to a crucial role for service innovation.

**Design/Methodology/approach** – The SDA (Service Dominant Architecture), in combination with the Service Dominant Logic (SDL) approach, outlines a set of capability clusters and success factors that companies have to master in order to remain competitive in a digitized world. This is research in progress. SDA constitutes a conceptual framework and design. Results of this research yields from a longitudinal single-case study on the implementation of the SDA in a German insurance company.

**Findings** – SDL can offer guidance how to overcome challenges of digital transformation. Service innovation lies at the core of a digital transformation. Main contribution of this thesis constitutes the SDA which is based on a service-centered conceptual foundation. Based on its theoretical foundations, the SDL motivates new perspectives on value creation and in this way supplies useful theoretical background and concepts which provides guidance to strategy development and execution.

**Research limitations/implications (if applicable)** – As the field of SDL and service science evolve, the SDA will continuously evolve and foster service innovations. Yielded results and outcomes are foremost experimental and their broader applicability requires further research activities and evaluation.

**Practical implications (if applicable)** – Even if our longitudinal case study is providing rich insights into a real life digital transformation process, the chosen explorative approach with focus on action research in the context of a single company is seen as limitation concerning broader applicability and portability. This will require further experiments, research and evaluation.

**Originality/value** – Digital transformation is challenging companies. Researchers have to understand the problems emerging in real life projects and practice. As IS artifact the SDA has aimed originally to develop new capabilities in the context of enterprise information systems but is now expanding to emerge into a more comprehensive methodology and process, which is able to guide companies along their digital transformation process. The originality and value of SDA lies on the one hand in its concreteness and applicability and on the other hand in its link to foundations of SDL and service science.

**Key words** (max 5) - Digital transformation, systems of engagement, digital strategy, IS/IT strategy, enterprise architecture

**Paper type** – Conceptual paper

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## STAKEHOLDER ENGAGEMENT WHEN INSTITUTIONAL LOGICS DIFFER: INSIGHTS FROM SUSTAINABLE INNOVATION

*Wilson Hugh, Macdonald Emma K., Watson Rosina*

**Purpose:** Firms engage with external stakeholders to innovate, among other reasons. These collaborations are particularly challenging when the organizations' institutional logics differ – a common problem in the context studied here, sustainability-oriented innovation. This study examines the tensions that arise and the strategies the parties use to manage them.

**Design/methodology/approach:** A multiple-case study of eight dyads of businesses and other organisations (a mix of nonprofits and for-profits) for the purposes of sustainability-oriented innovation included 54 interviews as well as observation and documentary sources.

**Findings:** Tensions due to contrasting institutional logics occur not just between firms and nonprofits, as described in prior research, but also between for-profit partners, due to differences in the way firms integrate sustainability and in how nonprofits balance mission with fundraising. Responses to these tensions include not just the separation and synthesis options established in the paradox literature but also an intermediate option we term 'bounded synthesis'. This involves teams from each organisation working together, bounded spatially and temporally from their host organisations, under a collaboration shaped by what we term an 'engagement logic': a logic for the partnership derived from commonalities between the actors' separate logics and informed by partnership objectives.

**Research implications:** These findings enrich the paradox literature on how firms and partnerships cope with different world-views. The rich array of inter-partner tensions we observed goes beyond Sharma and Bansal's (2017) 'commercial-social paradox' which follows the market-versus-public-good dichotomy. The managerial response to these tensions is also more nuanced than previously described. Engagement logic, in particular, is a new construct which brings together prior concepts of 'interaction logics' in the business networks/alliances literature (Bengtsson & Kock, 2000; Das & Teng, 2000) and 'sensemaking platforms' in the cross-sector partnership literature (Selsky & Parker, 2010).

**Practical implications:** These insights into how organizations manage tensions with their partners have value not just for sustainability-oriented innovation but also in other contexts—such as open innovation and multi-national or multi-channel contexts—where inter-organizational partnerships, collaborations and alliances are increasingly adopted.

**Originality/value:** Recent research has predominantly studied hybrid logics *within* a single organisation. These findings show that similar phenomena occur *between* organisations, and reveal how the firms' engagement design – and the partnership's engagement logic in particular – responds to the resulting tensions. The study thereby contributes to literature on engagement in B2B contexts.

**Key words** – engagement; institutional logic; innovation; paradox; sustainability

**Paper type** – Empirical

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## Using Modular Method Cards for Competency-Oriented Teaching in Academia

*Zagel Christian, Grimm Lena*

**Purpose** – Part time study offers are getting more and more popular and offer great possibilities for peoples’ professional and personal development. Methods competence and the personal development are basic foundations of a successful innovation management and consequently represent important components in education as well as in employees’ professional environment. While conservative and commonly applied learning systems and ways of knowledge mediation like lectures, printed learning materials like books increasingly loose importance, students demand for more flexible and competency-oriented methods to support their learning efforts. Based on previous research (Zagel et al. 2019) an empirical study on influencing factors for modern learning processes and learning- and teaching concepts (e.g., blended learning, gamification), this paper presents the concept, prototype, and evaluation of a novel education system, called the method cards. It represents a competency-oriented and playful approach to teach learning content and methods with a special focus on part time students and a practically oriented environment.

**Design/Methodology/approach** – The concept is developed using the design science approach and is evaluated amongst 57 students of different semesters using a modified version of the User Experience Questionnaire developed by Schrepp et al. (2014). The results as well as options for a further development of the concept are presented.

**Findings** – Results show that the concept is well accepted by the students and offers multiple additional use cases in academia as well as in practical areas.

**Research limitations/implications (if applicable)** – While the approach was tested with students only, we still miss the respective evaluation in a business context, e.g., during creative or innovation workshops.

**Practical implications (if applicable)** – This research helps practitioners and academics to further target their teaching and learning efforts towards imparting competencies. The physical format combined with digital elements allows a day-to-day application of the tool.

**Originality/value** – The concept might further support research in the area of blended learning, offering an innovative approach to competency-based teaching.

**Key words** – Teaching, Innovation Management, Blended Learning

**Paper type** – Research paper



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## Data-Driven Attribution Modeling

*Zaki Mohamed*

**Purpose** – Customer journey has become increasingly complex. The Internet offers a plethora of advertising channels (search, display, video, social...), and most customers usually come across multiple touchpoints before buying anything. The evaluation of marketing effectiveness has become even more challenging. Whereas organizations struggle determining the revenue generated by them and therefore cannot compute precise ROIs. This is where attribution comes into play.

**Design/Methodology/approach** – We developed and tested an attribution machine learning model for a major French online retailer. The dataset has 7.2 million users who visited the French version of the website for the first time between July 1st, 2017 and June 30th, 2018. The model was based on the concept of incremental A/B testing. We compared the outcome of a journey with and without a touchpoint, all else being the same, and considered that the incremental value of a touchpoint is equal to the revenue that we wouldn't have generated in its absence.

**Findings** – The counter-factual model outperformed with both the accuracy and variability metrics. Moreover, 68 % of users who followed a multi-channel customer journey are better described by the counter-factual model. Furthermore, the model has achieved an up to 50% more accurate revenue prediction compared to other models.

**Research limitations/implications (if applicable)** – The model was only tested on a single dataset. Also, the participant company operates on a very specific market. It would be valuable to train and test the model with other datasets and industries.

**Practical implications (if applicable)** – The model can estimate the expected revenue from a user based on its previous touchpoints, the expected impact of a next touchpoint can also be predicted. Therefore, marketers can try to influence this user's journey by triggering an email or a customised display campaign if they know that the expected gain is maximal for these actions at this point. This can lead to a data-driven segmentation of customers and focus resources on targeted segments, with the objective of maximising revenue at a minimal cost

**Originality/value** – This paper proposes a machine learning model to determine the true value of every touchpoint and marketing channel using a counter-factual approach. This research offers an evaluation of channel effectiveness at the individual customer scale, which is a necessary step towards service Marketing Mix Optimisation.

**Key words** Attribution modeling; Customer Acquisition; Customer Journey; Machine learning; AI

**Paper type** –Research paper

## **Brand Management from the perspective of S-D logic: How brand is co-created and co-evaluated**

*Zenelaj Besjon, Calabrese Mario, Fedele Maria, Hysa Xhimi*

**Purpose** – Brand is the example of a resource which is dynamically determined by both inside and outside company actors (Chandler and Vargo, 2011). Because branding is a subsystem of marketing, and since marketing is changing towards a new mindset, becomes physiological for branding to switch and implement this mindset as well (see. Merz et. al., 2009). This research aims to address the issue of brand management from Service Dominant Logic (SDL) perspective. Considering the co-creational nature of relations as SDL, the present research addresses the importance of how brand is co-created among actors in the ecosystem.

**Design/Methodology/approach** – This article offers a conceptual model based on relevant literature on SDL and branding. Therefore, to fulfill its purpose, the current research uses the method of systematic literature review.

**Originality/value** – The added value stands in exploring and unfolding a need to develop further conceptual and empirical researches which links brand management with S-D logic. The current research sheds light on the linkage between S-D logic and brand management through brand management constructs (e.g. customer-based brand equity).

**Key words** – service dominant logic, brand management, service ecosystem, value co-creation

**Paper type** – Conceptual paper

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## Customer Value Creation Activity in Food-related Life

*Zhang Jing, Jiang Xianghua, Muramatsu Junichi, Ohyabu Akira, Seino Satoshi*

**Purpose** – The purpose of this research is to clarify how customers create value-in-context through various activities in their everyday life.

**Design/Methodology/approach** – To achieve the research purpose, we focused on the customers' food-related life, and modified the concept of customer activity (Mickelsson, 2014) as our analysis framework. Then we conducted in-depth interviews survey on 15 persons live in Japan (1hour per person). The interview data was coded and analyzed using Nvivo 10 data analysis software, following the guidelines provided by Corbin and Struss (1999).

**Findings** – As a result, we conceptualized the customers' activities in their food-related life. (1) The core activity consists of shopping, cooking, and eating, and it consists of common elements such as dialogue, search, comparison/selection, matching, and performing family events. (2) Related activity consists of information collection and transmission, participation of food related events, etc. Common elements such as socializing, learning/reference, involvement were discovered. (3) Then, regarding other activity, we focused on customers' hobbies and work, ideal living conditions in the future, and we found activities such as challenging various things, managing time while working.

As a spiritual activity of customers, conscious aspect about food-related life is highlighted. As a result of data analysis, health consciousness, beauty consciousness and diet consciousness has been revealed. And by expanding the time to past, present and future, we found that customers' food-related life is changing with family structure, health situation and work situation.

**Practical implications**– The above findings provide a useful perspective for marketers to understand customer's value creation process. These findings also provide suggestions for the marketers to develop new marketing strategy to enter the customer's daily life and co-create value with them.

**Originality/value** – This research clarifies activities to create value-in-context in customers' food-related life. We expanded the time line of value creations and revealed the opportunity for change in customer's life, so that we can capture in-depth insight into customer's value creation process and the complexity of value-in-context.

**Key words** Value-in-context, Customer activity, Value creation

**Paper type** –Research paper

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**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 has just published 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, Ph.D.**, is a Full Professor at the Department of Economics, Management and Institutions, University of Napoli Federico II. She is the coordinator of the PhD in management program. Her main research interests include service innovation, cognitive technologies, value creation, markets, and service ecosystems. She authored about 200 publications. Her articles have appeared in leading international journals, including Journal of the Academy of Marketing Science, Marketing Theory, Journal of Business Research, Industrial Marketing Management, Journal of Service Management, Journal of Service Theory and Practice, and Managing Service Quality. Her recent books include: (1) Innovating in Practice - Perspectives and Experiences - (Springer, 2017) and (2) Practicing Innovation (ESI, 2018). She has been co-editor of numerous special issues of international journals (Marketing Theory, Journal of Marketing Management, Journal of Creating Value and others). Cristina participates in global initiatives with the Market Shaping and Innovation group (The University of Auckland Business School), the Cognitive Systems Institute Group (cognitive-science.info), and ISSIP.org (International Society of Service Innovation Professionals). She is ISSIP Ambassador.

**Francesco Polese** is Full Professor of Business Management at the University of Salerno, Italy. He is founder and Director of SIMAS (Laboratory of Systems for Innovation and Healthcare Management). Author of books, books chapters and articles in international journals on topics such as Viable Systems Approach, Service Science, service, networks. He is co-chair of the "The Naples Forum on Service: Service-Dominant Logic, Service Science and Network Theory", an event that every two years since 2009 gathers 'service research' top scholars from all continents. Guest editor of numerous journal special issues such as Managing Service Quality, Marketing Theory, Journal of Service Theory and Practice, Journal of Service Management, International Journal of Quality and Service Sciences, Service Science. He is also member of the Editorial Board of Journal Service Science and of Journal of Service Theory and Practice. He can be contacted at [fpolese@unisa.it](mailto:fpolese@unisa.it).

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