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SERVICE SCIENCE

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S-D LOGIC

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

SORRENTO NAPLES ITALY **6 - 9 JUNE 2017**

edited by
EVERT GUMMESSON, CRISTINA MELE, FRANCESCO POLESE

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THE 3 PILLARS OF THE NAPLES FORUM

The Naples Forum on Service has reached its fifth edition and, after the success of its past experiences (see www.naplesforumonservice.it) is about to start its 2017 experience with inspiring scientific premises. For the 2017 Forum, we keep moving clockwise through the gulf of Naples reaching Sorrento, in a wonderful and elegant venue.

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

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

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

Service Dominant (S-D) logic

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

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

Service Science

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

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

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

Network and Systems Theory

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

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

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

Developing Paradigm 3 through Naples Forum Publications

Within the 3 Pillars lots of activities including extensive publishing takes place. Lusch and Vargo have been involved in over 60 articles and 23 book chapters, edited several Special Issues of journals, and spoken continually at conferences, universities and business firms around the world. A recent book written by Bob and Steve, (*Service-Dominant Logic* was published by Cambridge University Press in 2014) is a condensed (220 pp.) overview of where S-D Logic stands today. Jim Spohrer and his colleagues, together with Forum participants publish continuously on Service Science, including three recent books. Network and systems theory is increasingly integrated with the two other pillars and is the lead theme for several authors, not least from Italian researchers, the Nordic School and the IMP Group.

The Naples Forum stimulates Paradigm 3 research, communicates it and speeds up its progress. The Forum supports the efforts of the participants to publish by co-authoring with other participants and adopt presented papers to articles in journals of their own choice and in special Forum issues. As a result of past edition of the forum about 100 articles were published in 12 journal special issues of, among the others, *Journal of Service Management, Managing Service Quality, Service Science, Journal of Business Market Management, Journal of Service Theory and Practice*, etc.

The 2017 Naples Forum on Service Scientific Committee will select quality papers and propose them for publication within the following Journals' special issues: *Journal of Service Theory and Practice*, *Journal of Marketing Management*, *Journal of Service Management*.

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Facilitating, enabling and evolving:
the role of actor engagement platforms in complex service *settings*

Alexander Matthew, Blasco-Arcas Lorena,
Chen Tom, Jonas Julia, Raithel Sascha, Sörhammar David

Purpose – Recent research on 'engagement' captures the blurring of traditional roles such 'firms' and 'customers' within contemporary business settings (Jaakkola & Alexander, 2014). However, despite a growing corpus of research in consumer settings, research on engagement between business actors, incorporating complex service settings, multiple actors, and touch-points, is still lacking (Wieland et al., 2015). Actor engagement in B2B settings must account for both complex interpersonal relationships and actor interdependence within network settings (e.g., Storbacka et al., 2016). In our research, we explore how business actor engagement is manifested within complex service systems and explore how engagement platforms (EP) can play a role in facilitating B2B engagement.

Design/Methodology/approach – Our research focusses on: platform mechanisms that enable business actor engagement; perceived benefits for engaged actors; and the role of resources and effect of time on both platform and process. Our longitudinal study is based on JOSEPHS®, an offline engagement platform in Nuremberg, Germany. Data includes in-depth interviews, focus groups, social media data, alongside longitudinal observations, field notes and diaries. JOSEPHS® has been established for 2.5 years and operates in consecutive 3 month cycles with different business actors taking part in each phase. Our longitudinal data set, therefore allows analysis both within and across the various operational phases and from the various stakeholders that interact in the service system.

Findings – Findings center on three configurations of business actor engagement within the JOSEPHS® EP. These configurations represent a range of structured, semi-structured and unstructured interactions on the EP which involve a wide range of stakeholders which include JOSEPHS staff, existing, past and future clients and other business actors, such as local business representatives and invited speakers. We offer insight into EP mechanisms and the longitudinal benefits across operational phases. The EP supports engagement both within and across phases.

Originality/value – The facilitating role of an EP creates a business with business (BwB) setting where business actors benefit from expertise of both the platform and other engaged actors. Our research implies that, in complex business settings, actors may be reluctant to 'engage' in ways we currently understand. BwB engagement may require, or be best suited to, more formalized structures. Our research also addresses the temporal property of engagement, showing how the platform itself learns and evolves as a result of engagement with the various stakeholders.

Key words – Service Dominant Logic, Customer Engagement, Complex Service Systems, Engagement Platforms

Paper type –Research paper

Negatively-valenced customer engagement behavior: forms and drivers

Azer Jaylan, Alexander Matthew

Purpose – This study aims at conceptualising forms and drivers of negatively-valenced Customer Engagement Behavior (CEB). Despite a growing portfolio of conceptual and empirical work on engagement, understanding its negative form remains relatively unknown especially empirically. Within CE literature, a limited number of studies have approached negative valence of engagement, yet not in relation to CEB. Despite extant insights, little is known regarding forms and drivers of negatively-valenced CEB.

Design/Methodology/approach – As this research aim is exploratory, a qualitative approach is adopted and netnography is selected to guide this inquiry. TripAdvisor is selected a relevant focus that fulfils all recommendations for site selection. Data collected over six consecutive phases comprises 954 negatively-valenced online reviews posted on TripAdvisor to hotels, restaurants, and 'things to do' in twelve different destinations worldwide. Data is then thematically analyzed using open and axial coding, and analysis of phases proceeded until theoretical saturation was achieved.

Findings – Drawing on Service Dominant Logic as a theoretical lens and recent literature of CEB, this study identifies six forms of negatively-valenced Influencing Behavior (NVIB), namely, invalidating, dissuading, regretting, warning, sarcastic, and endorsing behaviors. Also, identifies five key drivers of NVIB, namely, service failure, overpricing, deception, disappointment, and insecurity. NVIBs are classified as direct or indirect according to nature and arguably, Purpose of the posted reviews, and a novel conceptualization of relationships between drivers and forms of behavior is provided.

Research limitations/implications – This paper has theoretical implications as it contributes to the growing CEB literature and empirically responds to recent research calls for conceptualising forms and drivers of negatively-valenced CEB. Also, offers a research agenda that will contribute to the extant literature of CEB. Regarding limitations, the unobtrusive approach of netnography did not allow exploring actual outcomes of each form.

Practical implications – This paper enhances managerial understanding of how customers engage negatively with their firms by providing them with forms and drivers of NVIB. Also, provides several ways in which NVIB may negatively affect firms or service providers. And, offers relevant recommendations to practioners regarding powerful forms of NVIB, that are likely to help managing NVIB in a desired way.

Originality/value – This study provides a novel conceptualization of forms and drivers of NVIB; classify forms into direct and indirect; and identifies relationships between forms and key drivers.

Key words - Customer Engagement Behavior, Influencing Behavior, Service-Dominant Logic, Online reviews, Value co-creation.

Paper type – Research paper

When Service Ecosystems Collapse: Understanding the Demise of the UK Green Deal

Badi Sulafa, Razmdoost Kamran, Murtagh Niamh

Purpose – Climate change demands that the built environment transforms to become more sustainable (Rohracher, 2001). From a service ecosystem perspective (Sivunen et al., 2013; Akaka et al, 2015; Banoun et al., 2016; Pulkka et al., 2016), the requirement is for successful transformation of existing actors and institutions into new service ecosystems in which resources are integrated with less impact on the climate over time. Existing research has proposed how service ecosystems may be successfully transformed (e.g. Taillard, et al. 2016), but no work to our knowledge has examined how transformations may fail. The aim of this paper is to examine 'failure' in a service ecosystem transformation by developing a conceptual framework based on the concept of 'entropy' from systems theory (Zucker, 1988; Edwards and Jones, 2008). We formulate a series of propositions linking non-adherence to service-ecosystem principles (Adner and Kapoor, 2010; Vargo and Lusch, 2016) to a service ecosystem's 'failed' transformation into a stable state and to subsequent disorder and collapse.

Design/Methodology/approach – The conceptual framework is illustrated through a unique case: the introduction and demise of the Green Deal in the UK. Launched in 2013, the Green Deal was considered a "revolution" in upgrading the UK's old and draughty housing stock. With the goal to "establish a vibrant new market in energy efficiency" (Warren, 2012), the programme was designed to encourage millions of households to install insulation and new boilers at no upfront cost. However, in 2015, faced with very low uptake, the Government scrapped the scheme which was labelled a "total flop" (Gosden, 2015).

Findings – Under weak institutions such as poor policy design, the service ecosystem experienced phases of tension between its actors which progressively led to disintegration of relationships between the actors and an increasing instability of their agreements. Further factors contributing to failure included limited interaction with consumers (i.e. home owners), the misalignment of the value propositions and the absence of a shared logic, particularly trust, among network actors. This was exacerbated by inertia in developing capacity to capture the potential of existing service ecosystems, that is, existing energy efficiency small businesses.

Research implications – Understanding failed transformations is essential for theoretical development of service ecosystems.

Practical implications – Guidelines are given for policy makers and businesses on the successful introduction of new initiatives.

Originality/value – The system theory's concept of entropy is applied to explain the processes of 'failed' transformation in a service ecosystem.

Keywords – Service ecosystem; failed transformation; institutions; value propositions, shared logic, S-D logic; entropy.

Paper type – Conceptual paper

Market shaping through service innovation:
Institutional work from a service-dominant logic perspective

Baker Jonathan, Brodie Roderick J., Smith Sandra D.

Purpose - We develop a framework for market actors managing institutional factors when shaping markets through service innovation. Vargo and Lusch (2017) highlight the need for midrange theories for service-dominant (S-D) logic that are informed by theories outside marketing. Accordingly, this study adopts an inter-paradigmatic perspective, integrating the institutional work framework (Lawrence & Suddaby, 2006) and market practices (Vargo & Lusch, 2014) from an S-D logic perspective.

Design/Methodology/approach - By adopting an abductive theorizing approach using systematic combining (Dubois & Gadde, 2002) we place the institutional work framework and market practices concept before the collection of secondary data associated with the novel, rich illustrative case of Cirque du Soleil. The data then informs the integration and refinement of the initial theoretical frameworks to allow for the emergence of a new framework. The study explores the purposive actions of market actors (institutional work manifesting as market practices) when managing and responding to contextual institutional factors during the disruption and creation of markets.

Findings and originality/value - This study offers a refined, integrated framework that provides the foundations for a midrange theory for S-D logic's fifth axiom (Vargo & Lusch, 2016). The framework explicates the primary drivers of market disruption and market creation, and the manner in which market actors manage these. Through such management, market actors can realise increased opportunities for the coordination of co-creation activities.

Keywords - service-dominant logic, institutional work, market practices, midrange theory

Paper category - Research paper/Case study

Smart service systems in restaurant management: a case study analysis

Botti Antonio, Grimaldi Mara, Monda Antonella, Vesci Massimiliano

Purpose – This work aims at rereading restaurant booking websites as smart service systems in which people, organizations, technology and shared information are integrated, according to the logic of Service Science (Maglio and Spohrer, 2008; Spohrer and Maglio, 2008; Spohrer, et al. 2012). We seek to demonstrate how restaurateurs and customers, through the technology, exchange knowledge that brings to value co-creation.
Seeing as extant research focuses on customer perceived usefulness of online tools (Liu and Park 2015; Sèlley-Rauscher, 2015; Rassega et al. 2015), this paper intends to highlight technology role from restaurant owner's point of view.

Design/Methodology/approach – The research is based on a qualitative approach and adopts a case study methodology (Yin 2003, Feagin et al. 1991, Tellis 1997). It is analyzed the case of TheFork, a restaurant booking website which serves as a guide for restaurants and in which customers post reviews. Firstly is re-configured TheFork as a smart service system, then semi-structured interviews were conducted with key informants: the restaurant managers who adhere to the community of TheFork.

Findings – The findings reveal how the rereading of TheFork as a smart service system depends on two variables: reviews content and restaurateurs' willingness to change.

Research limitations – Limitations of this work lie in the methodology. The case study approach, despite of quantitative technique, doesn't allow maximum soundness in terms of reliability (Yin, 1984).

Implications – From a theoretical point of view, the reinterpretation of TheFork as a smart service system can contribute to service science and restaurant management advancements. From a practical point of view, the results of the study can address restaurateurs to identify the most adequate strategies for managing relationships with consumers in order to enhance value co-creation.

Originality/value – The originality of the research lies in providing development to the theory of the service science through the analysis of a specific case study, settled in Italian context. Moreover, for the first time restaurant owner's point of view is pointed out.

Key words – restaurant management, service system, TheFork, online review, online booking, smart service system

Paper type – Research paper

Co- production and co-creation:
identifying customer activities before, during and after service delivery

Botti Antonio, Grimaldi Mara, Monda Antonella, Vesci Massimiliano

Purpose - As an emblem of the relevance of immaterial and interactive features in service era, the concept of value co-creation (Vargo and Lusch, 2008; Lusch et al., 2007; Prahalad and Ramaswamy, 2004; Spohrer and Maglio, 2008) stands out from contemporary service research. The notion fosters the idea that value is generated collectively through the interaction among providers, users and other co-creators.

Despite representing a cutting-edge phenomenon, extant research fails to adequately define value co- creation, which is often confused with the "elder" co-production (Normann and Ramirez, 1994; Gummesson, 1996). The frequent cases of overlap between the two concepts, erroneously considered as synonyms (Alexander, 2012), caused a certain confusion in literature. Such a theoretical ambiguity, in fact, not only reverberates on the proper semantic definition of the concept, but also prevents its empirical measurement. So, being intended as the symbol of new service era, value co- creation should not only be theoretically distinguished from co- production, but also the real activities accomplished by users and other co-creators during both the processes should be identified.

Research aim - The present paper aims at identifying the concrete co- production and co- creation behaviour (in terms of activities and interactions) performed by customers during the encounters with providers and other actors.

In particular, the work attempts to answer the following research question. What is the relationship between co- production and value co- creation? Are the two concepts opposite or one is included in another? Has co-production really been overtaken by value co-creation, which corresponds to an alternative view, as suggested by SDL (Vargo and Lusch, 2004, 2006)?

Methodology - In order to address these gaps, an empirical research is conducted to reconstruct and pinpoint user's practices carried out during the encounters with providers and during the different phases of delivery (pre-delivery, co-delivery, post- delivery) to understand if customer's participation in the generation of value acts at each level of service provision.

In particular, the goal of the empirical analysis performed is twofold: on the one hand it aims at observing and comprehending the management of co-creation and the actions planned by providers to include stakeholders in this process and consequently upstream businesses strategies. On the other hand, instead, through the observation of user's behavior in their context during the encounters with providers, the emersion of the real co-production and co- creation activities is fostered.

Findings- Thanks to the identification of user's actions in context, the differences between co- production and value co-creation activities can be depicted through the elaboration of a taxonomy intended to detect the existence of various degrees of participation, possibly ranging from "full" value co-creation and co-production behavior to intermediate behaviours. The classes can derive from the intersection of 2 variables arising from data analysis, such as for example the specific moment in which user's participation arises (upstream overall service provision or only during delivery) or the degree and intensity of interactions (high- low) with providers and other cocreators. The model proposed clarifies the differences between the two concepts, showing that co-production comprises consumers' involvement in the realization of value proposition, whereas co-creation is a broader notion including the all- round involvement of users in co- design.

Originality/ Value - The originality of the work lies in the individuation for the first time of the differences between value co-creation and co-production addressing the need (widely recognized in literature, McColl- Kennedy et al., 2012; Arnould et al., 2006; Payne et al., 2008) to concretely assess the real activities performed by users during all the phases of service delivery.

Moreover, espousing a holistic optics, the framework detects three moments of delivery: pre-delivery, co- delivery (Bovaird and Loeffler 2012; Kannan and Chang, 2013) and post- delivery. Co-delivery is the real moment of encounter between users and providers and coincides in particular with the phases of co-production. Value co- creation, instead, can be referred to the whole process of delivery, since it starts from co- design, ends in post- delivery and then restart in a circular logic.

Implications - The identification of the various meanings of complex and multidimensional concepts such as value co-creation and co- production not only contributes to a better understanding of the phenomena, but also sheds light on the nature, the intensity and on the mechanisms of the whole process of user's participation in the generation of value. Moreover, from a managerial point of view, revealing the concrete activities of co-production and co-creation allows to increase decision-makers' knowledge and to stimulate them to design specific solutions and to elaborate ad hoc strategies and tactics (for example in terms of communication) to increase service innovation (Shaw et al., 2011), to enhance user's involvement at each level and to foster loyalty in the long run.

Key words – value co- creation, co- production, service- dominant logic, customer value co-creation activities, interaction

Paper type – research paper

Integrating VSA and S-D logic for conceptualizing viable value co-creation: an application to entrepreneurial intention and innovation in service ecosystems.

Botti Antonio, Grimaldi Mara, Vesci Massimiliano

Purpose - The work aims at integrating Viable Systems Approach (VSA) and Service- Dominant logic (S-D logic) for rereading value co-creation according to a system view. Starting from the identification of the common points and of the dissimilarities between the two theories, a combined framework for pinpointing the key drivers leading to the emersion of viable value co-creation in system organizations is elaborated.

Methodology/ approach - An overview on VSA and S-D logic key dimensions is conducted in order to identify the main features of both frameworks. S-D logic and VSA assumptions are analysed (with particular focus on VSA managerial implications) and then subdivided into four macro-areas which represent the theoretical basis for the emersion of four drivers for viable value co-creation in (eco)systems organizations. The key dimensions for fostering viable value co-creation are further discussed to reread entrepreneurial intention and innovation in service ecosystems.

Findings - This contribution recognizes the recurring dimensions of both VSA and S-D logic which prepare the common ground for a reconceptualization of co-creation in the light of system view. The combination of the two theories allows to pinpoint four drivers enabling co-creation in viable systems: 1) systems actor's identification; 2) boundaries degree openness; 3) relational development (how to activate and maintain relationship); 4) decision- maker's role in goals alignment (toward viability).

Implications - From a theoretical point of view, the study enhances a better understanding of value co-creation and of the mechanisms underlying service interactions. Regarding managerial standpoint, revealing the drivers for viable value co-creation can aid managers to better elaborate strategies for managing and optimizing relationships among actors in order to challenge complexity.

Originality/value - The study proposes an integration between VSA and S-D logic and it is among the first to propose some management strategies for optimizing value co-creation. The holistic view of co-creation and the identification of its drivers establish a research agenda for further research aimed at analyzing the mechanisms and the activities involved in the joint production of value in service delivery.

Keywords - viable systems approach, service- dominant logic, value co-creation, viability, system theory, many-to-many relationships

The need to view social media as a consumer engagement platform: Challenges and technologies

Brady Mairead, Claffey Ethel

Purpose – The Purpose of this research is to identify, understand and manage consumers' distinctive affective states during engagement with firm hosted virtual communities. Results demonstrate the importance of eschewing a strictly utilitarian perspective on the usage of firm-hosted platforms. Viewing the firm-hosted virtual community as a goal directed service environment (Claffey and Brady, 2017), marketers must look beyond satisfying consumers' instrumental needs in order to increase consumer engagement and their resulting affective commitment.

Design/Methodology/approach – Taking a positivist approach, this study delineates and empirically tests hypotheses using data collected from 307 customer participants of two service companies, focusing on thier firm-hosted virtual communities. Structural equation modeling (SEM), combined with hierarchical moderated linear regression, was used to analyze the data to obtain robust information about how the constructs relating to consumer engagement interrelate.

Findings – The findings support the need to take proactive measures to create and sustain a virtual community that contributes toward creating an innovative experiential service environment. At an operational level, this implies that marketers need to move their focus away from viewing these platforms as either communication devices or purely peer-to-peer problem solving support, to viewing them as a proactive platform that is subservient to the emotional needs of their consumers. Critical to this will be the ability to empathise with customers and their emotions. This implies that the need to contextualise, personalise, and intelligently respond to the consumer's engagement experience, through the utilisation of emerging technologies such as data mining for sentiment analysis and contextualisation, and/or artificial intelligence bots that respond to consumer's emotional valence and so on.

Research limitations/implications – This cross-sectional research design provides a snapshot of the relevant consumer engagement dynamics at a particular point in time, and within a single service industry – a utility service provider. This may restrict the generalizability of the findings.

Practical implications – Managerially, this research furthers the understanding of the dynamic nature of firm-hosted virtual communities and provides guidance for marketers to understand and strengthen their consumer relationships in this environment. The results of this study are especially important for managers who have implemented social media platforms supporting virtual communities, as an engagement tool rather than simply as a communications tool (See Kane, 2015).

Originality/value – This research makes a unique contribution by presenting a contemporary, integrated, theoretical model of consumer engagement in the context of firm hosted virtual communities.

Key words - Social media, consumer engagement, firm-hosted virtual communities

Paper type – Research paper

Drawing a theory map for customer experience – a systematic metatheoretical analysis

Braz Becker Larissa Carine, Jaakkola Elina

Purpose – Customer experience (CE) has become a central focus on marketing literature and practice, not least because of its connection with value co-creation (Vargo & Lusch, 2008). However, there is notable fragmentation and inconsistency in how CE is conceptualized in literature (e.g. Helkkula, 2011; Lemon & Verhoef, 2016). CE research is spread into various research traditions, but we lack understanding on their compatibility, which impairs CE research. Therefore, this paper maps the concept of customer experience through a systematic metatheoretical analysis (cf. Möller & Halinen, 2000).

Design/Methodology/approach – A systematic literature review was conducted to identify the different research traditions that study customer experience, using multiple Key words. Altogether 150 articles were analyzed using content analysis employing a detailed coding scheme that enabled us to characterize and contrast the assumptions each research tradition adopts to study CE.

Findings – We identified eight research traditions that study customer experience within the marketing literature: consumer research, services marketing, service design, S-D and service logic, retailing, experiential marketing, online marketing and branding. Our findings explicate, compare and contrast these traditions in terms of their primary goals, disciplinary background, ontological, epistemological and methodological assumptions, and the CE dimensions (Jaakkola et al., 2015) and the contextual levels (Akaka et al., 2015) considered. Following Okhuysen and Bonardi's (2011) criteria to combining theoretical lenses, we introduce a theory map of customer experience based on three continuums: 1) perspective (company vs customer-centric); 2) epistemological view (objectivistic vs. subjectivist); and 3) level of analysis (micro vs. macro). The developed framework denotes the conceptual distance and the degree of compatibility between assumptions of the theoretical lenses. Based on this analysis, we propose two groups of CE theories: customer experience as a response to company's elements, and customer experience as a phenomenon.

Research limitations/implications – Our results function as a roadmap for researchers who can use them to 1) position their work within a specific research tradition, (2) find adequate theories to base their characterization of CE; and (3) choose adequate methods compatible with the ontological and epistemological views of the chosen tradition.

Originality/value – Until date, no systematic, metatheoretical analysis on customer experience has been made. Our study differs from previous literature reviews as it (1) identifies eight different research traditions, (2) investigates their key metatheoretical assumptions, and (3) develops a theoretical map positioning these research traditions according to their similarities.

Key words - Customer experience, service experience, SDL, metatheoretical analysis, literature review

Paper type – Conceptual paper

Learning with the market when commercializing radical technological innovation: a service dominant logic perspective

Brodie Rod, Fehrer Julia, Nenonen Suvi, Storbacka Kaj

Purpose - The Purpose of this study is to examine the commercialization of radical technological innovation using a Service-Dominant (S-D) logic perspective. We develop a framework based on the recent work by Storbacka and Nenonen (2015) on market-learning and market shaping.

Theoretical background - The commercialization of radical technological innovations provides new challenges requiring new approaches. This is because the output is unpredictable, risky and uncertain (Frishammar et al., 2016). It also requires 'try and learn' capabilities (Arrighi et al. 2015) and there is the need for the development of interaction mechanisms to foster sharing and visualisation of the new ideas (Perks et al., 2012). To meet these challenges we adopt an approach based on "learning with the market" (Storbacka and Nenonen 2015) that draws on a S-D logic perspective (Vargo and Lusch, 2008, 2011). The approach views markets as evolving in reciprocal process as various actors engage and learn together (Bergh et al., 2011). The Storbacka and Nenonen`s (2015) market-learning cycle framework is adapted to the context of radical technological innovation in service ecosystems. We combine market shaping literature with the rapidly growing body of research on business model innovation (Chesbrough, 2010) and provide a new lens for the way of thinking strategically about the process of commercialization of radical technological innovations

Design/Methodology/approach - An abductive theorizing approach uses a longitudinal case study to develop a novel theoretical framework. The case research is based on the very successful spin off company StretchSense http://stretchsense.com/ which is applying dielectric elastomer technology (DES) for sensing and energy harvesting. The DES is essential for the development of soft biometic robotics and cyber-physical systems which are fundamentally changing social interaction. The technology allows humans to engage and connect with each other and their environment in completely new ways. Unlike the vast majority of approaches in artificial intelligence that use conventional electronics for sensing and signal processing, the emerging field of soft biomimetic robots replaces all rigid electronics by soft materials and make robotic devices autonomous from bulky and stiff electronics and sensors (Gisby et al., 2013). This radical technological innovation opens totally new technological, biological and medical fields of application (e.g. implanting biomimetic robots in the human body to extend human capabilities) and blurs the boundaries between people, the internet and the physical world that constitute service ecosystems.

Findings/contribution/research implications - The fieldwork will be undertaken in March- May 2017. This will be the first empirical based study using the market-learning cycle framework to theorize about service design processes for radical technological innovations from a S-D logic perspective. The midrange theorizing provides the foundations for further empirical research (Vargo and Lusch 2017).

Practical implications - A new strategic approach to commercializing radical technological innovation in service ecosystems will be developed.

Inclusive and Representative Place Branding: An Adaptive Service Ecosystem Approach

Brown Jan

Places have been differentiating themselves for centuries and Ward (1998) identifies that modern marketing theory has been applied to place as early on as the 1850s. However, to date most place branding theories only emphasise the role that certain key actors, institutions and institutional arrangements play in imposing their representations onto the place in question, to the exclusion of many other representations. Developing Warnaby's (2009) service-dominant place marketing conceptualisations by viewing place as an adaptive service ecosystem (Vargo, Maglio & Akaka 2008, Barile & Polese 2010, Vargo & Akaka 2012, Wieland, Polese, Vargo & Lusch 2012) place brands can be developed that represent the complexity of that specific place and reflect the multiple networks (sub-ecosystems) and institutions that sustain them from a variety of perspectives.

The primary focus of this research is to advance place branding theory by identifying and testing an additional framework to explore how by reframing place branding within a service ecosystem mindset an adaptive, inclusive and representative place brand can be formed and utilised by multiple actors. It is proposed that the utilisation of a service ecosystem mindset is potentially an important contribution to place branding theory. Second, we develop a conceptual model of place branding that reframes traditional place branding models within an adaptive service ecosystem framework. Third, we empirically test the factors that actors and their institutions and institutional arrangements identify as being important to represent their own identity within their place brand.

The paper demonstrates how one important network, the music ecosystem, in one city, Liverpool in the UK, can contribute more effectively to its official place brand and its City of Music status (UNESCO 2015). By undertaking primary research with actors from two different sub-ecosystems with, one which focuses on reproducing past music success and one which focuses on innovative and cutting edge production and performance of music, significant differences are demonstrated in their music production and consumption networks. It is suggested that if the place brand is to successfully represent the breadth of the music ecosystem these differences will need to be represented officially at a city level. By using an adaptive service ecosystem approach to place branding it is proposed that the city may avoid the dangers of place branding identified by Ashworth & Kavaratzis (2015: 128) that "…stem largely not from the chance that the rebranding will fail but that it will be successful…[and that] the resulting anxiety is that the diversity and depth of local cultures is lost."

Primary research is currently underway with a wider range of actors in the music ecosystem. At the same time discussions are underway with the official place marketing communicators to include major similarities and differences more overtly within the official place brand.

The research potentially makes a contribution to both place brand theory and practice.

Keywords - Place branding, service ecosystems, representation, inclusion

Decision making and purpose of the actor in service systems

Bruni Roberto, Carrubbo Luca

Purpose - The purpose of the work is to contribute to the deepening of the knowledge concerning the emerging role, positions and identity of the actor in the environment, presenting the role of decision making and actor's purpose. In order to go beyond the difficulties in separating the actors from the environment, the actantial model is used to explain the actor's contextualization.

Design/Methodology/approach - the work is carried out by merging the *VSA* and the service science frameworks explaining the role of the decision making and the final purpose of the entities interacting in the environment. To contextualize the activities of the entities (actors) in the environment, semiotic frameworks and the actor-network theory are used, and the Greimas model is applied to the entity in the business context.

Findings - the actor emerges from the contextualization of an entity that assumes a role, a position and an identity caused by decision-making activities and explicit purpose. The Greimas model could be an original framework that is useful to represent the dynamics of the entities in the environment, in particular to merge together the decision-making activity, the purpose of every entity and the relationships between entity and context.

Research limitations/implications - The conceptual approach developed in the paper should inevitably be further supported by empirical research. Nevertheless, the work could provide a first conceptual step for future research.

Practical implications – Managers could be helped to understand the necessity to define the general purpose of the actors (companies) in which they operate looking for the opportunity to focus the attention on the relevance of the decision-making activities at every level of the organization. In particular the Greimas' actantial model could be useful to 'draw' the context in which the organization operates and the characteristics of the system (company) dynamics.

Originality - the work contributes to underlining the role of the decision maker, purpose of viability and contextualization of the entity/actor/system in business, marketing and management studies. In particular, the work brings a new point of view about entities contextualization highlighting the opportunity to study the system dynamics using actantial models.

Key words - Entity, actant, decision making, purpose, contextualization.

Paper type – Conceptual paper

Using service for defining place value propositions

Bruni Roberto, Moretta Tartaglione Andrea, Warnaby Gary C.

Purpose - Researchers have drawn on established principles of service(s) marketing to problematize urban areas as value propositions aimed at a range of potential place users, such as residents, businesses, tourists, and also inward investors. Frameworks which have been used to accomplish this include, for example, the servicescape and also the servuction system. However, more recent advances in service(s) research have the potential to extend our understanding of marketing in this specific spatial context. These advances underpin three relevant research streams when applied to places: (1) the S-D logic (e.g. urban places as value propositions created via resource integration by various place stakeholders); (2) service science (e.g. the 'smart cities' concept); and (3) network & systems theory (i.e. recognizing the inherent situational complexity in terms of the range of actors involved in creating a spatial value proposition and the 'nesting' of places, consistent with the service ecosystem concept).

Design/Methodology/approach - Using the metaphors of 'house' and 'home' to contrast the concepts of territory and place, the paper integrates the contribution of S-D logic, service science and network & systems theory, along with relevant literature from the discipline of human geography to review and synthesize service(s) research as applied to cities and towns.

Findings – The review and synthesis of the application of concepts relating to service(s) research in the context of places provides an opportunity to identify avenues for further research into this particular context.

Research limitations/implications – The conceptual approach developed in the paper should inevitably be further substantiated by empirical research. Nevertheless, the work could provide a first conceptual step for future research.

Practical implications – The work is useful to find new approaches to theoretically underpin place marketing and place management activities from a service-oriented perspective.

Originality – The use of the metaphors of house and home to contrast the concepts of territory and place is innovative because it is a means to underline the particularity of definitions of the concept of 'place' and its connection with the concept of 'value proposition of territories'.

Key words - territory, place, service, value, networks

Paper type – Conceptual paper

Combining the pillars of the Naples forum on Service:
a multi-dimensional constructive tool

Caputo Francesco, Walletzky Leonard, Ge Mouzhi, Carrubbo Luca

Purpose – The paper aims to enrich conceptual frameworks of Service Dominant Logic, Service Science, and Network and Systems Theory by integrating their pillars in a common interpretative approach and providing a tool to support a better understanding of service functioning as well as design in Service Systems.

Design/Methodology/approach – The paper proposes an integrated literature review in order to link Service Dominant Logic, Service Science, and Network and Systems Theory in a common trans-disciplinary conceptual framework. Building upon this, the practical approach of recommender system and the modelling functionalities of IBM Bluemix are used to define an application overview of service design. Finally, theoretical and empirical reflections herein are developed within the context of Smart City

Findings – The paper proposes a multi-dimensional constructive tool for service and systems analysis in order to better understand the interactions among users, services, and infrastructures in a shared environment.

Research limitations/implications – The paper combines the pillars on which the Naples forum on Service is based providing an example about the building of a multi-dimensional constructive tool able to support both researchers and practioners interested in service design and management. Model and design approach herein require to be tested through widen empirical studies

Practical implications – We have deployed the proposed framework in IBM Bluemix, which is a real-world shared environment. This finding outlines the effective interactions between users, services, and infrastructures, which indicate that more alternatives and outcomes can be obtained by designing service and systems interactions. Therefore, for researchers and practitioners, this paper implicates that designing the services and related interactions is a critical lever in service and system design and manage

Originality/value – The paper contributes to the state of knowledge in the domains of Service Dominant Logic, Service Science, as well as Network and Systems Theory providing an effective application of a shared conceptual framework. Both theoretical and practical contributions can be used to build an effective application of multi- and trans- disciplinary models in order to better design and manage service systems.

Key words - Service Dominant Logic; Service Science; Network and Systems Theory; Recommender system; IBM Bluemix.

Paper type – Conceptual paper

Unloking the potential of technology
for inclusive service innovation in emerging economies

Caridà Angela, Colurcio Maria, Russo Spena Tiziana, Kandampully Jay

Purpose – This study investigates the role of new technologies (e.g. smart technologies and networked connections) to undertake the development of social practices for people's well-being and for the viability of complex service systems. This research aims to enhance current understanding of the social and inclusive dimension of technology, as well as, of the transformative effects it produces on social practices in the emerging economies (EEs). This study posits new technologies as operand and operant resources that enable systematic and socially focussed innovation for the sustainable development of EEs (Reynoso et al., 2015b; Fadaeenejad et al., 2014; Gunasekaran and Harmantzis, 2007).

Design/Methodology/approach – This study adopts case study method (Yin, 2012). The case study is focused on Curitiba, the capital city of Parana State (Brazil), which is internationally recognized as a model city where collaborative and participatory environment can be observed (Arbel, 2012). Since 1970, Curitiba adopted creative smart and low cost service solutions (Reis, et al., 2010; Macedo, 2013; Arbel, 2012) to face the urban development challenges faced by cities in emerging economies (e.g. sprawl, environmental degradation, economic inequality; Reynoso et al., 2015a,b).

Findings – This study found that Curitiba is a sustainable service ecosystem that has effectively used smart technologies to engage key and knowledgeable stakeholders (e.g. government, companies, citizens, etc.) into the design and the implementation of sustainable, innovative and scalable urban solutions. Open access fiber network, free internet access in low-income neighborhoods and schools, electronic libraries, smart grids, mobility sensors, new bus-technologies, etc. have been integrated into existing, well-established and culture embedded civic engagement practices (e.g. acupuncture, charette and education) originally designed to avoid bureaucracy, remove stakeholders resistance and increase the citizens trust. In such context, the inclusive and social role of technology prevails. Technologies boost the effectiveness and the transformative role of the civic engagement practices (soft-technological) for fighting illiteracy and for mobilizing people to action for their own social inclusion and the wellbeing of the community.

Practical implications – This study frames technology from a new social perspective and advances the extant knowledge on its role and on its effects in the EEs (Ostrom et al., 2015; Reynoso et al., 2015a,b; Gebauer et al., 2013). In such context, technologies don't work as isolated device but as a resource triggering mechanism perfectly integrated within the process of institutionalized social practice (e.g. urban acupuncture, charette, education) which are based on continuous learning, resource integration and co-responsibility. The useful implementation of technologies for social and inclusive purposes (e.g. bridging the social divide) requires a service ecosystem approach (Reynoso et al., 2015a). Therefore, technology have to be: i) multi-actor, to involve all individuals as active operant resources; ii) socially embedded, to be easily accepted and used for accessing to services locally focused; iii) flexible, to match the actor's specific competence and roles; and v) designed according to an ecosystem approach to create value for all the beneficiaries, instead of only the technology provider.

Originality/value – The study sets technology as socially embedded resource (e.g operand and operant), which is designed and implemented according to the elements explaining the emerging economy ecosystem (Reynoso et al., 2015a). In contrast to previous studies that portray technologies in EEs as simple, affordable, frugal or mundane resource (Radjou, et al., 2012), the Curitiba case centres on the adoption of advanced smart solutions. We demonstrate how of new technology relies on the technology fruitful integration in the cultural context and on its ability to match the context/social needs. The study contributes with reflections on the new potential of technologies in EEs. It gives useful insight to bridge the social divide through the digital inclusion.

Key words - Emerging economies, social innovation, smart technologies, service innovation, service system

Paper type –Research paper

The development of service science in management research:
a bibliometric analysis the development of service science

Cavacece Ylenia, Moretta Tartaglione Andrea

Purpose – Over the last decades, new service perspectives have been granted increasing attention in management research. Among them, Service Science emerged in the early 2000s as an interdisciplinary field of study embracing computer science, engineering, management and social science. The aim of this paper is to analyse how it developed in management research and which are its most important contributions originated in this specific field.

Design/Methodology/approach – This work is based on a bibliometric analysis of the publications about Service Science in management literature. Bibliographical data gathered from ISI Web of Science have been examined using a web-based social network analysis (SNA) on the citation data. The analysis identifies the important authors, journals, and keywords in the dataset based on the number of occurences and citation counts. A citation network of the provided records is created and used to identify the important papers according to their in-degree, total citation count and PageRank scores. The analysis finds also often-cited references that were not included in the original dataset downloaded from the Web of Science.

Findings – Despite the emergence of Service Science is more properly attributable to other areas such as computer science and engineering, the analysis shows that since 2007 it has developed significantly in the field of management capturing the interest of several scholars. From the analysis it emerges that the most studied aspects are value co-creation, innovation and the link with Service- Dominant logic. The examination of the most important publications shows that Service Science stimulates the integration of different disciplines in the study of how organizations create value for customers and shareholders through innovation, that could not be achieved through such disciplines working in isolation.

Research limitations/implications – The limit of this work is that the analysis is based on the bibliographical data gathered exclusively from Web of Science because it is the only database that provides the citation data.
For scholars, this work is useful for developing future studies on Service Science because it provides a clear view of the most debated concepts in the field of management and the most productive authors and journals. Moreover, the article shows a ranking of the most important publications to be considered on the basis of three specific measures (in-degree, total citation count and PageRank scores).

Originality/value – This work is the first to apply the bibliometric analysis to the study of Service Science. To date, there are no other data available on the citation social-network for this field.

Key words - Service Science, Service Systems, Value co-creation, bibliometric analysis, citation data

Paper type – Conceptual paper

Service Experience Co-creation in Dark Tourism

Charusalaipong Praosiri

Purpose – Experience has become a central focus in emerging service and marketing studies and plays an increasingly important role in determining the success of a company's offering, therefore, customer experience can be created in such a way to contribute to value creation for both customers and firm. Recent research suggests that companies do not sell experience but rather provide platforms that enable the customers to co-create their experiences (Grönroos, 2011; Prahalad and Ramaswamy, 2004). Tourism is one of growing sources of experiences with which travellers construct their own unique narratives however the co-creation of experience is rarely mentioned in tourism sector. This study focusses on co-created services experiences specifically within sites which have been associated with Dark Tourism. Dark tourism has been defined a travel to the place which is associated with death and tragedy. Although dark tourism has attracted an academic interest, there is a need to go beyond the site classification and motivations towards dark experiences from the perspective of the visitor. The study combines the psychological concept of optimal experiences and the integrative framework of Service Experience Co-creation in order to investigate dark experiences and their influencing dimensions toward the co-created experiences provision.

Design/Methodology/approach – This study applies the two streams of research - service experience co-creation and optimal experience – which focus on psychological and phenomenological views in the context of dark tourism. The exploratory research will be developed based on both qualitative and quantitative approaches.

Practical implications – The study can provide practitioners with the dimensions of service experience co-creation that influence travellers' experiences in 'dark' settings and can provide researchers with a conceptualization of dark experience.

Originality/value – As the first empirical study on service experience co-creation in dark tourism context, this study can suggest several avenues for future research on dark tourism and service experience creation and can provide the insights for practitioners on the aspects they should monitor and facilitate.

Key words – Service experience, Co-creation, Dark tourism, Optimal experience

Paper type – Research paper

The "infection" of health care service ecosystem: the tools used for assessing patient satisfaction

Ciasullo Maria Vincenza, Cosimato Silvia, Douglas Alex, Troisi Orlando

Purpose – Embracing the service ecosystem perspective, this paper focuses on the analysis of patient satisfaction surveys, which are the most common tools that public and private health care providers use in order to assess the quality of provided service. In Italian National Health Care System (NHS), the assessment of patient satisfaction is not at the core of the institutional strategies, but follow the path defined by the Standard ISO 9001:2008. Consequently, single service provider follows personal initiatives of patient satisfaction assessment. This paper is aimed at better understanding how the results of patient surveys can affect actors' disposition to co-create value for the whole health care service ecosystem. In this respect, the main question is, are the used tools service-oriented?

Methodology – Drawing on Service Dominant (S-D) Logic and the most recent service ecosystem perspective, a literature review has been conducted in order to better understand the way patient satisfaction surveys can positively and, especially, negatively affect health care service ecosystem viability. Drawing on literature review findings, a case study analysis has been conducted, examining the experience of an Italian private health service provider.

Findings – The study highlights that, in Italian NHS, institutions still fail to moderate the interaction between ecosystem actors, especially between physicians and patients, having not yet institutionalized any tool aimed at assessing and at giving the right emphasis on patient engagement in medical services. In particular, the present study launches the idea of "infection" of health care service ecosystem, which depicts the influence that negative elements can have on value co-creation and, consequently, on service ecosystem viability.

Practical implications – The study pointed out that to face the emergence of possible adverse conditions, health service providers should assume a service ecosystem perspective based on S-D logic. Moreover, institution should foster those "rule of the game" that institutionalize the disposition of health care service actors to contribute to value co-creation. In sum, institutions should define specific strategies to avoid the emergence of "infections" in health care service ecosystem, for example investing in patient operant resources, using tools that exploit the health care service ecosystem well-being, rather than infecting it, using unfitting assessment tools such as patient surveys.

Originality – This study represents one of the first attempts to read the tools used to assess patient satisfaction embracing a service ecosystem perspective.

Key words - SD Logic; Health Care Service Ecosystem; Patient Satisfaction; Infection.

Value co-creation in the IoT era

Colurcio Maria, Melia Monia, Carè Stella, Verre Antonio

Purpose –The Internet of Thing (IoT) is a novel paradigm focused on the concept of a complex ecosystem (Leminem et al., 2012) where humans, things and objects interact with each other (Atzori et al., 2010). Specifically, the IoT is a set of connected surrounding objects *of human's living space*, such as home devices, smartphones, transportation, big data storage, and equipments..etc (Said & Masud, 2013). It is revolutionizing codes and ways of both social and business communication, information exchange and interaction (Yinghui & Guanyu, 2010). Given this, the IoT can be considered as a context that enables the process of resource integration (Colurcio & Verre, 2017).
The aim of the paper is to investigate the IoT according the marketing perspective of value co-creation (Vargo & Lusch, 2008) in order to draw out key elements for the set up of a resource integration practice.

Design/Methodology/approach – The study adopts a qualitative research approach: the case study method (Yin, 2013). It is consistent with the objective of the analysis and with the complex nature of the phenomenon under investigation. Moreover, it appears the most appropriate in order todeeply investigate and understand contemporary phenomenon. The single case study method is particularly suitable to investigate unique phenomena as Predix, an Industrial Internet platform built by General Electric (GE).

Findings – Predix is a service platform that operates, according the PaS (Platform-as-a-Service),as an open source model and consists of both tangible (i.e. machines and devices) and intangible components (information, processes, experience). "Predix platform provides rapid access to data and timely analytics while minimizing storage and compute costs. It offers a securemodel that includes network-level data isolation and encrypted keymanagement capabilities. It also supports the ability to plug in analytic engines and languages to interact and process the data" (Predix – GE, 2016, p.13). In this case the IoT, considered as the technology resource, works both as operand and operant resource (Akaka & Vargo, 2014)that supports the value co-creation process (Vargo & Lusch, 2004; 2008) and enables the resource integration (Lusch & Nambisan, 2015)
Predix may enable and empower the three support mechanisms of value co-creation process: i) facilitating interactions among actors; ii) adapting internal processes to accommodate diverse actors and iii) enhancing the transparency of resource integration activities (Colurcio & Verre, 2017).

Practical implications – The work advances knowledge in management field about the IoT for the development of new competitive business. It provides interesting insights for the management and the improvement of resource integration process according to the emerging collaborative and technological issues.

Originality/value – This study provides new interdisciplinary insight on the role of the IoT in supporting value co-creation process. Specifically, the paper frames the IoT, which has been narrowed to technological and cybernetic field so far, in a marketing perspective advancing the knowledge about both the resource integration in practice and the IoT paradigm.

Keywords – IoT, resource innovation, value co-creation, ecosystem.

Paper type – Research paper

Bridging between online and offline: the meta-digital service experience

Comune Francesco, Mariarosaria Coppola

Purpose - Recently, Service-Dominant logic shifts the attention to the service experience concept that broads the perspective from the customer to the actor and takes into account the collective dimension of the phenomenon (Helkkula et al., 2012). Jaakkola et al. (2015) conceptualized the service experience co-creation, by highlighting the multiple dimensions of the service experience and its interactive nature.

New technologies are reshaping the way in which customers and service providers interact each other. Digital revolution is changing both the way in which experiences occur and the role of customers – empowered and active in constructing their experiences. Despite the growing dominance of the digital economy, marketing literature addresses the topic of experiences in virtual environment – by focusing on concepts such as online customer service experience (Klaus, 2013), web experience (e.g., Hoffman and Novak, 1996), online community experience (e.g., Nambisan et al., 2011). The recent technological development makes blurred boundaries between online and offline world from the customer perspective, thus a deeper investigation of experience in between is required. The aim of the research is to propose a technology-based experiences categorization, in order to outline their main characteristics and the changing roles of technology and customers.

Design/Methodology/approach - To achieve a deeper understanding of the phenomenon, a multiple case study (Eisenhardt, 1989) has been conducted – in order to explore differences and similarities among customer experiences in health-fitness technology-based industry. More in detail, the study analyzes the three most downloaded apps on Apple Store in the Section "health and fitness", that is Calorie Counter & Diet Tracker by MyFitnessPal; Sweat: Kayla Itsines' Bikini Body Fitness Workouts By The Bikini Body Training Company Pty Ltd and Runtastic Running, Jogging and Walking Tracker by runtastic.

Findings – The study shows how the role of technology in the experience change – by configuring itself as operand or operant resource – which in turn impacts on the role of customers in their experiences. Based on these two level of analysis, a categorization of technology-based experiences is proposed, in order to outline the different hybrid experiences - and their main features - in which the physical and digital environment are closely interlinked.

Practical implications - The research contribute to the knowledge of customer experiences enabled by new technologies. Thus, it can help practitioners to propose and design different experiences to their customers, taking into account the different practices they ask customers to perform.

Originality/value - this research recognizes that an exploration of differences among customer experiences fostered by technology in the literature is still missing and offers a categorization useful to identify the potential differences and similarities among them.

Key words - customer experience, service experience, IoT, hybrid experience, online environment

Cognitive computing and service innovation

Coppola Mariarosaria, Mele Cristina, Russo Spena Tiziana, Marzullo Marialuisa

Purpose - The era of cognitive business is starting (IBM, 2015). Market actors are facing with the most advanced technologies that are changing the basic assumptions of Information and communication technologies (ICT), by prompting a paradigmatic shift in market and business opportunities.

The impressive volume of available data jointly with the availability of Artificial Intelligence will re-designed the service offerings, by transforming processes, organizations and society, in order to deal with the growing complexity of today's world. In this context of new challenging a rethinking of some premises of service innovation is required.

In service literature the process view of innovation is well established: innovation is seen as an emergent activity in which actors collaboratively seek out new ways of co-creating value rather than an outcome of isolated and predictable stages to be implemented (Mele et al., 2010; Toivonen et al., 2010). Recently some scholars address the opportunity to stress this aspect by adopting a practice based view to innovation, and regard practices as natural loci of novelty. Russo-Spena and Mele (2016) claim for the use of the term innovating - the verb form- to stress innovation as something that is happening, not only the result of action. Actors participate in innovating by developing activities, using and integrating resources and tools (e.g., products, information, knowledge, competence and skills, language, meaning), and interacting within a physical and social context, in continuous struggle to meet identified demands and embrace possibilities to create something new and better (Russo Spena and Mele, 2016). The aim of this research is analyze the impact of the new cognitive technologies on service innovation.

Design/ Methodology/ approach - An exploratory case study (Yin, 2009) has been conducted to investigate how cognitive systems are changing the way of doing of service innovation and allow new practices to emerge. Case study allows a deeper understanding of complex social phenomena (Yin, 2003) and the role of new technologies as enabler of them.

Findings - Cognitive computing overcomes the abilities of traditional computer programmed to perform certain tasks, by learning from interactions (Deloitte – Global Report, 2015). It can be defined as "systems that learn at scale, reason with purpose and interact with humans naturally. Rather than being explicitly programmed, they learn and reason from their interactions with us and from their experiences with their environment." (IBM, 2015; p.2) Cognitive technologies enable new way of doing and integrating resources and boosting learning, engagement and transformation in an A2A context. Their features address the "need to develop and maintain a shared worldview among a set of cognitively distant actors" (Lusch and Nambisan, 2015; p. 162) and affect the ways in which service innovation is co-created.

Practical implications – The study provides a useful framework to manage service innovation enabled by the new technologies and fosters the emerging of business opportunities in the digital era.

Originality/ value – The study contributes to both the knowledge of cognitive technologies and the literature on service innovation

Keywords – cognitive computing, service innovation, IoT, IoE, Artificial Intelligence

Paper type - Research paper.

Boosting Customer Experience through the Internet of Everything

Coppola Mariarosaria, Mele Cristina, Russo Spena Tiziana

Purpose - A process-based characterizations of the service experience has been conceptualized (Hellkula and Kelleher, 2010) with pre-purchase experiences, use (or current) experiences and post-purchase experiences identified as key stages of experience process (Carù and Cova, 2003; Hellén and Gummerus, 2013). By adopting a phenomenological view, Helkkula et al. (2012) go beyond the touch point focus, defining value in the experience as the value that is directly or indirectly experienced by service customers within their life-world contexts (p. 61). Co-created service experience takes the characteristic to be individual and personal but it is influenced by the provider and other parties (Jaakkola et al., 2015, Carù and Cova, 2015) i.e. experience is in the context (Akaka et al. 2015).
The today's digital era is impacting on consumer experience in two different ways; first, the increasing access to the new technologies makes consumers more empowered thanks to a lot of readily accessible information and the capacity to perform different kinds of self-service (Heinonen, 2004; Ramaswamy, 2011). Second, the development of sophisticated technologies of Internet of Everything (IoE), that refers to a wider concept of connectivity among people, things, data and processes (CISCO, 2014), can radically change the way in which customers experience firms' offerings. Notwithstanding these trends, Jaakkola et al. (2015) note that a deeper understanding of the role of technology in service experience co-creation is still missing. The aim of this research is analyse the role of IoE in boosting customer experience.

Design/Methodology/approach - A multiple case study approach (Yin 2009) has been adopted. Data has been collected through multiple sources to ensure data reliability and validity (Yin, 1994)

Findings - This study provides insights on customer experiences powered by the development of the digital technologies. Boundaries between digital and physical environments are increasingly blurred by the means of IoE technologies and the customer becomes engaged through different point of access at any time. IoE influences the customer experience that is being shaped in service delivery networks (Jaakkola et al., 2015). The way the firm integrates systems of insight and system of engagement is at the core of the customer digital experience and enables a dynamic assembly approach to emerge.

Practical implications – The work provides fresh insights for practitioners. It helps managers to better manage customer experience and to be present in a useful way during each touch point of the customer experience as whole.

Originality/value – This research investigates the role of the new emerging technologies in shaping customer experiences; in the literature, the role of IoE in complex phenomena as experiences is still unexplored.

Key words – customer experience, service experience, IoT, IoE, digital era

Paper type - Research paper.

New actors in healthcare ecosystem: The role of e-health-mediaries

Coppola Mariarosaria, Mele Cristina, Russo Spena Tiziana, Improta Valeria

Purpose – Healthcare is one of the latest service research priorities (Ostrom et al. 2015). Service scholars have recently started to address co-creation models and practices in health (Nambisan and Nambisan, 2009; McColl-Kennedy et al., 2015), describing the resource integration process that occurs between actors within a service ecosystem (Frow et al., 2016). Recently Joiner and Lusch (2016) argued to move away from the logic of separation between health care providers and patients towards a logic of togetherness: a "linked system of suppliers of products with a value constellation of other co-creating actors, forming a health ecosystem" (Joiner and Lusch, 2016, p.32).
In developing an ecosystem perspective, the dyadic relationships linking supplier and customers is replaced with a value constellation of A2A interactions – i.e., a healthcare service ecosystem. Such healthcare ecosystem is benefitting from the growth and spread of new digital technologies, mainly Internet of Things and Internet of Everything. In highly connected service ecosystem based on a variety of actors' interactions (Joiner and Lusch, 2015; Vargo and Lusch 2017) the need is to consider in depth the impact that new digital technologies and networked connections have on e-health market shaping in terms of new actors and new practices. Specifically, this paper aims to investigate new actors' role in the healthcare practices enabled by technologies based connections.

Design/Methodology/Approach - The work is based on multiple case studies and findings show that new practices are emerging being characterised from new roles for traditional actors, new actors.

Findings – The research shows that new practices are emerging being characterised from new roles for traditional actors, new actors and new activities. The traditional relationship between doctor and patient moves from being dyadic and authoritative to multi-actors and more democratic. New actors enter the market and change how healthcare is provided. They are intermediaries in e-health or e-Health-mediaries, enable a continuous data exchange and deliver actionable information to help actors to make sense of information in ways that reveal new insights and enable decision making. In this view or e-Health-mediaries shape new practices concerning new service provision based on engaged users, new devices, higher resource integration in the service ecosystems.

Practical implications - Recognizing the new roles and the new actors in the healthcare ecosystem is useful to grasp the emerging business opportunities and reconfigure actors' roles in a smart environment.

Originality/value - This research contributes to the knowledge of the emerging ecosystem enabled from the development of new technologies. It offers a deeper understanding of the new dynamics and actors that improve the consumer self-efficacy.

Key words – healthcare ecosystem, e-health-mediaries, IoE, IoT

Boundary objects in digitalized service contexts

Daniela Corsaro, Roberta Sebastiani, Cristina Mele

Abstract

Digitalization of is one of the most important phenomena characterizing the last decade. It opens new possibilities that lead people to be the driving forces of change. Through technologies individuals are gaining growing spaces of autonomy and initiative everywhere: in production, in consumption and in social life in general. The effects of digitalization are manifolds: growing number of touch points among interacting actors, greater fluidity of information, dematerialization of contents, almost infinite cognitive chains, and many others. All these elements are generating complexity which, in turn, requires higher coordination. Starting point of this study is that service innovation in digitalized contexts increasingly occurs in space and cross-boundary movements and is enabled by the improved role of boundary objects.

Boundary objects have been defined as "objects that live in multiple social worlds and which have different identities in it" (Star and Griesemer, 1989: 438). These objects, which can be either abstract (conceptual) or concrete (physical), serve to communicate and coordinate the perspectives of various actors. Boundary objects translate, coordinate, and align the perspectives of the different parties. They allow coordination without consensus or shared goals and make available an actor's local understanding to be reframed in the context of a wider collective activity.

An interactive, qualitative, case-study approach is adopted to gain insights into the phenomena described. 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. The study identifies the main functions of boundary objects for service innovation in digitalized contexts. It also sheds light on the importance of representing and displaying boundary objects in order to improve the effectiveness of above mentioned functions.

Key words – Digitalization, service innovation, interaction, boundary objects, coordination

Paper type – Research Paper

The barriers to advanced analytics adoption in a highly servitized industry

Crowley Edward, Johnston Wesley, Burton Jamie, Zolkiewski Judy

Purpose - The Internet of Things (IoT) enables the development of services (Sanchez-Iborra & Cano, 2016) by enabling remote management, diagnostics, and monitoring of devices. IoT connected devices and other sources of big data can be used in combination with advanced analytics to optimize operations or customer engagement activities (Boone, Skipper, & Hazen, 2016). The objective of this research is to identify the barriers and drivers to adopting advanced analytics for service optimization in an industry with high IoT penetration.

Design/methodology/approach - The research is based upon a global survey of 5,000 decision makers in the office products industry including manufacturers, distributors, and resellers compromising the network of service developers and providers within the office products industry who provide services for IoT enabled devices (printers, multifunction devices, and photocopiers). The study identifies both the drivers and barriers to the adoption of advanced analytics for optimizing service operations associated with managing IoT enabled devices by examining the advanced analytics adoption practices of these service providers. The office products industry was chosen due to the high volume of IoT devices (in excess of 100 million digitally connected devices).

Findings - For those firms that have adopted advanced analytics the study examines why these firms have adopted advanced analytics, what analytical tools they have adopted, and which analytical techniques they are using. For firms that have not adopted advanced analytics the study captures the reasons why they are not adopting advanced analytics techniques and tools. By comparing firms that have adopted advanced analytics to those that have not adopted advanced analytics, this research provides valuable insights into the barriers to optimizing service operations using advanced analytics.

Research limitations/implications - The results are limited by the scope of the research within a single industry, the office products industry.

Practical implications - By identifying these barriers, the research will assist corporate decision makers in optimizing operations by addressing barriers to service optimization.

Originality/value - By analyzing an entire industry, this research provides a comprehensive view of the relationship of big data, advanced analytics, and IoT devices in the optimization of service operations.

Key words - IoT, Big Data, Advanced Analytics, Research Optimization

Paper type – Research Paper

Service dominant markets or service provider dominant markets?

Cuthbertson Richard, Furseth Peder Inge

This paper seeks to better reflect the changes taking place in business as the world moves towards a service-dominant, globally-reliant, digitally-enabled, consumer society. The environment within which strategic decision making takes place not only affects the content of the decision making but also the process. During its theoretical development, strategic management is often characterized as having moved from a production focus to a marketing focus. More recent theories have highlighted how platform ecosystems are transforming market structures and organizational forms. Moreover, network theory combined with a digitally influenced marketplace in practice enables the globalisation of such platforms and therefore markets, thus moving them beyond the realm of national public policy boundaries and norms of competition, as traditionally defined in terms of products. We argue that the new reality of any service business being a potential competitor has implications for strategic management, organizational theory, and competition policy.

A pilot study on value co-creation activities in health care: a study on continuous ambulatory peritoneal dialysis

Darmayanti Dahlia, Simatupang Togar M., Rudito Priyantono

Purpose - The purpose of this study is to find the issues in approaching the participants as well as in developing interview questions in the pilot study. Moreover, this study seeks to understand value co-creation activities in health care which are derived from Continuous Ambulatory Peritoneal Dialysis (CAPD) therapy.

Design/methodology/approach - A qualitative exploratory pilot study is adopted. The three participants consisted of one expert in CAPD therapy and two CAPD patients. In-depth semistructured interviews were conducted to obtain insights from the participants.

Findings - The pilot study indicates three phases of CAPD patients, namely the adaptation, stabilization, and acceptance phases. Several activities are conducted when patients and health care professionals engage in each phase. The patients reveal that engagement with a health care professional is crucial in CAPD therapy. The knowledge and skills of patients are enhanced since patients actively engage with health care professionals and other CAPD patients through several events and a mobile digital community forum.

Originality/value - This study provides an understanding of value co-creation activities in health care. The value co-creation activities help health care professionals or providers to understand CAPD patients and improve CAPD therapy services.

Research and Practical implications - The pilot study provides an initial step for the main exploratory study research, in order to obtain value co-creation activities in CAPD therapy.

Keywords - Value co-creation, health care, continuous ambulatory peritoneal dialysis (CAPD)

Paper type - Qualitative study

Expanding understanding of resource integration in service ecosystems: a signaling approach

Dehling Sebastian, Edvardsson Bo, Tronvoll Bård

Purpose – The Purpose of this paper is to expand understanding of actors' resource integration for value co- creation in service ecosystems. The aim is to explore the role of signals and institutions under conditions of information asymmetry to shed new light on the mechanisms of actors' resource integration.

Design/Methodology/approach – This conceptual paper applies a perspective from information economics to enrich the understanding of actors' resource integration by complementing its current literature's focus on using sociological theories. In particular, we use signaling theory to inform about resource integration mechanics while applying the service dominant logic and service ecosystem lens to highlight institutions and the asymmetric nature of engaging actors. The paper develops and describes a framework for understanding the process of resource integration and how signals affect it.

Findings – This paper proposes that actors send signals that play an important role in enabling or hindering actors resource integration for value co-creation. Signals are the shortcuts to bridge information asymmetries or the bounded rationality of actors to support decision making. Although signals are different from institutions they are closely related. We propose an interplay and dependency of signals and institutions and furthermore that signals might affect or even create institutions and vice versa. Additionally, we discuss some research challenges and directions that could expand the body of knowledge in service research for resource integration.

Originality/value – This paper contributes to the academic discourse in the substantive area of service dominant logic and its nascent literature on resource integration. The signaling approach in this paper complements former research and brings more depth to the presumption that not the mere availability of resources and guiding institutions lead to its integration. It shows that actors have different resource potentials and access barriers because of information asymmetries in service ecosystems and that signals are another determining factor for resource integration in interplay with institutions.

Keywords - Resource Integration, Signaling Theory, Information Asymmetry, Service-Dominant Logic, Institutions

Paper type - Conceptual paper

**On how student satisfaction surveys may affect the natural flow
of higher education ecosystem service**

Díaz-méndez Montserrat, García-Gallego José Manuel

Purpose – Higher Education (HE) is a complex service system where multiple relationships take place among its multiple living and non-living components. University is an old institution traditionally reluctant to embrace innovation since it usually involves a change. "Too many universities are overly focused on producing credit hours or degrees efficiently (units of output) rather than offering and providing a set of services (…) that lead to these outputs (…) as an end result"1 . In Europe, mostly prompted by the EHEA guidelines and local laws, Universities are lately too focused on measuring teaching quality and in doing so students satisfaction surveys are used. Multiple relationships among the service system's components are not given   attention.

Satisfaction surveys may hinder the flow of the core relationship in HE (teacher-student) by means of the consequences their results may have on the teachers. This way of approaching quality seems to consider the HE service to be a simple transaction between a client (the student) and a provider (the teacher) not paying attention to the latest developments in service theory. In this work we aim to examine whether a service ecosystem perspective could be applied to HE service and discuss its eventual beneficial effects on total quality.

Design/Methodology/approach – A comprehensive literature review on the use of surveys in Higher Education and service ecosystems is carried out.

Findings – A classification of the existing literature is proposed. Effects of thinking about HE as a service ecosystem are highlighted.

Research limitations/implications – This study defines a research framework aiming to be tested empirically.

Practical implications – This work provides insights into the logic of University service system giving guidance to institutions to develop their policies considering the ecosystem approach.

Originality/value – The role HE plays in society makes this research, addressed to improve the understanding of this complex service, especially valuable. A bad understanding of what a university service consists of is on the basis of many improper regulations.

Key words - higher education service, service ecosystem, student satisfaction surveys, complex relationships

Paper type – Conceptual paper

Bringing Knowledge Management into Service-dominant logic

Edvardsson Bo, Carrillo Francisco Javier, Reynoso Javier, Maravillo Egren

According to service-dominant logic (SDL), actors are resource integrators in their efforts to co-create value for themselves and others. Actors use their knowledge and skills to get access to and operate on available resources in the context of a service ecosystem (Vargo and Lusch 2015). However, we know very little about the factors that shape actors' use of knowledge and skills. Present conceptualizations of resource integration and value co-creation in SDL could benefit from paying explicit attention to the nature of knowledge being developed within the knowledge management (KM) field.

One of the SDL foundational premises claims that knowledge is the fundamental source of competitive advantage' (Vargo and Lusch, 2004), later developed to 'operant resources are the fundamental source of strategic benefit' (Vargo and Lusch 2015). Operant resources refer to knowledge and skills. But, what does knowledge refer to? And, how is knowledge used by actors? In answering these questions, we explore key KM concepts that have been developed in its academic discourse.

The reason for turning to and drawing on KM research is that actors' access to and use of knowledge is a key resource and enabler according to SDL and KM deals precisely with actors using resources while processing knowledge. Bhatt (2001) argues that managing knowledge is about aligning people, tasks and how things are done (technology and techniques used) and over time creating necessary changes also in the organizational culture. These changes require learning and KM has links to learning theory and the learning organization. In relation to what knowledge refers to in SDL, KM provides a wider scope and deepens the understanding of actors' ability to act purposefully in focal contexts.

The aim of this conceptual paper is therefore to extend the conceptualization and thus the understanding of actors' resource integration and value co-creation. In doing so, three KM concepts are focused on to dicuss how they inform SDL: object, agent and context. Stemming from the alignment of these key concepts, four propositions are put forward to deepen our understanding of knowledge in value co-creation; (1) the tacit nature of critical knowledge enables value co-creation, (2) collective sense making enables value co-creation, (3) shared values among engaged actors enable value co-creation and (4) measurement of alignment effectiveness enable and direct value co-creation. The paper also suggests avenues for future research.

Keywords - Service dominant-logic, knowledge management, knowledge, value co-creation, value-in-context, actors, resource integration.

Drone services opportunities in italian urban areas

Egizio Filomena

Purpose – This paper aims at developing guidelines for drone service providers that are planning to realize their activities in Italian urban area
s. In the last few years, the number of drone service providers is increasing with a considerable rate. This trend has been determined by several factors, such as the availability of reliable and robust systems and the capability to exploit the vertical dimension to increase the performance and the efficiency in several activities. The list of activities performed with drones include precision agriculture, small packet delivery, infrastructure and building inspection, aerial photogrammetry, entertainment and leisure video footage, support to law- enforcement. Many activities have a strong link with last generation soft technologies, such as the one related to Internet of Things. Therefore, the business model of drone service providers cannot be associated to a simple "pipe" but it must be considered more similar to an "open platform" were providers and users define custom business solutions. The final Purpose of this paper is to describe such model and to highlight solutions, strength, and weakness in this market.

Design/Methodology/approach –First, the paper describes the set of services that can be carried out by performing a literature review. Main sources will be existing regulations of regulatory agencies, market research, case studies, and web sites of existing providers. Moreover, similar experiences at international level will be addressed to highlight similarities and diversities.
The business model of Italian drone service provided will be discussed by considering available examples, such as the Open Innovation model by Chesbrough. Commonalities and distinctions will be discussed. A focus will be put on the type of service provided. Currently, some activities are more mature than others, such as precision agriculture and infrastructure inspection. The terms that define the level of maturity for a drone related service will be presented including the technology level, the regulatory framework, and the market demand by users.

Findings – The business model of drone service providers will be described in full details. It will include all issues faced by operators, such as the selection of drones, the procurement of payload, the management of a network with sellers and customers, the fulfillment of regulations, the correct executions of missions, and the adjustment of business to customer request.

Originality/value – Drone services have just recently developed from pure research activities and pioneer approach. Even if some assessed and structured Italian companies have been developed in the last few years, no detailed model of their business is available in the literature. This paper aims at filling this gap, thus providing guidelines for future operators.

Key words - Drones, Drone services, Internet of things, Open Innovation Services.

Paper type – Conceptual paper / Research paper / Research paper

Service enterprise - cocreative ownership and the transformation of uncertainty

Ehret Michael, Wirtz Jochen

Purpose – One key conceptual contribution of service research is to elucidate the role of service users in determining the value of a service. As a side-effect the role of the providers tends to become ambiguous in key service concepts. For example, the Service Dominant Logic (SDL) perspective implies that value cocreation takes place within as well as between companies leaving some vagueness on conditions that favor external providers. The nonownership perspective elucidates one key value proposition of services – delivering benefits without the transfer of ownership while remaining silent on the implicit condition that providers take on asset-ownership in service provision. The purpose of our research is to clarify the role of service providers as owners of cocreation assets and show its implications for major service concepts, namely SDL, the nonownership perspective and service quality approaches.

Design/Methodology/approach – In this article we propose a definition of the active role of service providers as entrepreneurs of assets of value cocreation. We elaborate on a contractual perspective of services assuming that clients and providers close service contracts with the aim to share uncertainty of value cocreation – replacing producer-consumer relationships of goods-dominant logics with cocreation relationships as implied by SDL. We build on an examination of the role of uncertainty in value cocreation, and develop an anatomy of service contracts based on particular uncertainty exposure of providers and clients.

Findings – We show how the contractual perspective can provide an institutional foundation of service concepts like SDL or service quality approaches. Cocreative ownership contracts are instrumental in transforming uncertainty into opportunities for providers and insurance against uncertainty downsides for clients.

Research limitations/implications – The conceptual paper shows little empirical evidence and remains limited on institutional dimension of service.

Practical implications – The service-enterprise view offers a foundation for systematic methodologies, such as the impact of uncertainty on perceived service quality, the use of options theory for the financial valuation of cocreation and the rise of entrepreneurship in service economies.

Originality/value – This paper provides a clarification of the client-provider relationship in the value cocreation process based on a key challenge apparent in all forms of value cocreation – uncertainty of value cocreation.

Key words - Cocreation, Ownership, Service Dominant Logic, Entrepreneurship, Contracting

Paper type – Conceptual paper

Dimensions and outcomes of customer experience:
a study on retail banking services

Fernandes Teresa, Pinto Teresa

Purpose - Customer experience has become a key concept in service research and management (Jaakkola et al., 2015). Described as the core of the service offering and as the basis of all business (Vargo & Lusch, 2008), experiences are currently seen as omnipresent, regardless of their hedonic or non-hedonic nature (Dube & Helkkula, 2015). However, despite broader conceptualizations of experience, from "memorable and extraordinary" to "normal, day-to-day service experiences" (Edvardsson et al., 2005), research as mainly focused on hedonic services (Helkkula, 2011; McColl-Kennedy et al, 2015). Therefore, the purpose of this study is to address a literature gap by examining customer experience in a utilitarian setting, namely retail banking services. We aim to understand the relevant dimensions of experience quality in retail banking, and its impact on customer's retention, acquiescence/tolerance, share-of-wallet and advocacy. Additionally, and given financial services' membership-based and advice-oriented relationships (Ponsignon et al., 2015), experience quality of customers with and without a dedicated account manager is compared.

Design/Methodology/Approach - Data was collected from 207 retail banking clients concerning their experience within traditional, face-to-face branch channels. Based on existing scales, the research framework specifies experience quality as a formative latent construct, determined by its five dimensions: Environment, Frontline Branch Personnel, Moments-of-Truth, Product Offerings and Trust. To measure experience quality and its impact on marketing outcomes, Partial Least Squares Structural Equation Modelling (PLS-SEM) using SmartPLS 3.0 (Hair et al., 2011) was employed. A multi-group analysis was performed to compare how customers with and without a dedicated account manager evaluated retail banking experience.

Findings - Given the model results, we conceptualize experience quality as a multidimensional, formative, higher-order construct, comprised of the above mentioned five dimensions. We also conclude that experience quality in retail banking has the highest impact on customer retention, tolerance/acquiescence and advocacy, thus assessing the nomological validity of the construct. The correlation with share-of-wallet was weaker, but nevertheless also significant. No differences were found between the two groups of customers considered.

Originality/Value - Few studies have investigated customer experience in non-hedonic settings, namely financial services (e.g. Klaus & Maklan, 2012), and even less measured its underlying dimensions. Addressing calls to develop customer experience frameworks in specific contexts (Lemke et al., 2011), our research bridges these gaps, presenting a model of experience quality, validated in a retail banking setting, and analyzing its impact on important marketing outcomes. In managerial terms, our findings allow managers to improve the overall retail banking experience through a better understanding of its dimensions. Future research should further cross validate our results. Also, our research could be extended to include other dimensions and outcomes. Furthermore, given that our study focused on branch channels, future studies could analyse how to manage multi-channel strategies – both online and face-to-face – in order to deliver superior customer experiences (Klaus & Nguyen, 2013). Overall, our findings enhance knowledge on the experiential concept, namely in the under researched retail banking sector, and offer important implications for financial services managers.

Keywords - Experience, Retail Banking, Retention, Tolerance, Share-of-Wallet, Advocacy

Paper type - Research paper

Resource integration in value co-creation:
Integrative framework from S-D logic and Motivation Theory.

Findsrud Rolf, Tronvoll Bård

According to service-dominant logic (SDL), firms, customers and other engaged actors are resource integrators (Vargo and Lusch, 2004, 2008) in a value co-creation process (Edvardsson et al., 2011). Kleinaltenkamp et al. (2012) refer to resource integration (RI) as the process(es) and form(s) of collaboration, where resource integrators are viewed as actors with agency (Kleinaltenkamp et al., 2012, Edvardsson et al., 2014, Bandura, 2001). The engaged actors are using their operant resources to act on operand resources during the RI process (Peters et al., 2014). This study answers calls (e.g. Kleinaltenkamp et al., 2012, Peters et al., 2014) for an deeper understanding and theorizing about RI. To investigate RI, we need to better understand the actors' motivational drivers on how and why to integrate resources as a performative prerequisites of actors' activities and interactions (Edvardsson et al., 2014).

This study argues that the consensual understanding of operant resources in SDL, which focus on knowledge and skills, do not directly drive actors because having competences is not sufficient for activity to occur. Operant resources therefore must be conceptually extended to include all entities available to the actor that enables them to integrate resources efficiently and/or effectively (Madhavaram and Hunt, 2008). In psychology motivation is an important driver for activity (e.g. Mitchell and Daniels, 2003, Locke and Latham, 2004, Cerasoli et al., 2014), and is a fundamental component of any credible model of human performance (Cerasoli et al., 2014). Motivation can affect direction, intensity, and duration of an activity (Locke and Latham, 2004), but despite being extensively researched within several scientific fields (e.g. Deci and Ryan, 1985, Cameron and Pierce, 1994) motivation has received inadequate attention within SDL. Consequently, motivation must be conceptually included in operant resources as a dynamic driver influenced by extrinsic and intrinsic factors. Further, actors are limited by the accessibility of necessary operand resources in the context. Therefore, competences, motivation, and the accessibility of necessary operant and operand resources affect the actors' performance during activities and interactions resulting in the intended value-in-context.

By bringing theories of motivation to RI processes, this study develops an integrative framework of RI within SDL to encompass drivers and enablers of actors' RI activities. The framework consists of motivation, competences, and accessibility (the constructs are interwoven, although distinct) and explains the prioritizing and intensity of effort in RI, and sustainability of the service ecosystem. Thus, contributing to the theoretical development of RI in SDL.

Key words - Resource integration - Motivation - Service dominant logic

Paper type – Conceptual paper

From emergence to disruption — Exploring the rise and fall of a Service Ecosystem from a Service-dominant Perspective

Finsterwalder Joerg, Fehrer Julia, Robinson Linda, Conduit Jodie, Brodie Rod

Purpose – With its metaphor of service ecosystems, defined as "relatively self-contained, self-adjusting system(s) of resource-integrating actors connected by shared institutional arrangements" (Vargo & Lusch, 2016, p. 10), S -D logic provides a new understanding of the nature of social and business networks, and stresses the interdependence amongst actors integrating their resources. Latest research aims at understanding the emergence of service ecosystems (Taillard et al., 2016). Yet, the other side of the coin, the disruption of service ecosystems, has received little attention. The purpose of this research is to explore the mechanisms leading to a disruption of such service ecosystems.

Design/methodology/approach – Over the last decade crowdfunding platforms (e.g. Kickstarter, Indiegogo) have become economically relevant as an alternative method of raising capital for product innovations or charity programmes. These platforms provide access and infrastructure to match founders with a collective of various actors, such as funders, to realise specific project outcomes (Mollick, 2014). As the emergence of actor networks on different platforms is visible and trackable over time, crowdfunding projects provide an ideal setting to gain insights into critical events relevant for the development of a service ecosystem. Drawing on a rich illustrative case study, "The Coolest Cooler" (2014; 2016) which used to be Kickstarter's most successful crowdfunding project and recently evolved into the platform's biggest maelstrom, we employ a narrative event sequence analysis (Abell, 2004) to identify the critical transition phases from positive to negative dynamics in the Coolest Cooler's ecosystem.

Research limitations/implications – This project reports on a single case study and findings might not be readily transferrable to other contexts.

Findings – Initial findings demonstrate two overarching critical events leading to the "tipping point" of the Coolest Cooler`s ecosystem. The first was the delay in delivery of the product coupled with an additional expedited delivery fee for loyal and engaged funders, which was caused by the rapidly growing ecosystem. The second critical event was the expansion of the ecosystem to another platform (Amazon), which was not properly integrated (Alois, 2016; Swanner, 2015).

Practical implications – Service ecosystems are in flux and only partially manageable. They can exponentially expand or destroy themselves. The prediction and identification of critical event sequences, or tipping points, guide practitioners to design their platform and manage their system boundaries.

Originality/value – This is one of the first explorations into service ecosystem disruption by applying a narrative event sequence analysis to identify tipping points in service ecosystems.

Key words – Service ecosystem disruption; tipping points; platforms

Paper type – Conceptual paper

Resource Integration: Intellectual property rights
from Service-dominant logic lens and the evolving boundaries of innovation

Frias Kelli, Lusch Robert F.

Often referred to as the *broken patent system* and described as *the market failure* of innovation-relevant regulatory policy (Jaffe and Lerner 2011), the United States Patent System (USPTO) and pending, so-called patent "reform" bills have been strongly criticized for their inability to provide any real relief to the confusion, inconsistencies, and limited relevance of their policies to current business. As one legal scholar laments, "patent law is quintessentially economic law, our current law ignores economy reality, current economic theory, and relevant economic variables." (Dratler 2011, p. 50). Simultaneously, decades of unrest in marketing have suggested that the historical lens for examining exchange is similarly flawed, inconsistent with reality, and missing relevant economic variables.

Much of the unrest associated with the critics in both patent policy and marketing has been grounded on and guided by principles of neoclassical economics and practically speaking, a goods-dominant logic (GDL). GDL asserts that the transfer of tangible goods or products act as the foundation for gaining wealth. This means that the value of an innovation stems from that which is embedded within the tangible form or device generated for exchange. Citing, a growing body of literature that identifies the knowledge-based economy in which current business practices and innovation depends, critics argue the GDL lens ignores the nuances of the innovation process and simultaneously, is not examined in current patent procedures. Furthermore, the product development literature, while largely ignored by patent researchers, advocates for understanding the process of generating innovation and the complexity of its "origins" with an emphasis on the stages of development and the contributions of many throughout the process. This is in sharp contrast to the GDL view of innovation as an exchangeable unit of output conceived of by an "inventor" and made worthy of exclusionary protection (i.e, patent) through this event. Similarly, GDL and patent law, identify explicit boundaries between consumers and producers to suggest one entity is deserving of the rights to exclude others from improper use of the value generated from an innovation. Unfortunately, this too, has been called into question by a growing body of literature suggesting the boundaries among producers and consumers are inaccurate, and in many cases, immeasurable. Consider, the coproduction efforts of many individuals in the development of statistical software algorithms (i.e., R Project). Because both patent law and marketing theory view exchange as central, examining their current criticisms and identifying a new framework for resolving this lack of relevance is proposed.

Specifically, the authors examine the current criticisms of patent policy and procedures from a Service Dominant Logic (SDL) perspective. This framework is chosen because this framework has received tremendous support by business academicians as paradigm shift in viewing exchange theory and thereby, may have implications for examining innovation and intellectual property rights (See Vargo 2011 for a discussion of SDL as potential paradigm shift in viewing exchange). This large body of research asserts that in economic systems what economic and social actors (i.e., firms and customers) exchange are not units of output (tangible or intangible) rather they are applied competences and capabilities (i.e., service). Under this perspective, the transfer of value shifts from that which is embedded in goods (consistent with the underlying views associated with protecting the value of innovation)—traveling among different *separate* entities within a supply chain—to a boundless view of value creation occurring through coproduction and co-creation efforts of resource integrators throughout the ecosystem (i.e., co-production of software code may occur among individuals and firms working collectively to built an algorithm). Importantly, these "resource integrators"—individuals, collectives, and firms—all have the ability to generate value through the use of their own knowledge and specialized skills in collaboration with others throughout the ecosystem. Termed "balanced centricity" (Gummesson 2008), "relational advantage", and the "interactive and networked nature of value creation" (Vargo and Lusch 2008) much of the SDL literature has identified a fundamental shift in both *how* value is created and *where* the boundaries associated with its origin lie. Specifically, SDL describes innovation as the result of the application of specialized skills and knowledge (which is the fundamental unit of exchange) that occur through the interactions of actors throughout the service ecosystem.

As a result of the relevance of SDL for current business practices, the author will (1) explore the nature of the patent debate by reviewing two key components—the question of "conception" or the origins of a patentable invention and the concept of "nonobviousness" for understanding the value of innovation in exchange; (2) illustrate how proposed resolutions for patent policies have been misguided by the GDL tradition; (3) sketch an alternative, process view of innovation that draws heavily on SDL and resource-advantage theory; and (4) discuss the implications of using a process view of crafting value through innovation as a basis for patent policy.

Do relationships matter in using online insurance services?

Gidhagen Mikael, Gebert Persson Sabine

Purpose - Research on the influence of trust on the intention to use online applications, such as online bookstores where there is no prior existing relationship (e.g. Benamati et al. 2010; Gefen et al. 2003), has indicated that trust constructs plays the same role in predicting customer intentions to use the internet as technology attitude. When using an online application, the insurance customer generally has an established relationship with the insurance company, although different from e.g. banking relationships, characterized by frequent interactions, and book purchases, which are of a more transactional character. Regardless of context, trusting attitude is arguably important for analysing customers' use of online applications, as is technology attitude. The question though is how important a role trust plays if there is an existing relationship, and where the context prescribes trust as an important aspect affecting the relationship – as is the case in financial services. The purpose of this paper is to test if the relationship matters for the intention to use an online insurance application.

Design/Methodology/approach - Intention to use a technology is in business research most often investigated using the Technology Acceptance Model (TAM); Trust/Risk or; or combinations of TAM and Trust. When tested in combination in cases of no previously established relationships, trust has been found to be either equal to TAM, or slightly less imporatant than TAM. In order to investigate any relationship effect on and explain insurance customers' intention to use, and, subsequently, determinants of actual use of online-based applications, a model was used combining TAM and trust, but also integrating individual, relationship-related factors. The instrument used was an online questionnaire presented to customers of one insurance company who had made online claims during a period of two months.

Findings - If only testing for trust, it has a moderately significant impact on actual use, but when combining TAM and trust it is clear that technological acceptance is significantly more important than trust, regardless of any existing relationship effect. A rather surprising finding was that trust did not have a higher influence on the decision to use an online service.

Originality/value - This paper contributes to research on service relationships and customer's use of online applications in contexts where trust is traditionally a key variable, but where technology plays an increasingly important role. Furthermore, the paper presents and tests a framework for measuring factors affecting use of online applications.

Key words - Online applications; relationship; TAM; trust; insurance.

Paper type - Research paper

Lessons learned from missed servitization opportunities

Gidhagen Mikael, Heinonen Kristina

The current business landscape is represented by increasing global competition and technology advancements. Many organizations therefore acknowledge the importance of being service-oriented and customer-focused. Researchers and managers alike advocate that the benefit of shifting from a product to a process perspective is the change in focus from the reduction of internal costs to value creation for all stakeholders through service delivery. To apply a service-oriented perspective is not a minor change of culture; it is a paradigm shift and involves the entire organization. Yet many organizations are still technology-focused rather than customer-centric and are struggling to change their culture and processes. Service infusion is not done overnight, and requires extensive effort for shifting the mental mindset across the organization. Most existing service research is focused on the potential benefits of service infusion and key steps for integrating a service logic in the organization. Yet, understanding failed servitization attempts or missed opportunities for integrating a service logic in organizations can provide fresh insight into the benefits of service infusion.

Purpose - The purpose of this paper is to delineate key tensions in business performance by applying a servitization lens on a failing business venture. Although we can only assume and hypothesize any alternative outcome, we can by considering the aspects of servitization provide a framework for pinpointing certain areas and opportunities in subsequent cases. Analyzing what could possibly have been made differently, and which potential resources and opportunities were not acknowledged, the findings may serve as valuable input in addition to benchmarks and success stories.

Design/Methodology/Approach - In business reports and marketing research we often see accounts of success stories and prime examples, serving as benchmarks and input for theory building and effective business practice. But there is good reason to also consider and learn from less successful ventures and service failures – in order to avoid repeating mistakes or missing opportunities, following the logics of service recovery (e.g. Hart, Heskett and Sasser 1989; Michel, Bowen and Johnston 2009) and double loop learning (Argyris 1976). One way of analyzing and learning from decisions made, as well as preempting unnecessary consequences from contemporary business challenges, is adopting a service logic (e.g. Vargo, Maglio and Akaka 2008; Grönroos and Ravald 2011) and the essence of servitization (e.g. Vandermerwe and Rada 1998; Baines et al. 2009); thus moving from a product-oriented to a customer-oriented perspective. Through post-ante analyzing any missed servitization opportunities in a case of restarting iron ore mining business, we provide an example of what can be learned for future business.

Findings - the findings show that there are four major missed servitization opportunities in the mining start-up case, in general due to an inside-out focus:

1. Inability to move away from production oriented focus, too narrow and short-term focus on pricing strategies;
2. Failing assumptions about customer expectations; product quality adequate but problems with supporting services. Somewhat of logistical restraints, although being able to provide low-cost shipping, but customers were not asked about what other issues could be important;
3. The service system and surrounding region was consulted, but too much focus on own skills and knowledge resulted in the disregarding of knowledge of former business and surrounding community;
4. Sustainability and environmental issues were not initially considered as prioritized aspects.

Originality/Value - The paper contributes to the literature on servitization and service infusion. In particular, it provides insight regarding the dark side of service infusion – what wrong and/or ineffective decisions are made that do not exploit the potential of a service logic. Through analyzing and understanding what could have been made differently in an unsuccessful business venture, particularly in terms of acknowledging a customer-oriented focus on integrated product-service offerings (e.g. Baines et al. 2009) rather than a product-oriented pricing focus, the elaborated framework for applying a service perspective in an industrial setting stresses a need for identifying potential resources in service systems. It also indicates the necessity of incorporating a broader stakeholder perspective on business activities to integrate the views of the surrounding environment and other external stakeholders such as governmental or political stakeholders. This is in line with the current emphasis of service research on service (eco)systems, that promote the linkages and activities between a network of relevant actors. We can only speculate about the role of actor-to-actor interaction in the outcome of the business venture.

Paper type - Research paper

Human-to-nonhuman value co-creation and resource integration: parasocial actors in a service ecosystem

Gidhagen Mikael, Helkkula Anu, Loebler Helge,
Jonas Julia, Sörhammar David, Tronvoll Bård

Purpose - In service research, focus has traditionally been on encounters involving human actors. However, in the contemporary marketing context, value is to an increasing rate co-created in human-to-nonhuman interactions. For example, customers create value through interacting and integrating resources with self-service technology, but also with applications such as virtual agents (e.g. IKEA's now retired "Anna", "Alex" of United Airlines, or the Chinese chatbot "XiaoIce").

Interaction between human and nonhuman entities has been discussed in information systems literature (e.g. Neff and Nagy 2016; Cecez-Kecmanovic et al. 2014; Stafford et al. 2014; Davenport 2013), where technology may assume human-like traits. In consumer behaviour research, self-service technology has been discussed from an anthropomorphic perspective (e.g. Fan, Wu and Mattila 2015; Keeling, McGoldrick and Beatty, 2010). In addition, customers' experiences of interacting with mediated entities, like personas in TV-shows, has been widely discussed in media and communications literature, as parasocial interaction (e.g. Horton and Wohl 1956; Houlberg 1984; Giles 2002; Stern et al. 2007).

While non-human actors have been studied, the aspect of nonhuman actors experienced as human-like and social in value co-creation and resource integration has received relatively little attention in service marketing research (cf. Labrecque, 2014; Löbler and Raschpichler 2009; Ballantine and Martin 2005; Gummesson 2004). To address this gap, the purpose of this paper is to present a framework for analysing resource integration and value co-creation between human and nonhuman actors, specifically addressing customers experiencing non-human actors as parasocial.

Design/Methodology/approach - Conceptual, based on literature review.

Findings - We elaborate on nonhuman actors as actors with agency, influencing resource integration and value co-creation in contemporary service ecosystems. Taking customers' experiences as the criteria in defining who is a social actor, parasocial actors are recognized as vital to resource integration and value creation. We present a human–nonhuman actor framework, where parasocial actors play an important role in resource integration and value co-creation in service ecosystems. The framework widens our view of who or what is to be considered a resource integrating actor in value co-creation. Additionally, we suggest research questions that open up new avenues for future research.

Originality/value and Practical implications - This paper contributes to value co-creation and resource integration discussion in SDL literature by expanding the perspective of resource integrating actors in service ecosystems to non-human actors that customers experience being social and human-like. This opens up new possibilities for researchers and managers who design value creation and resource integration in service ecosystems. We argue that it is not crucial whether actors are human or nonhuman. The relevant decision criteria for managers is how customers experience nonhuman actors and how that – through engagement, interaction and experienced relationships – influences resource integration and value creation.

Key words - Value co-creation; service ecosystem; agency; parasocial; experience.

Paper type - Conceptual paper

Guidelines for Service-Dominant Logic: empirical experiences from IT Service Management

Goebel Hannes, Cronholm Stefan

Purpose - No doubt, Service-Dominant (S-D) Logic has had considerable implications for research, practice, and society at large. The overall purpose of S-D Logic is to argue for the adop-tion of a service-oriented perspective and that service is the fundamental base for ex-change. In order to establish a framework for a service-oriented perspective, 11 norma-tive foundational premises have been suggested.

In the IT sector, a service-oriented perspective is encompassed in the widespread field of IT Service Management (ITSM). However, while ITSM practitioners have started to adopt a service-oriented perspective, and to a certain degree are becoming aware of the benefits of S-D Logic, the predominant market view still adheres to Goods-Dominant Logic. Consequently, we argue that the suggested foundational premises of S-D Logic lack embodiment in the context of ITSM. We argue that one reason is the lack of norma-tive and prescriptive guidelines in S-D Logic. Thus, the purpose of this paper is to present normative and prescriptive S-D Logic guidelines for the ITSM context. The purpose of the guidelines is to support ITSM managers to adhere to S-D Logic in order to collabo-rate around service and new value propositions.

Design/Methodology/approach - In order to fulfil the purpose, researchers and practitioners have jointly applied the Ac-tion Design Research (ADR) methodology.

Findings - We present three empirically grounded normative and prescriptive guidelines, derived from three of the foundational premises and evaluated in an ITSM context. The findings show that the investigated foundational premises are valid within an ITSM context, and that they could be extended with normative and prescriptive guidelines.

Research limitations/implications - Although the study is conducted with actors existing in several service ecosystems, our study is limited to the context of ITSM.

Practical implications - The contribution supports ITSM practitioners to adhere to an S-D Logic perspective, and with a fully functional digital tool.

Originality/value - The paper provides prescriptive and normative knowledge by inscribing, applying and analysing FPs in real ITSM contexts, using a digital tool.

Key words - S-D Logic, ITSM, digital tools, service innovation

Paper type - Research paper

Market Boundaries in the Service-Centric Paradigm:
A case study of the New Zealand mobile telecommunications market

Gosling Martyn, Richard James E., Seo Yuri

Purpose – Concurrent with the evolution of Service-Dominant Logic is the debate of a general theory of markets that both reflects, and provides context for, marketing in the service-centric paradigm. Recent contributions to this debate suggest a market practice model of markets and market boundaries based on S-D Logic and social practice theory. This paper places the model on a mobile telecommunications market to explore and refine the specific categories of social practices, or parameters, that define market boundaries.

Design/methodology/approach – Markets, as social structures, are demarcated by their institutions – connected and long-lived routinized practices. Social practices are by definition embedded, suggesting that the categories of practices, or parameters, that define market boundaries may be more readily identifiable during substantial market change. The New Zealand mobile telecommunications market between 1992 and 2014 – rapid development yet geographically confined and relatively free of exogenous influences - provides an opportunity for exploration of practices that define boundaries. Employing a qualitative case study approach, we interviewed service providers, users, and regulators involved in this market, triangulated against 22-years of documentary evidence.

Findings – Contemporary marketing and market theorizations provide a basis for defining markets and market boundaries not as being demarcated by price or geographic locations but as a space defined by practices and their performances by market actors. This case study redefines the nine specific categories of practices, or parameters, forming market boundaries. Furthermore, the paper explores the market-defining connections between social practice-based definitions of space, competitive intensity (including inter-consumer), and market responsiveness, and the entwined influences of social and community meanings, and legal and economic institutions.

Research implications – Definitions of markets and market boundaries remain based in the goods-centric neoclassical model. Market boundary definition provided through the social practices lens provides a dynamic context for future marketing theorizing and research under the service-centric paradigm.

Originality/value – This paper advances the debate on the service-centric general theory of markets and contributes to recent theorizing where markets are viewing as social structures demarcated by specific categories of routinized practices. The situational-specific research of the New Zealand mobile telecommunications market redefines the categories of practices that parameterize market boundaries.

Keywords – Service-Dominant Logic, Social Practice, Markets, Market boundaries.

Paper type – Research paper.

Davide vs Golia. A case of an innovative food delivery service

Greco Fabio

Purpose - In recent years, the offer of food delivery services has increased. It has grown about 50% since 2015 with 7 million of users. Today it has reached 1% of the entire Italian e-commerce market. 15% of Italian restaurants provide a home delivery service. (Hospitality News, 2016). New actors enter the market as food intermediaries. The most famous example is Just eat. Following the leader, other companies are entering the market with new value propositions enabling to connect restaurants with customers in a fast and comfortable way. Companies have focused on offering their customers "time saving services and products" (Wall, 2008 p.727), like home delivery meals. An idea which allow people to dedicate free time to resting, to hobbies or spending quality time rather than losing time in shopping at the supermarket or preparing an elaborate home made meals. Such an increase in players has inevitably led to a market shaping. The aim of this work is to analyse the market-shaping strategy and the development of a new service ecosystem by a start up food intermediary.
Design/Methodology/Approach - The paper is based on a case study of the Neapolitan startup Jammefood.

Findings - The work addresses the great challenge between the more aggressive international giants and the more segmented local realities, where the biggest does not necessarily poses a threat and kills the small company but in turn creates opportunities for it. Small start up shape the market by offering a different value proposition promoting an innovative actors' resource integration.
A new category of market actor enables market shaping by interacting with other actors and integrating resources by acting as catalysts of new service provision.

Practical Implication - The food order and delivery intermediaries connects different types of actors. The dyadic view of restaurants and customers is overcome by an ecosystem perspective where the relationships between the leader and the follower is not linear, but dynamic and complex..

Originality/Value – The paper addresses that service provision in food delivery is prompted by new market actors.

Key Words - Food delivery service, Innomediary, open innovation, co-creation value

Paper type – Research paper

An Outside-In approach to business model innovation – Customer context and digitalisation

Green Max

Purpose - The purpose of this paper is to develop a framework for an 'outside-in' (Payne *et al*, 2007) approach to business model innovation, placing emphasis on the customers context of use it examines how digital transformation and connectivity causes the system of business model components to become more tightly coupled.

Design/Methodology/approach - In the modern techno-economic climate of increasing R&D cost, shortening product lives and the rise digital materiality and connectivity, firms are finding that great technology alone no longer provides sufficient impetus for competitive advantage (Chesbrough, 2007; Ng, 2014). Instead there is greater emphasis being placed upon business models, as the 'supra-set' of innovation, to allow novel and competitive forms of commercialisation (Chesbrough and Rosenbloom, 2002; Teece, 2010; Baden-Fuller and Haefliger, 2013). Despite the increased importance attributed to business model innovation (BMI) as a means to counter the amplified dynamism and uncertainty of the connected digital economy, the majority of existing frameworks provide static representations which fail to account for the linkages between different BM components (Frankenberger *et al*, 2013). Moreover, there is a marked lack of BMI frameworks that specifically take account of the customer, their value creating activities, or contextual use environments (Ng, 2014; Wirtz *et al*, 2016). Digitalisation has enabled a greater appreciation of customer value creating process, however developing an 'outside-in' approach (Payne *et al*, 2007) to offerings in order to better to support value co-creation may require concomitant changes across other components of the business model. Building on a BMI tool developed with InnovateUK, this paper surveys the extant literature to develop an outside-in BMI framework in order to examine the effect of digital transformation on the system of business model components.

Findings - Traditionally isolation of BM components and customer experience may have been possible, in the connected digital economy this is no longer the case. The rise of digital materiality and connectivity has not only changed the way in which customers create value within their contexts of use, but will also cause the system of BM components to become more tightly coupled as the boundary between the offering and experience blurs and new streams of revenue emerge, necessitating changes to the configuration of the firm in order to become more agile in response to changing market conditions (Ng, 2014).

Value - Customer driven business model innovation frameworks have hitherto been lacking in the literature (Wirtz *et al*, 2016), this paper aims to address this gap as well as provide novel insights into the transformative effect of digitalisation on business models.

Key words - Business model innovation, digitalisation, value-in-context, service systems, connected digital economy

Paper type - Conceptual paper

Integrated service portfolio in multi-sided digital retail platforms

Hänninen Mikko, Mitronen Lasse

Purpose - Today, facilitating interaction between customers and service providers is crucial in order to create value for all stakeholders in the value-exchange relationship (e.g. Lusch 2007; Brodie et al. 2011). As ICT-development has allowed several firms such as Amazon to set the benchmark with a user friendly customer experience, it is the integrated service portfolio that can lead to a sustainable competitive advantage as they facilitate engagement and value co-creation between platform actors. This paper seeks to understand how platforms, specifically digital retail platforms, are able to create competitive advantage through their digital service offering.

Design/methodology/approach - This paper looks at the role of the integrated service portfolio in digital retail platforms for value creation through a qualitative, cross-sectional - case study of the service portfolios of leading multi-sided digital retail platforms Alibaba, Amazon, eBay and Rakuten.

Findings - The findings show that that as the customer experience has become standardized across the sector, it is now the integrated service portfolio in the ecosystem that creates competitive advantage for digital retail platforms over traditional offline or online retailers.

Practical implications - As multi-sided markets have gained increased traction over the past few years, this study helps managers and practioners identify how businesses can build integrated service processes through vertical or horizontal integration in their business model. We contribute to both marketing and retail literature where the concept of multi-sided digital retail platforms is this a novel research avenue.

Originality/value - Multi-sided markets are a relatively new phenomenon and as the industry is transforming quickly, academic research is one step behind. This study contributes to platform research as so far academic research has been one step behind recent developments in the field especially in the retail sector.

Keywords - Platforms, Ecosystem, Retail, Service-Dominant Logic, Customer Experience, Service Process

Socioecological strategy, Field Theory, SD Logic and Turbulence in the Swiss watchmaking field

Hoffmann Jonas, Lecamp Laurent

Purpose - We first explore how the three strategic stances of socio-ecological strategy (preparation, relocating and reinventing collaboration) fare in the Swiss watchmaking field in its current turbulent causal texture given novel regulatory changes, the emergence of connected devices, volatile consumer behaviour and un-planned for currency changes (Ramirez and Selsky, 2016; Emery and Trist, 1965). We then show how Fligstein and McAdam's (2012) theory of fields extends the socio-ecological strategy approach and discuss implications for S-D Logic given Vargo & Lusch (2016) institutional prism that lead to the introduction of a fifth axiom to their FPs: "value cocreation is coordinated through actor-generated institutions and institutional arrangements."

Design/methodology/approach - Data collection entailed a triangulation of multiple sources. Over a 26-month period in 2014-2016, we conducted 57 open and semi-structured interviews with actors involved in the Swiss watchmaking field, visited watches distributors in 5 countries and attended the two major professional gatherings of the field. To analyse this diverse and rich data, we utilized an 'abudctive analysis' research strategy (Timmermans and Tavory, 2012), in an iterative process of data collection and interpretation.

Findings - We show that Fligstein and McAdam's (2012) theory of fields extends the socio-ecological strategy approach, explain how turbulence is manifested in Swiss watchmaking and show that the strategic stances of 'reinventing collaboration' is particularly relevant in the current context of the Swiss watchmaking field.

Research limitations/implications - To our knowledge this is the first empirical examination of these principles and the strategic stances socio-ecological strategy offers helped by scenario planning and this exploration, in our view, invites further empirical research in other settings. As the Swiss watchmaking field becomes turbulent, some of our analysis must remain incomplete and tentative; they are based on partial evidence and fragmented information. This is both a characteristic of, and a limitation of this study.

Originality/value - Given the current context of turbulence and unpredictable uncertainty (e.g. Trump election, Brexit), this paper takes the empirical setting of the Swiss watchmakers to bridge SD Logic with socio-ecological strategy and field theory. It aims to open a fruitful research venue.

Keywords - S-D Logic; Socio-ecological strategy; Field; Turbulence; Watchmaking.

Research through design: Systematic approaches to service research

Holmlid Stefan, Wetter Edman Katarina, Vink Josina

Purpose – With the growing interest in multidisciplinary service research there is a need to further discuss the contributions of non-traditional service research approaches (Tronvoll et al. 2011). With an increasing interest for design within service research there is need to understand research methodologies within design research. In congruence with other research areas, such as physics or management, the methodologies used and developed by those with extended training or experience of that specific area are important to drive knowledge development. The aim of this paper is to exemplify how one particular design research approach can be understood as viable research within the service research area.
One characterization of design research focus on the character of the knowledge produced. The framework describes different modes of research and distinguishes between *Research about Design* and *Research through Design* (Frayling, 1993). Research about Design is conducted with design as a research object. In that vein, building on ideas from Simon's Sciences of the Artificial (Simon, 1969), the Design Science Research Methodology was developed (Peffers et al, 2007). It allows for parallel development of theory and artefacts, but does not require any designerly action. Research through Design, on the other hand, rely specifically on such action. The purpose of this paper ios to showcase how Research through Design systematically produces viable knowledge, in terms of epistemology, praxeology and phenomenology (Cross, 1999)

Design/Methodology/approach – We review a small set of service research projects that have been performed as research through design projects, and discuss how they are systematically building research knowledge. The examples will be chosen from recent PhD theses in design.

Findings – Our tentative findings are that the character of the knowledge developed is in line what Tronvoll et al (2011) is asking for, and give good foundation for developing rich, qualitative and relevant knowledge, based on constructivistic knowledge epistemologies. Moreover, the kind of knowledge developed concerns, and is directly depending on, material and aesthetic knowing, on participatory, co-creative and interactive approaches to knowledge development, and is relevant for understanding co creational dimensions of value creation.

Research limitations/implications – The paper contributes to further academic integration of service and service design research.

Originality/value – There are few, if any, studies of design research methodologies as developed within service research.

Key words - Research methodology, service research, design research, service design

Paper type – Conceptual paper

Why and when does the valence of online consumer reviews influence service evaluations?

Holmqvist Jonas, Cadario Romain

Purpose - Extensive empirical literature has shown that online consumer reviews (OCR) valence has a lower impact on purchase decisions than OCR volume. We aim to provide a better understanding of why this would be the case by (1) reconsidering an alternative conceptualization on heuristic underlying mechanisms rather than a persuasive one, which might be more appropriate for services compared to products, and (2) taking into account important boundary conditions about service perceptions at the individual level, rather than at the product or platform level.

Design/methodology/approach - Two experiments manipulated the valence of online consumer ratings for fictitious hotels. In study 1, we also manipulated volume of online consumer ratings and asked respondents to evaluate a hotel before service interaction (perceived quality, risk and purchase intentions). In study 2, we additionally manipulated positive and negative service experience with scenarios, and asked respondents to evaluate a hotel after service interaction (re-purchase intentions).

Findings - First, we find that OCR valence may act as a signal for unobservable quality which may lower purchasing risk. OCR volume, though perceived credibility, reinforced the effectiveness of this signal. Second, we find that the effect of OCR valence on repurchase intentions is stronger when service experience (service familiarity) is negative (low) rather than positive (high).

Originality/value - We contribute to the existing literature by suggesting an alternative signaling explanation of the effects of OCRs, as well as providing moderating results for service perceptions after service interactions.

Key-words - Online consumer reviews, signal, quality, risk, service evaluations, hotels.

Understanding value-in-use in the customer experience

Holmqvist Jonas, Grönroos Christian, Visconti Luca, Guais Blandine, Kessous Aurélie

Purpose – The concept of customer value is foundational in service research, but the service literature on value remains largely conceptual, lacking empirical evidence to specify analytically how and to what extent value is (co-)created, and what the precise roles of service providers and customers are.

Marketing research pays increasing interest to customer value-in-use (Grönroos 2008; Payne, Storbacka and Frow 2008; Vargo and Lusch 2008). In the service literature we find diverging views on whether value co-creation is just one part of value creation (Grönroos 2011; Grönroos and Voima 2013) or the entire part (Vargo and Lusch 2004; 2016). In service-dominant logic, value is always co-created (Vargo and Lusch 2008), whereas service logic holds that service providers co-create value under certain circumstances, and otherwise facilitate customers' value creation in the service experience (Grönroos 2011). According to this view, customers also construct their own experiences as value creators (e.g. Grönroos and Voima 2013; Holmqvist, Guest and Grönroos 2015).

The service-dominant logic advocates that actors in the process, such as customers, firms, and managers, are analyzed as systems of actors, termed 'service ecosystems' (Vargo and Akaka 2012; Vargo and Lusch 2011; 2016). From this macro-perspective, value is considered co-created by the members of the system (Vargo and Lusch 2011). In contrast, the service logic takes a managerial micro-level perspective, where customers, firms, and managers are considered individual but connected actors in the value process (Grönroos and Gummerus 2014).

Design/Methodology/approach – Using the case study of Ladurée, an established service provider in the field of haute-patisserie, we combine empirical data from managers, service personnel, and customers to present an encompassing overview of customer value-in-use in service experiences.

Findings – Our data let us analyze: (1) how service providers facilitate value creation in the experience by compiling resources and designing processes; (2) how service providers co-create value with customers during the experience; (3) how customers continue to create value for themselves after interactional part of service experience.

Originality/value – We provide two main contributions: (1) we answer the call for empirical studies of co-creation and the value creation process, and (2) provide empirical confirmation and analysis of the existence of value facilitation, value co-creation and customers' independent value creation. We show that service providers have other roles than merely that of value co-creators, and that service providers facilitate customers' experiential value creation.

Key words - service logic, value, SDL

Paper type – Research paper

Measuring value-in-context with mobile app services

Hogg Johannes

Purpose – New technologies provide a high-definition film of resources and interactions over extended periods of time, offering information about both the structure and content of relationships. The internet is evolving rapidly with the transition from sharing in Web 1.0, to contributing user generated content in Web 2.0, to collaborate in the semantic Web 3.0. The role of the actors is transforming in this connection from a concept of user to a concept of co-creator. With this progress merging computational social science represents a turn toward the use of large archives of naturalistically-created behavioral data.
Service-Dominant Logic (S-D Logic) unifies the transactional and relational perspectives of integrating resources from various sources to co-create value. Actors are seen as resource integrators, what leads to an evolved and scaling value concept of value-in-context. Complexity of context is identified as a challenge to measure the phenomenon of value-in-context. Data collected with mobile app services could be a source for data needed to do social science that was so far too expensive or didn't scale very well. The new ubiquitous digital traces facilitate quantitative modeling on a large scale. What data may be collected and used to measure context and value-incontext by using mobile app services?

Design/Methodology/Approach – First, a literature review is made related on S-D Logic, context, value-in-context, and value-in-context measurement. Second, data gathering and value-in-context measurement will be validated and enhanced by a case study on three for-free-mobile apps (WhatsApp, Snapchat and Instagram).

Findings – A model of context(s) is evolved to represent four components on context in physical and virtual environments. Data from mobile app service are a source to measure context and in case of resource integration between these components value-in-context. Six themes about measurement of context and value-in-context for mobile app services are introduced with indicators and scale.

Research limitations – As limitation are identified and discussed: Interdisciplinary cooperation between computer scientists and social scientists, control over data, privacy and ethical data concerns, quality of data and data interpretation, as much as costs to collect, integrate contextawareness at the mobile application level.

Practical implications – The paper may give exemplified insight to practitioners on how uniquely and phenomenologically determined value by the beneficiary can be measured and understood in a scaling manner. Practitioners may use the method, adapt it in their ecosystem, and identify how value is co-created in their specific context.

Originality/Value – The first proposal of scalable measurement of value-in-context in mobile app services conceptualized with Service-Dominant Logic.

Key words - value-in-context, context, measurement, mobile app services, Service-Dominant Logic.

Paper type – Case study.

Types of business usage center members

Huber Maximilian, Kleinaltenkamp Michael

Purpose - In business-to-business (B2B) settings, the usage of products and services takes place in multi-actor usage processes, which encompass a multitude of interactions between the various users of a focal resource, the members of a business usage center (BUC) (Macdonald et al., 2016). These actors typically perceive the processes and interactions differently according to their department affiliation, hierarchical position, responsibilities, personal background, education, expertise, mood, team spirit etc. Moreover, as the actors follow various multiple goals on the individual as well as on the collective level (Epp & Price, 2011), they perceive the value in use of the same product or service typically differently (Vargo & Lusch, 2008). Hence, understanding the interactions between co-workers during organizational usage processes is crucial for grasping the peculiarities of value cocreation in B2B usage processes. In this regard the basic assumption of the paper is that various types of behaviors of the members of a BUC, as perceived by their co-workers, exist.

Design/methodology/approach - This study investigates the perceptions of the interactions of 20 BUC members of 7 BUCs with their co-workers in various industries, by using the repertory grid technique (Goffin et al., 2006).

Findings - Based on the empirical study 32 characteristics of collaborative behavior in multi-actor usage processes are identified. The consolidation of these characteristics results in five types of behaviors of BUC members as perceived by their co-workers; namely the "doer", the "lead", the "maven", the "soldier" and the "laggard". The identified characteristics as well as the types associated to the users reveal the high influence of other actors on a single actor's behavior towards a focal resource as well as on the perceived value.

Originality/value - This paper contributes to a deeper understanding of multi-actor usage processes in B2B settings and of the influence, other actors have on the value creation of a single actor in a BUC.

Keywords - Resource integration, value cocreation, value realization, conceptual framework, resource logic

Paper type – Conceptual paper, research paper

Resource Integration and Organizational Identity in B2B Systems

Husmann Ingo

Purpose - The relationship between resource integration and organizational identities in a B2B systems context is explored. To understand the contextual embeddedness of resource integration the research looks from the perspective of how actors of a certain supplier type, professional service firms, describe and explain their experience with changing resource integration in a project network.

Design/methodology/approach - A theoretical framework is proposed based on two complementary perspectives by integrating the Service-dominant logic view on resource integration as experience, and organizational identity as shared sensemaking. Subsequently, a qualitative case study in combination with interpretative phenomenology is used that illustrates the value of the framework.

Findings - The findings show a strong influence of organizational identities on resource integration in a B2B systems context. Organizational identities support or impede certain resource integrations, thus determine value-in-context and value co-creation in a B2B system. Resource integration that is experienced from one actor group in the B2B system as not making sense in relation to organizational identity leads to significant tension and value co-destruction.

Research limitations/implications - The present study provides a starting-point for further research on the interplay of resource integration and organizational identities in a B2B systems context.

Originality/value - The framework has proven to be useful in exploring resource integration and organizational identities in a B2B project network context. In addition, this is from a managerial point of view a notable and promising side-effect of the exploratory study.

Keywords - Service-dominant logic, Resource integration, Organizational identities, Case studies, Phenomenology

A System Dynamics simulation model for sustainable value through the Viable Systems Approach

Iandolo Francesca, Armenia Stefano, Carrubbo, Luca

Purpose – Aim of this work is to shed light on sustainable value and develop a model, based on vSa and translated at applicative level through the system dynamics methodology, and through which it will be possible, once contextualized, to simulate the behaviours of business organizations interested in measuring sustainable value. According to the above-mentioned theoretical framework, value, traditionally considered as something objective and defined *a priori*, owns a multiple nature and is characterized by strongly subjective contents. This last concept means that the definition of value passes through the perspective of the subjects towards whom it is created (Recipient), in relation to the perspective of the entity who is interested in its creation and measurement (the governing body of the organizations). This conceptualization, based on vSa, assumes greater significance when we refer to sustainable value, which is the result of the concurrent consideration of three dimensions: economic, social and environmental. By adopting this perspective, value will be considered as a vector quantity and as the result of the subjective weighting of the different stakeholders that may change according to the considered organization.

Design/Methodology/approach – The paper will start from the analysis of the existing relations between the two considered approaches: system dynamics and vSa. Then, we will implement the theoretical framework in a simulation model trough system dynamics, which is capable to address systemic problems and is an expressive approach to solve issues rising in complex social, managerial, economic, or ecological systems: any dynamic systems characterized by interdependence, mutual interaction, information feedback, and circular causality. In order to translate theory into "action and application" we will develop a model through which it will be possible to exploit the advantages of vSa implemented into a simulation model.

Findings – The integration of the subjective perspective within a model for calculating sustainable value will consider vSa as the theoretical framework of reference and System Dynamics as the methodology that allows translating such approach into a simulation model.

Originality/value – The reasons that have inspired this work derive from the consideration that, currently, there isn't a theoretical/practical approach to sustainable value measurement for business organizations that simultaneously considers the dimensions of the triple bottom line together with the subjective perspective of decision makers. From these considerations, derives the idea to integrate vSa and System Dynamics in analyzing the issue of sustainable value, whose triple dimension is usually (erroneously) seen in an optic that does not consider the interactions among those very same three dimensions.

Key words - viable systems approach, system dynamics, sustainable value

Paper type – Research paper

Embedding Innovation in Service

Iwanczuk-prost Malgorzata

Purpose - Motivational, knowledge and relational mechanisms of crowd engagement, creativity and knowledge sharing behavior in inter-firm collaborations will be examined. The research will specifically focus on how firms adapt and renew their network of partnerships in order to secure future competitiveness in a dynamic environment. It will be explored to what extent service providers are anticipating and enabling service customers to continually co-create knowledge.

Design/Methodology/approach - Relational perspectives on adaptive organizations enable to explore such topics as the origins and evolution of networks, distrust in networks, entrepreneurship and radical innovation in networks. Research on inter-organisational relations has initially focused on the questions 'why' and 'when' such relations are formed. More recently, the literature has developed an embeddedness perspective on inter-organisational relations, by considering them as networks of social relations. The network embeddedness perspective has delivered useful insights into mechanisms such as the role of social capital, relational and structural embeddedness.

Findings - Innovation implies that organizations and their members have to be able to develop ideas, have to assemble information and develop these into knowledge that makes ideas feasible for a transformation into product or process innovation. Many innovation trajectories are organised by crossing intra-organisational and inter-organisational boundaries. Teams and networks of partnerships, as well as crowd engagement are options to consider.

Practical implications - Networks of inter-organisational relations have been a well-researched phenomenon. There is a growing consensus in the literature that an organisation's involvement in inter-organisational collaborative relationships matters for its innovation potential.

Originality/value - The resource-based view can no longer be exclusively relied on to explain competitiveness and hence innovation. Therefore, an associated set of theories is proposed: an evolutionary theory of technological trajectories, the knowledge-based view and learning theories such as trial-and-error learning, organisational learning from performance feedback, individual and social learning.

Key words - adaptive organizations, complexity theory, inter-firm relationships, knowledge sharing, co-creation

Paper type - Conceptual paper / Research paper

Institutions and innovation in service ecosystems – resource integration in multi-player innovation settings

Jonas Julia M., Roth Angela

Purpose – SDL literature has recently put forward that institutions guide resource integration in organizations, in terms of breaking, making and maintaining the rules, habits and norms of an organization, and thereby control innovation activities. Accordingly, change in the ways of resource integration is required in order to achieve innovation. Yet, the interplay of innovation and institutions has so far not yet been analyzed in-depth in the context of multiple organizational players innovating together. In such collaborative innovation settings, established service systems (i.e. organizations) are aligning resources to create a new joint sub-system. This developmental paper explores how the breaking, making and maintaining of institutions of multiple participating organizations and the making of new joint institutions, e.g. by constructively aligning knowledge, skills and abilities from different actors of different organizations, is impacting innovation activities in service ecosystems and vice versa, on a micro level.

Design/Methodology/approach – A longitudinal single case study is implemented, based on data from a four year period of establishing and running a living lab. The practices of breaking, making and maintaining institutions in this new, joint initiative of 1) a research institute, 2) a sub-unit of this institute, 3) a university department and 4) their jointly established living lab are analyzed.

Findings – The study shows that a) "rule breaking" was achieved as a collaborative effort in several instances especially in the establishment phase of the initiative, b) the joint creation of new solutions is a constant process, implemented simultaneously in the joint sphere of all units as well as in all individual participating units and c) that even after the establishing of joint institutions between the multiple partners, the breaking and making of new rules and habits is constantly iteratively challenging the maintenance of practices in the joint sub-system.

Implications - The paper presents suggestions for managerial practice in multi-player innovation projects and derives new aspects for SDL theory development. It is limited to the insights from a single case study.

Originality/value – The paper supports a deeper knowledge of institutional changes for innovation and derives empirical insights about the breaking, making and maintaining of rules, norms and habits with actors from multiple institutional contexts. It shows how institutional work is a constant, challenging process when innovating in multi-organizational settings, i.e. service ecosystems.

Key words - institutional logics; innovation; multiple actors; case study; service ecosystems

Paper type – Research paper

Market-shaping mechanisms of public actors

Kaartemo Valtteri, Nenonen Suvi, Windahl Charlotta

Purpose – Over the past decade, scholars have used a market-as-practice approach to understand how markets are shaped by economic actors, which perform sets of interlinked market practices (Kjellberg and Helgesson, 2006, 2007). However, the more detailed translations of such actor-induced performativity such as market shaping, or market scripting (Storbacka and Nenonen, 2011), focus on commercial companies. In the light of recent discussions within the service-dominant logic field (Vargo and Lusch, 2016), we argue that this emphasis on companies provides an incomplete picture which needs to be complemented by the roles and activities of public actors. In contrast, within institutional work research (Lawrence et al., 2011; Zietsma and Lawrence, 2010), the role of public actors and the mechanisms of maintaining, creating, and disrupting institutions are better known, even though these studies have mostly focused on the changes taking place in the public institutions themselves. Regarding changes in market-related institutions, public actors have mostly been treated as mere objects of companies who engage in institutional work, rather than actors that actively participate in shaping the market (Alvarez et al., 2015; Sarasini, 2013). Consequently, our knowledge is limited about the market-shaping mechanisms of public actors. Thus, the purpose of this study is to explore the roles and activities of public actors in order to identify how they participate in market-shaping mechanisms.

Design/Methodology/approach – The study is based on multiple case studies which draw insight from different contexts (three industries, three countries). We used purposeful sampling to select the cases, and specifically included cases where public actors had active roles in maintaining, creating, and disrupting institutions.

Findings – The study delineates the various market-shaping mechanisms that public actors employ when influencing markets. These mechanisms are further classified to illuminate which ones are prevalent in different contexts of institutional work: maintaining, creating and disrupting markets.

Practical implications – The study provides guidance for regulators on how to best maintain, create and disrupt market systems. In addition to increasing understanding of the active role of regulators, we discuss how companies can invite public actors to the institutional work needed when shaping markets.

Originality/value – The study contributes to the literature streams related to market shaping and institutional work. We provide novel insights on how public actors participate in market shaping by maintaining, creating and disrupting institutions.

Key words – markets; market shaping; markets-as-practice; institutional work; public actors;

Paper type – Research paper

Service Sweethearting and Value Co-creation: A Service-Dominant Logic Perspective

Kao Ping-jen, Dacko Scott

Purpose - Service sweethearting is a phenomenon that centers on a customer-oriented and relational behavior in which frontline employees give free or discounted services that are value experiencing to customers. The purpose of the study is to enhance the understanding of how service sweethearting can increase customers' perceived value of service offerings.

Design/methodology/approach - This study conducts in-depth interviews in different hospitality industry contexts, and subsequently suggest a grounded theory of how frontline employees can use service sweethearting to co-create higher value with customers.

Findings - Drawing on service-dominant logic, the findings show that service sweethearting can be conceptualized as comprising two categories: calculative and prosocial. It also reveals that both categories of service sweethearting can enhance or undermine the value of service offerings in certain contexts. These findings support service-dominant logic which emphasizes that contexts matter when studying value perceptions of customers.

Research limitations/implications - The study offers a first step toward investigating two categories of service sweethearting and their influences on value perceptions. Further research could develop a more comprehensive contingency approach to help service managers select the context-appropriate service sweethearting strategies.

Practical implications - The study provides insights about how frontline employees can use service sweethearting strategies in a timely manner to enhance value perceptions of customers.

Originality/value - The study combines marketing and organizational literature to propose two categories of service sweethearting and adopts a service-dominant theoretical lens to investigate the context-dependent phenomenon of service sweethearting.

Keywords - calculative service sweethearting, prosocial service sweethearting, service-dominant logic, value perception, value-in-context, value co-creation

Paper type - Research paper

Spiritual Engagement: A Missing Link in Service Research

Karpen Ingo, Conduit Jodie, Tierney Kieran, Wright Mark

Purpose - The purpose of this paper is to build a theoretical foundation to understand the phenomenon of consumer spiritual engagement. In so doing, this paper provides an empirically-informed conceptualisation of consumer spiritual engagement and clearly discriminates the concept from the existing cognitive, emotional and behavioural tenets of engagement.

Design/Methodology/Approach - This research is based on 41 consumer interviews that lasted between 45 and 90 minutes each. The interviews were conducted in Australia and informants contacted through purposeful sampling using snowball technique. The data were analysed and findings structured following the Gioia et al., (2013) approach. This includes the identification of second order themes and third order aggregates based on first-order response incidents/concepts that define consumers' spiritual engagement.

Findings - Spiritual engagement emerges as a distinct and important aspect of consumer experiences, which goes beyond the previously identified cognitive, emotional and behavioural dimensions of engagement (cf. Brodie et al., 2011; Hollebeek et al., 2014). We find that consumers engage with focal resources in a way that embodies a connection to self and others (subjects/objects), personal growth and expanded awareness, higher order purpose and contributing to the greater good. This generates a more fine-grained understanding of consumer engagement, and illustrates significant additional ways in which consumers interact with brands and other market actors.

Research Implications - The paper contributes by extending our theoretical and empirical understanding of consumer engagement. Managerially, the research provides important insights into considering and facilitating spiritually relevant consumer (interactive) experiences, and hence to more meaningful living and consumer well-being. Indeed, in an environment where consumers are confronted with evermore consumption options, the speed of obsolescence, and experience shallowness, spiritually meaningful experiences and interactions become increasingly important.

Originality/Value - This paper argues that an essential element of human engagement has been overlooked in marketing research to date: spiritual engagement. While the rational, emotional and behavioural components have been much discussed and studied, spiritual engagement in marketing has been rather neglected, particularly in service research. This is surprising given the role of spirituality and mindfulness in people's lives (Dombeck 1995). Spiritual aspects, or spirituality for that matter, thus rises in paralleling importance.

Data-driven location-based services for decision making in tourism

Keller Barbara, Moehring Michael, Schmidt Rainer

Purpose - Digitization and the spreading usage of new media affect consumers as well as suppliers in everyday life (Schmidt et al., 2015). In this context, we discuss the opportunities of Data-Driven Location-Based Services such as for Tourism and Hospitality according to the service-dominant logic approach (Vargo and Lusch, 2004). Data-Driven Location-based Services extend the established concept of location-based services (Junglas and Watson, 2008) by using data representing additional dimensions such as time. An important example is Google Popular Places and Times (Google, 2015) that combines the location information with historical data. We anticipate that data-driven location based services have a positive value for both entities, suppliers as well as consumers. Suppliers can improve and optimize their offers as well as internal processes. Consumers can improve their decision-making processes.

Design/Methodology/approach – We applied a mixed-method approach (Creswell and Clark, 2007). Therefore, a real data sample from Google popular places (Google, 2015) by a self-implemented web-crawler. a quantitative data analysis based on real data and analyst with Big Data applications such as Rapid Miner. Furthermore, we integrated qualitative data of customers and suppliers in the Tourism and Hospitality sector to validate and further develop our results.

Findings – Our research supports that Data-Driven Location-Based Services such as Google Popular Places and Times have a positive value for suppliers and customers. We demonstrate the explanation of our findings based on Service Dominant Logic and found new possibilities for future research.

Research limitations - We looked at special Tourism and Hospitality cases. Furthermore, our research was focused on the European market.

Practical implications - Suppliers as well as well customers can benefit from the use of Google Popular Places and Times to improve decision makings as well as increase their benefit evoked by the value in use.

Originality/value – The solutions of Google Popular Places & Times is easy to use, integrate, evaluate as well as implement for both entities.

Key words - SDL, Google Popular Places & Times, Digitization

Paper type –- Research Paper

When the Market becomes Part of the Family
– Family Caregiving and Aging in Place

Kelleher Carol

Family caregiving is a collective form of value co-creation involving service provision and consumption within healthcare ensembles, comprising family members, healthcare professionals, friends and community. Experiences of family caregiving in many European countries is framed with healthcare policies which prioritise "aging in place" policies which delegate sole and primary responsibility for caring with families as long as possible, regardless of family circumstances, geographic location and occupations. However, family care provision in the home involves significant social and market challenges for family carers including: return-to-work or education, economic and financial challenges, maintaining and rebuilding social networks and changed family relationships and therefore may result in complex negative value experiences for family caregivers over and beyond the caregiving life course. In addition, family caregiving may be remunerated by the state in some countries however in other cases may involve significant immaterial and emotional labour for many caregivers. Overall, the far-reaching and complex economic, social and psychological needs of family carers remain misunderstood and unmet. This research addresses the deficit in terms of theory, policy and practice. The specific aim of the paper is to explore family caregivers' experiences of caregiving in order to better support current and former family carers as critical service providers in civic society.

The eight month long qualitative study followed a participatory action research approach that prioritised responsive information exchange with those most impacted by the research, namely family carers. Twenty depth interviews were conducted with rural and urban family carers, nine male and eleven family, and who were identified through a national Family Carer representative association. Emergent themes relating to carers' experiences of caregiving were induced from participants' narratives (Spiggle 1994).

The findings revealed three phases impacting family carers experiences of market medicated care provision across the care giving life course, which we term reconfiguring, distancing and reconstituting. The first phase, reconfiguring, revealed how family members disengaged from their previous occupation and family roles on assuming the family carer role, often loosing friends, income and career or education progression prospects in the process. For some, the transition from family member to family carer was subtle and gradual, for others it was experienced as sudden and disruptive. During the second phase, distancing, family carers contemporaneously experienced feelings of connection and separateness from their previous market place roles and identities as the dual roles of family member-family carer become entwined. In particular, some family carers wrestled with the transition from caring at home to caring at a distance following the care recipient's move to a care home. In the final reconstituting phase, family carers had to adjust to the ultimate and final and often difficult transition – death of the care recipient. As a result they had to abandon and discard their identities of carers and were immediately required to refashion new roles as a result of returning to work or education, often after a long period of absence.

Our findings contribute to theory and practice by elucidating the specific issues, challenges and concerns facing family carers who are often unpaid service providers enrolled by the market and then abandoned and forced into economically productive roles in employment and education once superfluous to the market requirements of providing care in the home. By foregrounding carers' perspectives in research / policy interventions and collaborations directed towards meeting carers' needs and requirements at a national and European level, the research problematizes the predominant marketplace discourse of again in place and increases societal and public awareness of the value and contribution of carers as service providers to civic society.

Personal data and the perception of individual vulnerability: an experiment

Kharlamov Alex, Parry Glenn, Pogrebna Ganna

Purpose - Personal data is becoming increasingly ubiquitous which raises concerns about data sensitivity and risk. Personal data exposes the individual to potential threats but research on how individuals perceive their own vulnerability in the context of personal data is scarce. We hypothesize that individuals distort probabilities of adverse events following the Cumulative Prospect Theory (CPT) probability weighting function. This probability weighting is taken as a proxy of vulnerability. This paper explores how individuals weigh probabilities of personal data-related threats. The work explains the difference between individual vulnerability (IV) and perceived IV.

Design/methodology/approach - We test how much people distort probabilities based on the CPT following the methodology of decision-making experiments on 101 individuals. Results are analysed using econometric methodology.

Findings - Individuals exhibit nonlinear weighting of IV. We detect three types of users: '*fearful'*; '*fearless'*; and '*combo'*. '*Fearful'* individuals overestimate IV whilst the '*fearless'* underestimate IV. '*Combo'* individuals tend to overestimate small probabilities but underestimate the large probabilities. The discussion tracks possible sources of bias back to disproportionate exposure, memorability, imaginability of events.

Practical implications - Understanding how individuals perceive IV enables better design of personal data management services. A design adopting a segmented approach, considering the three major types of users, will reduce the perception of IV and increase trust.

Originality/value - We provide a novel way of understanding how users perceive IV using the CPT. This provides means to further measure perceived IV.

Value Co-Creation through Resource Integration: A Conceptual Framework

*Kleinaltenkamp Michael, Karpen Ingo, Frow Pennie,
Payne Adrian, Chen Tom, Pires Guilherme, Grönroos Christian*

Purpose - Recent marketing literature emphasizes that market actors are resource integrators that use both external and their own resources to improve their current conditions. Through resource integration processes, customers experience and contribute to the realization of value. Despite this important conceptual basis and recent empirical evidence, extant literature still lacks a holistic understanding of the resource integration and value realization. Current research on value realization provides limited and fragmented insight without an integrative conceptual framework. Against this background, the paper provides a holistic framework to conceptualize how and what types of value concepts actors realize through resource integration and thus delineate the foundational elements and interdependencies of value realization.

Design/methodology/approach - The authors draw on marketing, management, and sociology literature to propose an integrative conceptual framework that links actors' resources and resource conditions with resource integration processes and related value concepts.

Findings - The proposed Value Realization Framework (VRF) advances the concept of value realization by delineating its multiple theoretically and managerially meaningful elements and illustrating the connections among these elements that help actors improve their opportunities to achieve the desired core benefits that relate to value. In turn, it clarifies how resource-related conditions drive actors' resource integration behavior, how different value concepts relate to actors' valuation of resources and resource conditions, and what efforts lead to value in use and modified resource conditions.

Originality/value - The conceptual framework helps explain how and why market actors integrate their resources, connects disparate value concepts, and provides the basis for a compelling research agenda as well as for managerial implications to improve value co-creation.

Keywords - resource integration, value co-creation, value realization, conceptual framework, resource logic

Dynamic construction of resource integrating actor's identity

Koskela-huotari Kaisa, Siltaloppi Jaakko

Purpose – Mainstream marketing tends to view actors through a single role (e.g. consumer, firm). Service-dominant (S-D) logic challenges this view with its generic actor-to-actor (A2A) conceptualization which implies that actors are complex collections of 'roles' that fundamentally all do the same thing: integrate resources and engage in service exchange in the process of cocreating value. Although, the generic A2A conceptualization has become central to S-D logic and the service ecosystems perspective, its meaning and implications are not fully elaborated. The purpose of this paper is to extend the seminal work by Vargo and Lusch (2011) on this theme, by grounding the A2A conceptualization within the so called "change & complexity" institutionalism that bridges old and new institutionalism in organizational theory.

Design/Methodology/approach – The paper is conceptual in nature and aimed at further theoretical development of S-D logic.

Findings – Linking the conceptualization of actors as generic resource integrators with the "change & complexity" institutionalism implies that actors are dynamically constructed entities that exist in and thus bridge multiple contexts of value cocreation. Each context is coordinated by institutional arrangements that typify actions and actors by assigning them specific roles. This paper argues that as a result, actors identify with multiple institutional arrangements and thus adopt multiple roles, which over time constitute their identity. Rather than fixed to a specific context, identity develops into a unique constellation of institutional arrangements and the roles typified by them, meaning that identity is simultaneously "interpersonal" in relation to the socially constructed roles in different contexts and "intrapersonal" in the sense of comprising an idiosyncratic self -understanding that transcends multiple contexts. As such, identity is elemental in both orienting actions across multiple contexts and directing actors' reflexivity across institutional arrangements, making it central to actors' capability of changing the institutional arrangements that constrain and guide them.

Research implications – The paper introduces the notion of identity to S-D logic and highlights it as a "second-order institutional constellation" in service ecosystems, that is, as a more enduring quality of a resource integrating actor that spans across multiple institutional arrangements while simultaneously constituted by the roles implied in them. This conceptualization has significant impact into understanding institutional dynamics within service ecosystems and conceptualizing both change and stability.

Originality/value – The paper is one of the first that explicitly address and begins to unpack the concept of resource integrating actor.

Key words – Actor, resource integrator, identity, institutional complexity, service-dominant logic

Paper type – Conceptual paper

Embodied customer experience in group fitness context
- identification of different customer types

Kuuru Tiina-kaisa

Purpose – The purpose of this paper is to explore embodied customer experience in group fitness context and identify different types of group fitness customers among their motives and important factors affecting to their ultimate service experience.

Design/Methodology/approach – The phenomenological approach is stressed: the paper studies the embodied service experience by focusing on individual's interaction between other actors and the culture and environment he/ she is living into. The interpretive analysis draws on naturalistic observations and narrative interviews carried out among group fitness customers in Finland.

Findings – Paper draws connection between the concept of co-creation and embodied service experience in group fitness context. Paper explores comprehensively the factors affecting to customer's ultimate service experience and identifies different group fitness customer types.

Research limitations/implications – This study expands the concept of co-creation to the academic conversation around embodied service experience. The group fitness context is suitable for this as embodiment is strongly present in creation of customer experience and affecting to the ultimate experience in various ways.

Practical implications – For practitioners, this analysis and Identification of different group fitness customer types provides practical insight for managers to manage and improve their operations to meet the needs and expectations of the customers with different motives.

Originality/value – The paper explores the embodied service experience in group fitness context by using phenomenological approach and narrative interviews to capture the special characteristics of embodied service experience and identify different customer types.

Key words - Customer experience, embodiment, co-creation, group fitness, narratives

Emphatic understanding as a source of value co-creation and differentiation

Lappalainen Inka, Airola Merja, Nuutinen Maaria

Purpose – The paper examines how experience-driven design methods support an understanding of value co-creation and differentiation in changing service ecosystems. The aim is to build linkages between topical debate on S-D logic, brand research, service design and experience-driven design approaches. Furthermore, we demonstrate empirically the dynamic and socially constructive nature of value co-creation with an emphasis on unique, holistic experience and image co-construction among beneficiaries, as a means of differentiation.

Methodology – Qualitative multi-case and participatory fieldwork approach were adopted in the context of residency in Finland. We focused with six SME companies on topical real estate management service by means of emphatic understanding and holistic experience of the residents as end customers as a powerful means for differentiation in the changing industry.

Findings – An experience-driven design approach seems to deepen the understanding of value cocreation and differentiation among personnel in real estate management service companies towards a service mindset. However, empirical findings also revealed that the complex dynamics of transformation were inhibited by institutionalized practices and enabled by new value creation opportunities.

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.

Practical implications – The experience-driven design approach seems relevant, and methods applicable across industries to support adopting the service mindset in practice.

Originality/value – The paper brings a new insight to the topical research debate by linking S-D logic, brand research and experience-driven design approaches, and exploring them empirically, particularly in rather unstudied real estate management service context with great value creation opportunities.

Key words - value co-creation, value-in-use, value-in-context, experience, design thinking, real estate management, SME

Paper type – Research paper

Understanding the Influence of the (Industrial) Internet of Things on Product Service Transition: A Qualitative-empirical Analysis

Laudien Sven M., Clauss Thomas

Purpose – Manufacturing firms recently face the challenge of a growing customer demand for service solutions on the one hand (Kowalkowski et al. 2015). On the other hand, opportunities to implement direct machine-to machine interaction and utilizing so-called "smart technologies" considerably affect traditional production processes (Bhardaway, 2013). Both developments cause different needs for innovation on the solutions and process level that are basically contradictory at first sight and are therefore likely to block each other. By now, both phenomena are only analyzed in an isolated way – although business practice calls for a more holistic research approach to allow for developing successful ways of coevally dealing with them. In this paper, we tackle this interesting question and analyze against the background of a multiple-case study how these differing needs for innovation influence each other in detail. By doing so, we uncover learning effects that bridge the assumed distance between the both innovation needs and thereby enhance the understanding of determinants of product-service transition in the age of smart technologies.

Design/Methodology/approach – We make use of a multiple case-study approach (Yin, 2009) that includes a non-random, purposeful sample of 26 manufacturing firms that are affected by a need for product-service transition. To be able to understand interaction effects, our international sample is purposefully split in half: 13 manufacturing firms already make use of smart technologies while the other 13 firms do by now not utilize smart technologies. Main data source are open interviews with firm representatives, for data triangulation we also include archival data into our analysis. The data was coded following the Gioia –methodology (Gioia, Corley, and Hamilton, 2013).

Findings – We uncover three core learning mechanisms that help to bridge or even to erase to distance between the two innovation forms and develop a cycle model that shows the interplay between the learning mechanisms and the emphasis put on the two different innovation forms within the firm. Furthermore, we show how speed and extent of ecosystem changes affect innovative needs in this realm.

Research limitations/implications – We are aware of the limitations that go along with making use of a qualitative research approach. However, newness and complexity of the topic make us believe that a qualitative approach is the best way to tackle our topic. By including multiple respondents as well as by making use of data triangulation we do our best to delimit possible negative effects. Our study provides a background for future quantitative-empirical research and contributes to a holistic understanding of product-service transition on a firm level.

Practical implications – Our analysis helps practitioners to improve the design of innovation processes by highlighting the by now widely misunderstood interplay between different forms of innovation that are necessary in the context of smart product service transition.

Originality/value – This paper is as far as we now the first dealing with the interplay between innovation needs caused by product-service transition and coevally introducing smart production processes. It opens a new avenue of product -service transition research by tighten the linkage between this stream of research and research on innovation.

Key words - product-service transition, (industrial) internet of things, innovation, smart technologies, organizational learning.

Paper type – Research paper

Directions of service-dominant logic research: results of a bibliometric analysis

Harengel Peter, Clauss Thomas, Laudien Sven M.

Purpose – For more than ten years research in the realm of the Service-dominant Logic (SDL) concept (Vargo and Lusch, 2004) addresses value (co-) creation in a broad variety of forms and applications. However, the definition of and the linkages between the different research areas SDL has spread to are by now a kind of a black box. With this paper, we try to diminish this blind spot by presenting the results of a bibliometric analysis (Zupic and Čater, 2015) that provides an overview over past SDL research efforts and allows for getting a glimpse at future research directions. By uncovering the evolution of SDL we contribute to a holistic understanding of this concept and foster its develop in the direction of becoming a general management theory.

Design/Methodology/approach – We make use of a bibliographic coupling approach that defines the strength of the link by the amount of overlapping references between two publications (Kessler, 1963). The more references two publications share, the higher the strength of the coupling. The analysis is conducted via the open source tools VOSviewer (van Eck and Waltman, 2009) and supplemented by the Science of Science (SCI2) Tool (Börner and Scharnhorst, 2009) for its capabilities in document keyword analysis. The analysis conducted by the VOS viewer displays the relations between the publications via a fractional counting methodology carried out based on the weight of the publication, the normalization of the relationship strength with the aim of identifying clusters of related publications. We created a dataset of 1312 papers citing the Vargo and Lusch (2004) article.

Findings – We identify seven core clusters ("Co- Creation & Conceptualization", "Service Satisfaction & Loyalty", "Service Science & Systems", "Value Creation & Cooperation", "Market Oriented Firm & Competition", "Service Quality & Branding" and "Product & Service Innovation") that essentially shaped the status quo of SDL research today. By highlighting how concepts within these clusters shifted over time, we are able to trace the developmental stages across the different clusters and how they are connecting with other disciplines.

Research limitations/implications – The limitations of literature-based research is its inherent retrospective viewpoint. However, due to data richness as well as the opportunity to employ further qualitative methods of analysis our study also provide a solid background for identifying and understanding future SDL research directions.

Practical implications – The analysis of how SDL has developed towards its current state will allow a better identification of research gaps, outline the interaction between different understandings of service as well as help practitioners identify essential ways of service thinking that are underpinning innovation ecosystems.

Originality/value – This paper provides to our knowledge the first empirical, bibliometric approach towards systemizing the SDL literature. It allows for an essential grounding of the broad variety of past SDL research efforts in distinct fields of research that consequently are forming the core components for the future of an institutionalized conceptualization of service.

Key words - service-dominant logic evolution, bibliometric analysis, bibliographic coupling,

Paper type – Research paper

Value creation: the role of customer participation and perceived innovative aspects of service innovation

Leckie Civilai, Nyadzayo Munyar, Johnson Lester

Purpose – This paper aims to investigate how consumers' perception of different aspects of service innovation (perceived innovativeness, service concept newness and relative advantage) and their participation impact value perception, satisfaction and loyalty. Service dominant logic (SDL) (Vargo and Lusch, 2004, 2008, 2016) proposes that both customers and firms combine their resources to cocreate value. In this paper, customer participation is defined as the degree to which a customer contributes effort and other inputs to service production and delivery (Chan, Yim and Lam, 2010) and represents an operant resource in the value creation process (Barrutia and Gilsanz, 2012). Different aspects of service innovation represent new ways that an organization combines its resources. However, only customers are in the position to perceive and evaluate the service innovation and how their perceptions and evaluation impact their behavior (Lowe and Alpert, 2015). This paper proposes that to enhance loyalty, these innovation aspects must create value and satisfaction among customers (beneficiary).

Design/Methodology/approach – The conceptual model was empirically tested using nation-wide survey data from 430 consumers of Uber in Australia. The data were analyzed using structural equation modeling.

Findings – Our results show that participation, innovativeness, service concept newness and relative advantage positively influence perceived value. Satisfaction was positively influenced by perceived value, innovativeness, service concept newness and relative advantage. Both perceived value and satisfaction drive loyalty. Interestingly, relative advantage drives loyalty while the effects of participation, innovativeness and service concept newness on loyalty are mediated by perceived value and satisfaction.

Research limitations/implications – Cross-sectional data were used. Thus, the results only provide a snapshot of the relationships among constructs. Further study can extend and test the conceptual model in different service contexts to generalize the findings.

Practical implications – To promote loyalty, it is important that different aspects of service innovation (innovativeness, service concept newness and relative advantage) create value and satisfaction among consumers. In particular, relative advantage is a critical factor that promotes all key outcomes (value, satisfaction and loyalty). It is also important that consumer participate in the value creation in the service innovation context.

Originality/value – Building on SDL, this paper proposes a conceptual framework for investigating how consumers perceive different aspects of service innovation and how these perceptions combined with their participation influence the perceived value, satisfaction and loyalty for the service organization (Uber).

Key words - Participation, Innovativeness, Service concept newness, Relative advantage, Perceived value

Paper type – Research paper

Measuring engagement with charitable events in social media brand and user posts

Lemmink Jos G.a.m., Hensens Kilian, Lucas Benjamin, Heinonen Kristina

Purpose - The rise of social media has developed a networked society that emphases the importance of managing and measuring customer engagement. This research aims to combine customer engagement literature with psycholinguistics in order to develop a better understanding, and metrics of engagement in charitable events. Customer Engagement is commonly conceptualised as a psychological state leading to opportunities for text analytics of words as reflections of important psychological processes. The aim of this research is to deepen the understanding of customer engagement in charitable organisations by developing metrics for measuring engagement on social media and examining the online consequences of these displays of engagement. The following research questions will be addressed: a) How can engagement with charitable causes be measured on social media?, b) How can textual manifestations of engagement be linked to behavioural engagement metrics on social media?, c) How do textual manifestations of engagement in social media posts affect the level of engagement as measured in the customer comments?

Design/Methodology/Approach - We tested the effects of displays of engagement in social media posts by both brands and users on the creation of engagement on Facebook. A sample of social media posts during the charitable event Serious Request has been used.

Findings - We found that behavioural engagement in user posts is a driver of increasing number of likes, comments and shares. In brand posts, positive affective engagement was found to encourage people to also use emotional words in subsequent comments. The addition of media was found to improve several Facebook metrics. The results show differences between firm-generated content and user-generated content. Textual manifestations of cognitive and behavioural engagement in user posts did positively influence the number of likes, comments and shares. Shares are considered as the most visible type of engagement on Facebook as it is always visible to one's own social network. The positive interaction effects of media type with affective engagement and behavioural engagement could be explained by this visibility of shares. Photos and videos often make a message clearer or entertaining and could therefore improve the value of a message.

Practical Implications - The results imply that charitable organisations should include media in their brand posts and use affective words to create more extensive customers' comments, while they should stimulate users to share their behavioural engagement during charitable events in user posts. Textual manifestations of engagement in both firm-generated content as user-generated content were found to affect important performance outcomes for organisations. Firms could create a feedback loop that enhances both online and offline behaviour. Therefore, not only the awareness of the charities could increase, but also the level of financial donations, the loyalty of donors and participation in charitable activities.

Originality/Value - Although Linguistic Inquiry and Word Count (LIWC) methods have been widely validated they have not been applied to the context of customer engagement yet. This study contributes by measuring the psychological dimensions of customer engagement from words in social media posts and test the effects of different levels of engagement.

Keywords - Engagement, Media, Linguistics

Employee motivation for value proposition alignment

Liewendahl Helena

Purpose - This conceptual paper presents an integrative, cross-disciplinary conceptual framework that depicts employees' motivation to live up to value propositions. It takes an employee perspective, and presents an employee discourse in the value-in-use discussion. Thereby it deviates from the traditional managerial approach in service research and the common managerial assumption; that managers are able to order subjectivity towards employees and see to it that employees are performing in accordance with value propositions. The framework is labelled the "Human Service Logic" (HSL) and is positioned within the Nordic School of service research and it draws mainly upon the Service Logic and Customer Dominant Logic streams.

In regard to value propositions it departs from the Nordic School and its longstanding traditions of placing value propositions in a central position "as promises of potential future value creation" and the pivotal role ascribed to employees as facilitators and active co-creators, as well as the effective use of supplier-customer human interaction as a means of directly influencing customer value fulfilment in value-in-use. Although we consider value promises as a more adequate concept, because it traditionally is more modely used, in this we use the phrase value proposition.

In practice firms make all kinds of value propositions, but often these psychological contracts are broken. In practice frontline employees do still, despite the increase of remote technology-based service encounters, have a substantial impact on customer experiences, in particular in face-to-face interactions.   Customers still experience frontline employees as the firms "brand ambassadors" who impinge customers' experiences in a value-in-use context. Consequently employees' motivation to perform in alignment with the firm's value propositions is of significant importance.

Research Design - This conceptual papers draws upon a longitudinal, abductive study conducted in two case firms. It combines the empirical findings with a set of theoretical frameworks as its informants: Service research, co-workership, humanistic management, motivation science and third and fourth force of psychology.

Findings - The suggested framework emphases the human factor in value (co-) creation and sees employees as actors and active subjects, i.e. as operant resource with an active subject position in value-in-use. The HSL is summarized as five core principles, i.e. co-active power sharing and agency to participate, integrating experiences, a practical circular ontology and authentic promises.

Originality/Value - The framework brings together several theories that have not been previously jointly connected within service research and advances the understanding of *integration and management of resources and capabilities*.

Examining service experiences:
comparing methods to capture children's experiences

Litovuo Lauri, Aarikka-Stenroos Leena, Kaipio Johanna, Karisalmi Nina

Purpose – Recent discussion on the service-dominant logic (SDL) and interest of studying service experiences in different contexts have been increased. However, this has brought up a new methodological challenge for contemporary research. Research methods used, need to capture experiences in the contexts of value co-creation while taking dimensions affecting to experience cocreation into account. This challenges researchers to adapt their methodology to be suitable for the context of studied phenomenon. This paper will provide a set of methodological snapshots applicable for SDL and service research in a context of healthcare services for children and their families.

Design/Methodology/approach – Study draws on selected literature from the fields of service research and healthcare services and tests new methods of capturing experiences in a special experience context of children's healthcare. We analyze and report a set empirical studies applying of qualitative and quantitative approaches for investigating experience in a special research field of children's healthcare experience. These methodological approaches include probing, structured and unstructured interviews and surveys. We review and compare the key characteristics of the methods and their respective benefits for service experience research.

Findings – Key findings shows that some research methods are more appropriate capturing children's experience data. Study also suggest that some methods are more appropriate for capturing data of cocreation in children's social contexts.

Research implications – The paper builds contribution by increasing understanding on how different research methods capture dimensions of service experience co-creation and help researchers interested in studying children's experiences to select an appropriate methodology for conducting their research.

Originality/value – Service experience research lacks paper that pieces together different methodology approaches capturing complex phenomenon of children's experiences.

Key words - methodology, children's experiences, service experience, healthcare

Paper type – Research paper

Approaching 'value' from a second order cybernetic perspective

Löbler Helge, Wloka Michelle

Purpose - Value is in the center of service and marketing. The discussion is still continuing on what we talk about when we talk about value. The purpose of the paper is to contribute to an understanding of value from a second order cybernetics perspective. What does the word 'value' refer to when it is used? Does it refer to something outside language or is its use restricted to language? Second order cybernetics (Foerster, 1981a, 2003b) offers a new perspective of understanding the meaning of terms particularly 'value' as eigenforms which are stable states of recursive operations.

Design/Methodology/approach - This paper will approach value or more precise the meaning of value from a second order cybernetics perspective. If one describes the sentence 'this car is red' as 'a short sentence', the latter is a description of the sentence 'this car is red' which is a description in itself. From descriptions of descriptions so-called 'eigenforms' (Kauffman, 2003, 2005a) can emerge. These eigenforms emerge not only from linguistic recursions but also from any kind of recursive processes. In the paper recursive operations in language use are identified by using Merriam Webster's dictionary, where words are explained by other words which may refer back to the original word forming recursive relationships.

Findings - Usually abstract terms like "value" are described either by other abstract terms or by activities. However, we found that "value" firstly refers to other terms, secondly to practices and thirdly to "objects". Hence, the term 'value' refers to things outside of language challenging Baudrillard's claim that "the sign no longer designates anything at all. It approaches its true structural limit which is to refer back only to other signs" (Baudrillard, 1975, p. 128). Furthermore, the use of the term "value" creates many different eigenforms.

Research limitations/implications - The word 'value' refers to many different other words, practices and only a few objects from very different areas of life indicating that the term 'value' is not only used context specific but also has a very broad range of different meanings. Further research has to be aware of the different contexts in which the term value is analyzed.

Practical implications - To understand meaning as eigenforms offers a new way of approaching communication and meaning of words.

Originality/value - The theory of eigenforms has not been used in connection to the meaning of 'value'. Neither in marketing research nor in service research.

Key words - Value, eigenforms, second order cybernetics, meaning.

Paper type – Conceptual paper with exemplified findings.

How is the Customer Contributor and Interpreter of Value?
Opening the black box of the linkages between value experience and value creation

Loohuis Raymond, Sahhar Yasin

Purpose – The purpose of this paper is to open up the black box of the link between value experience and value creation through a phenomenological lens. We aim to explore distinct linkages between these two concepts and attempt to investigate what constitutes these linkages and how they relate to value outcomes.

Design/methodology/approach – We conducted an ethnographic study to investigate the "lived experience" of 25 Dutch amateur football teams in The Netherlands, playing on artificial grass pitches. During a three month time period, we held interviews with junior and senior football players and observed them during their trainings and matches in order to understand the various ways of value experience and value creation when playing on different artificial grass pitches, that is, in their own user "sphere".

Findings – We found that the experience of the value of products and services is influenced by the experience of the value creation process and the other way around. Furthermore, we observed why the occurrence of breakdowns in ongoing value creation processes is important because they mediate value experience from unreflective to reflective. Although presented as a sliding scale, we identified three distinct links between value experience and value creation. At the extreme, we found that reflective experience oriented players to the features of artificial grass that block value creation whilst unreflective experience of artificial grass leads to an orientation on value creation and outcomes.

Research implications – By presenting these three distinct links, we contribute to the value discussion by posing a nuanced and contingency based view on value experience and value creation. This view challenges our current way of thinking about value experience and creation which so far has been largely considered as a temporal, fluid and processual phenomenon in which value creation is considered as implicit.

Originality – What it means to consider customers as both contributor and interpreter of value is an emerging topic in Service-Dominant Logic research. This paper is a novel contribution to this endeavour by examining the matter from a phenomenological view, taking micro processes of value experience and creation seriously and yet still interested to identify patterns in objective to serve as further theory development and improve marketing practices.

Key words – Service-Dominant Logic, unreflective/reflective experience, value creation, breakdowns, football players

Paper type – Research paper

The role of organizational values in customer experience management

Macdonald Emma, Arkadan Farah, Wilson Hugh

Purpose - Customer experience management (CEM) is a pervasive strand of thinking in scholarship and practice about how value is co-created with customers. However, there are very few empirical studies of CEM from a firm's perspective. This study addresses one of the many resulting gaps in knowledge by exploring the implications of CEM for organizational values, and the role of members of the organization in living those values.

Design/methodology/approach - Using case study methodology, the authors collect empirical data from 10 organizations in several sectors. Each organization is recognized by their peers as leading in CEM transformation. Ethnographic research including interviews is conducted with multiple individuals involved in CEM within each organization.

Findings - Emerging from the study are six organizational values that managers and members of the organization are buying into when it comes to CEM, which in their language can be summarized as: (1) *everything we do is driven by the customer experience,* (2) *we all play a part in the customer experience*, (3) *we do things the [brand] way*, (4) *we each safeguard the customer experience,* (5) *we trust in "the force",* and (6) *we are never complacent*. Perhaps reflecting the early stage of CEM in organizational thinking, there is a strong emphasis on influencing organizational change across both hierarchies and silos to achieve a shift in the organizational values espoused. Achieving this shift involves embedding an overall sense of collective responsibility for CEM, fostering brand-aligned collective behaviors, and promoting the agility to do so.

Research implications - A key research implication is the need for an updated understanding of market orientation that takes into consideration the customer's experience in order to achieve customer centricity.

Practical implications - The study suggests that practice is ahead of scholarship in beginning to formulate an understanding of CEM and its impact on the values and role of the organization and its managers.

Originality/value - A first empirical study of organizations as they are in the process of transforming to a greater focus on co-creation of value and as they reflect on what CEM means for their organization.

Key words - Customer Experience Management, Organizational Values, Market Orientation, Value co-creation, Customer Journey

Paper type – Empirical

Business solutions: what are they, and how do they create value-in-use?

Macdonald Emma, Wilson Hugh, Kleinaltenkamp Michael

Purpose - Solutions are a dominant topic in B2B marketing practice. Marketers describe them as a bundle of products (often goods) and related services. But how do customers view them? And how do they create value? This paper explores what constitutes value-in-use from solutions, and how this arises from quality perceptions of the solution's components. As well as deriving a new definition of business solutions, the authors reflect on implications for literature on quality and value-in-use.

Design/Methodology/approach - Customers of business solution providers (n=36) are interviewed in depth, using repertory grid technique and means-end chains. A framework for solution quality and value-in-use results. This is contrasted with prior literature on solutions, quality, value-in-use, and S-D logic.

Findings - Significantly extending the extant view of quality as a function of the supplier's products and services, findings show that customers also assess the quality of their own resources and processes, and of the joint resource integration process. Also contrasting strongly with prior research, value-in-use corresponds not just to organizational goals but also to goals of individual managers. Moderators of the quality-value relationship demonstrate customer heterogeneity across both firms and roles within the usage center.

Practical implications - When shifting towards solutions, the selling firm requires very different approaches to market research, account management, solution design and quality control, including the need for a value auditing process.

Originality/value - The value-in-use concept is grounded in goal theory, and shown to relate to both collective and individual goals; B2B research forgets about individual value (just as B2C research neglects collective value). The quality concept is extended from supplier processes, such as the traditional notion of service quality, to incorporate customer and joint processes. A business solution, rather than being a bundle of products and services, is accordingly defined as the combining of supplier and customer processes and resources through a joint resource integration process to create collective and individual value-in-use, which is monitored and optimized through value auditing processes. Broadly, the findings support S-D Logic; a refinement of Axiom 2 is proposed.

Key words - Business solutions, customer perceived value, quality, resource integration, repertory grid

Paper type - Empirical research paper

Service-oriented architectures: energetic settings as service systems

Maione Gennaro, Pellicano Marco, Heydarian-Forushani Ehsan, Torre Carlo

Purpose – The development and the subsequent dissemination of renewable energy sources have led to the emergence of the need for a deep revision of electricity market (Zhang et al., 2016; Perrey and Lycett, 2003). In this regard, the work explores the latest issues concerning the several ways to use electric energy, rereading the new energetic systems in the light of the logic underlying the concept of "service system" (Spohrer et al., 2017, Maglio et al., 2015; Russo Spena et al. 2013; Barile and Polese, 2010; Lusch et al, 2008). In particular, the focus is placed on the role played by the so-called "aggregators", understood as key actors in promoting an economic (both effective and efficient) development of the entire service-oriented architecture (Moreno et al., 2013).

Design/Methodology/approach – The work is based on a theoretical approach to the study of electric energy distribution systems, aimed at verifying the presence of the characteristics needed to define them as service systems (Polese et al., 2016; Golinelli et al., 2015; Gummesson et al., 2011; Maglio et al., 2009). All the features identified in electricity sector are analyzed with the lens of studies dedicated to management of service-oriented architectures and, more particularly, of service systems (Spohrer et al., 2017, Maglio and Breidbach, 2014; Barile and Saviano, 2010).

Findings – Starting from the study of a broad theoretical background, the work highlights the possibility of framing the most modern energetic environments as service systems, characterized by: a) the active participation of all actors involved in the management and consumption of electric energy; b) the supply of tangible and intangible resources for the construction of a robust service-oriented architecture; c) the cyclical nature of feedbacks; d) and the co-creation of a unique, global and mutual value.

Research limitations – The article presents a main weakness, linked to the authors' choice to confine the work to an only theoretical analysis of service electric systems. However, this limit provides the opportunity, in future researches, to practically test what emerges from a purely theoretical point of view, for example by administrating interviews to an high number of leading actors belonging to the electric energy market.

Practical implications – The work offers interesting insights for professionals operating in different energetic contexts, suggesting to direct their interests towards the changing dynamics characterizing the development of new service-oriented architectures and innovative ways of dissemination and use of electricity. In fact, the study shows that, only by paying adequate attention, especially in terms of resources investment, it is possible to foster a co-creation of value able to satisfy all stakeholders' interests.

Originality/value – The innovative nature of the work arises from the authors' choice to synergistically combine the theoretical background typical of researches on electricity markets with that one characterizing the studies dedicated to the service architecture and systems, enabling arriving at a conceptual result steeped in value for scholars and practitioners interested in both business management and energy engineering.

Key words – Service-oriented Architecture, Service System, Service management, Service aggregator, Electric energy aggregator

Paper type – Conceptual paper

Value co-creation in smart cities: measures of decision-making system benefits

Maione Gennaro, Loia Francesca, Torre Carlo

The importance of value co-creation is growing up and is focusing scholars and managers' attention on customers' experience and interactive relationships among them (Barile and Saviano, 2014; Spohrer and Maglio, 2008). Nowadays, the benefits arising from the chance to co-create value are increasingly evident in any kind of economic sector (Russo Spena et al., 2013; Wieland et al., 2012).

In this regard, also in city context, several studies have highlighted the numerous advantages for decision making of institutions at each level (national, regional, provincial, and municipal) provided by means of value co-creation practices (Golinelli et al., 2015; Pels et al., 2012; Payne et al., 2008). However, in literature, there are still a few evidences about the "measures" through which interpreting the real benefits achievable thanks to more and more performing urban mobility.

To this aim, the paper pursues a threefold goal: first, it tries to understand how decision-making system increases co-creation practices in smart cities; moreover, it seeks to provide indicative measures of co-creation practices during the development of the analysis; finally, it attempts to offer a compelling research agenda.

The research is based on a theoretical approach to the understanding of smart cities, aimed at analyzing their main features by means of the lens of studies dedicated to value co-creation (Arasteh et al., 2016; Ciasullo and Troisi, 2013).

In the light of what emerges from the theoretical analysis, the work could be considered as an useful tool for both scholars and practitioners, since, one hand, it offers some interesting insights for future researches by suggesting to deepen the interest toward information and resource sharing process of smart cities, and, on the other, it contributes to provide empirical findings, capable of orienting city managers toward a major understanding of the real impact produced by the development and implementation of value co-creation process through a full citizens' involvement.

Keywords - value co-creation - smart cities - decision-making system **-** measures of co-creation

Service encounters through the lens of employee role behaviours: Implications for actor-actor-actor interaction

Medlin Christopher, Chaoluck Phiangdao, Conduit Jodie

Purpose - Service encounters, where front-line service employees (FSEs) and customers meet and interact represent the quintessential moments of a service. These moments are traditionally categorized into FSE in-role and extra-role behaviours. But a service encounter as an interaction process would see three actors: the firm, the customers and the FSE. Very few studies of FSE role behaviours include the customers (Maxham III, Netemeyer, & Lichtenstein, 2008; Netemeyer & Maxham III, 2007) and so the distinctions between in-role and extra-role behaviours from a customers' perspective remain unclear within service encounters (Cohen & Kol, 2004; Mayer & Gavin, 2005; Parker & Collins, 2010). In particular, the boundary between in-role and extra role is left unclear in academic research (Griffin, Parker, & Neal, 2008; Kamdar, McAllister, & Turban, 2006; Morrison, 1994) and the different natures of extra-role behaviours are unclearly defined (Lai, Lam, & Lam, 2013; Van Dyne & LePine, 1998). At issue is that research of FSE role behaviours has taken a firm centric view. A more detailed understanding and clarity of role definitions is required.

Design/methodology/approach - A qualitative study was undertaken to understand how FSEs consider their role within a service encounter. FSE's perspectives on their service encounters were understood within a phenomenological perspective (Lincoln & Guba, 1985; Schutz, 1967). Depth interviews were undertaken with FSEs who performed service encounters in two contexts: an academic service desk and a bank counter setting. The interviews focused on factors drive FSEs to perform role behaviours. In particular, the study focused on the FSEs roles towards customers.

Findings - The qualitative study reveals a three-category classification of service-role behaviours: (i) role prescribed, (ii) beyond role, and (iii) helping behaviours. FSEs undertake role prescribed behaviours to meet the formal role requirements imposed by the firm and customers. On the other hand, beyond role behaviours involve the FSEs' feelings and attitude expression towards their jobs, roles, themselves, and customers. For helping behaviours, the FSEs volunteer to help customers outside of their firm's duty boundary.

Research and practical limitations/implications - A three-category classification of FSE role behaviours presents a more nuanced way to understand service encounters. The paper finishes with managerial and theoretical implications.

Originality/value - Explores, re-assesses and provides a new understanding of a traditional understanding of a service encounter.

Service value creation using data science

Meierhofer Juerg

Purpose – This paper outlines an approach to design services by systematically integrating the methodologies of service science and data science.

Design/Methodology/approach – The methodological approach described in this paper combines the approaches of service science and data science. The tools and methodologies for designing services are assessed and described in relation with the concept of service dominant logic. The steps of the service design process are characterized by their specific problem statements. The relation of these problem statements with the potential outcomes of data science tools is investigated. To do so, we elaborate a structure of data science methodologies w.r.t. their potential for the creation of service value. The outcomes gained from data science are then systematically applied in the different phases of the service design process.

Findings – Developing services with a focus on customer needs does not systematically leverage the full potential residing in data analytics. On the other hand, developing services starting from the data perspective does not systematically meet the customer needs.
A procedure is provided to select the appropriate analytics tool depending on the stage and problem statement of the service design process. We show how customer service benefits can be created by analytics.

Research limitations/implications – Although the systematic approach for the development of data-driven service value creation has been tested with a set of practical use cases, the applicability in a wider range needs to be verified.

Practical implications – Thanks to the approach shown in this paper the potential of data-based services can be realised. The paper provides a practical guidance that can be applied in service design projects.

Originality/value – The innovation of this paper is a combination of the two scientific fields service science and data science for improving service innovation. The resulting combined approach represents a new contribution to the scientific community of service science.

Key words - service science, data science, service design, data product design, data-driven service

Paper type – Research paper.

Collaborative market practices within a consumer-driven local food service system

Närvänen Elina, Leipämaa-Leskinen Hanna

Purpose - Understanding complex service systems and in particular, their dynamics, has recently been suggested as one of the key priorities for service research (Ostrom *et al.*, 2015). While the conceptualization of service systems is well developed, there is further need of empirical research especially on consumer-driven, collectively organized service systems (Skålén *et al.*, 2015; Martin and Schouten, 2014; Kjeldgaard *et al.*, 2017). The purpose of the paper is to *examine how a consumer-driven service system is developed and maintained through collaborative market practices.* We investigate a local food system called REKO that was established in Finland in 2013. REKO's main idea is to enhance direct trade between farmers and consumers. The procedure is unique compared to other types of local food networks, as preorders of food items are made in closed Facebook groups which are governed by local administrators. REKO is an example of a service system of balanced centricity (Gummesson, 2008), because it includes active collaboration between actors including farmers, consumers, and (consumer) administrators.

Design/methodology/approach - Research on service experiences has argued that value and service experiences are co-created by actors engaging in various (individual and collective) *practices* (Carù and Cova, 2015; McColl-Kennedy *et al.*, 2015; Schau *et al.*, 2009). We build on these insights and extend them to the analysis of a consumer-driven service system of REKO. The data consists of 34 interviews with producers, consumers and administrators as well as naturalistic observation of two local REKO systems. To analyze the data, we use a practice-based approach (e.g. Reckwitz, 2002; Schau *et al.*, 2009).

Findings – This study shows that in a consumer-driven service system resources are integrated first and foremost through three categories of collaboration practices: Helping others, Mutual learning and Sharing values. It is further demonstrated that collaboration practices act as intermediaries that translate the market practices of the service system (Kjellberg and Helgesson, 2007). Although the actors have a shared goal of changing the dominant agro-food system into a community-driven local food system, the system and its resources are continuously contested by multiple actors of this social system.

Originality/value - The study focuses on a consumer-driven, collectively organized service system and especially on the collaboration between actors. Hence, our findings complement studies conducted on the conceptualization of firm-driven service systems as well as studies on co-created service experience practices. The findings bring new insights on the collaboration between multiple actors in developing and maintaining the service system.

Keywords - Service system, Practices, Market practices, Collaboration, Local food

Market-shaping strategies: antecedents, elements and outcomes

Nenonen Suvi, Storbacka Kaj, Frethey-Bentham Catherine

Purpose - We define markets as complex adaptive socio-technical-material systems (Wollin, & Perry, 2004), consisting of institutions, actors, practices and discourses (Slater & Tonkiss, 2001) that organize particular economized exchanges (Nenonen et al., 2014). Further, we define market-shaping strategies as cohesive sets of action by an actor or a group of actors, aimed at influencing a market system to create more value. Building on this foundation, and taking a focal actor perspective, we build a conceptual model to identify the antecedents, elements and outcomes of market-shaping strategies.

Methodology/approach - Partial least squares structural equation modeling (PLS-SEM) was used to test the model (Hair *et al*., 2014). The data was collected among practicing managers in Finland, New Zealand, Singapore and Sweden in April-May 2016. A self-administered online questionnaire was used for data collection, and the final sample size was 250 individuals (response rate 3.8 %).

Findings - The findings confirm that firms' market-shaping strategies lead to market change that in turn has a positive and significant relationship with the performance of the market-shaping firm. In a similar vein, firms' market-shaping strategies augment the value creation of the overall market system, measured by market size and markets' average profitability. Firms' market-shaping strategies consist of six inter-related components: altering product and pricing, influencing customers and usage, altering channels, influencing the wider business network, influencing representations, and influencing norms. Market-shaping strategies have four antecedents: value creation orientation, systemic thinking, entrepreneurial flexibility, and learning orientation. As hypothesised, technological turbulence proved to have a positive and significant relationship with market change. However, competitive intensity and changeable customer preferences did not influence overall market change or success in shaping markets.

Practical implications - The research outputs give guidance for managers wanting to shape their markets for increased value creation and firm performance. First, the six components of market shaping strategies illuminate the capabilities that market-shaping firms should possess. Second, the four antecedents describe the organizational culture that market-shaping firms should foster. Third, the results suggests that market-shaping strategies are best timed in periods of technological turbulence.

Originality/value - Our research makes three theoretical contributions to the growing field of market-shaping strategies. First, it conceptualises and empirically validates market-shaping as a theoretical construct. Second, our research identifies four antecedents to market-shaping strategies. Third, our study validates the previously hypothesised positive relationship between proactive market-shaping and firm performance (Ahuja & Yayavaram, 2011, Kumar et al., 2000).

Key words - Market shaping, market-shaping strategy, markets as systems, structural equation modeling

Paper type - Research paper

A measurement tool for value co-creation

Oertzen Anna-Sophie, Mager Birgit, Odekerken-Schröder Gaby

Purpose – To make the relatively construct of value co-creation more practically applicable for service researchers and managers by developing a measurement tool of co-creation practices. Here fore, the notion of co-creation is guided by the theoretical backdrop of the service-dominant logic by Vargo and Lusch (2004, 2008, 2016), other service marketing concepts, and by the more practically oriented research stream of service design.

Design/Methodology/approach – Throughout a systematic review of 1860 articles published in six literature sources over a decade, positive and negative outcomes of co-creation for the firm and the customer are mapped along the six co-creation experience dimensions of Verleye (2015). In the second step, a conjoint analysis is operationalized to investigate the relative importance of the co-creation outcome dimensions. In the final step, each dimension is realized through survey items.

Findings – The final measurement tool includes five co-creation outcomes dimensions: relationships (social), knowledge (cognitive), enjoyment (hedonic), lucrativeness (economic) and practicality (pragmatic). The conjoint analysis supplies the relative weight for each dimension. Hence, the scores on the individual construct items in the questionnaire can be weighted according to their relative dimension, and the final score composite measures the degree of success of the co-creation practice.

Research limitations/implications – This research answers the call of Ostrom et al. (2015) to further specify the concept and operationalization of co-creation. In addition, it leverages the power of service design and highlights the potential of value destruction through negative co-creation outcomes. A potential limitation is that the relative weight of the co-creation outcome dimensions might differ between firms and across industries. Employing more than one case study to validate the measurement tool is a potential remedy.

Practical implications – This paper offers service managers a tool to investigate the outcomes of co-creation. This allows mapping actual results against expected values and supports firms in determining the successfulness of their co-creation initiatives. By keeping track of the dimension scores, the measurement tool further permits providers to investigate the changing needs, desires and roles of their co-creation partners over time.

Originality/value – The results offer the opportunity to quantify co-creation in practice.

Key words – Co-creation, measurement tool, service design, service-dominant logic

Paper type – Empirical paper

Exploring customer experience in daily life

Ohyabu Akira, Taguchi Takashi, Zhang Jing

Purpose – The purpose of this paper is to examine how customer's experiences and value-in-context have been formed in his or her own world. As the experiences are based on previous, current and future experiences (Helkkula et al., 2012; Heinonen et al., 2010), we approach the customer's experience from a longitudinal perspective.

Design/Methodology/approach – The FP of S-D logic indicate that value is always uniquely and phenomenologically (experientially) determined. In service research of Nordic School, the customer experiences are understood not just as direct interactions between customer and firm, but also as something that goes beyond direct interactions (Grönroos and Voima, 2013; Heinonen et al., 2010). According to this research stream, this paper draws on semi-structured interviews with customers of the musical instrument retailer. Interviewees talked about their experiences of music lives over the past decades. Based on interviews, the analysis focus on exploring how customer's experiences and value-in-context can be emerged in their daily lives.

Findings – Results show that five customer activities have influenced the past, present and future experiences; possession of instruments, playing instruments, performing in a concert and direct interaction with staffs and instructors. In addition, value-in-context accumulates over time through various experiences of the customer.

Research limitations/implications – This paper contributes to the customer experience literature by applying longitudinal perspective. Further researches are needed to generalize the findings to the dynamic customer experiences and value co-creation.

Practical implications – This paper presents that customers will experience beyond the firms' action. Therefore, service providers need to understand how customer's experiences and value-in-context are formed, from the customer's perspectives.

Originality/value – Although previous studies have logically pointed out that value and experience are created in different spatial and temporal settings (Gronroos and Voima, 2013; Heinonen et al., 2010; Lucsh and Vargo, 2014), virtually limited researches have explored customer experiences more in-depth (Lipkin and Heinonen, 2015). Based on interviews, this paper attempts to understand the dynamics of customer experiences.

Key words - Customer experience, Value-in-context, Customer-dominant logic, Service-dominant logic

Paper type – Research paper

Service exchange between service ecosystems and networks: resource integrators as value co-creation

Ojuri Omoleye, Pryke Stephen, Badi Sulafa

Purpose – Water supply problems are multi-dimensional, multi-regional, filled with multi-causes and multi-interests, which can only be addressed from a multi-trans-disciplinary approach. A multi-stakeholder coordination has clearly being identified as an effective solution. Understanding who water stakeholders are and further integrating them to co-create value may be of importance to effective water supply management and wider water service ecosystems. The proposed model combines service ecosystems and networks to examine the concept of resource integrators bearing in mind the importance of networks in the specialization of relationships among actors in a network.

Design/Methodology/approach – A mixed method; qualitative and quantitative approaches will be used sequentially. A qualitative approach using purposeful and snowballing sampling techniques to sample participants to participate in three different stages of stakeholders' integration/forum meetings to be organized in May, July and September 2017. Interactions, interviews and distribution of questionnaires at three different forum meetings enable stakeholders discuss; individual's resources, their interdependence in the service ecosystems, identification of important resource integrators for the realization of the water project objectives. A three-stage layered integrative ecosystem adapted from three authors comprising service ecosystems and social network analysis will be developed. The analysis of service ecosystems to apprise social network of what transpires among actors during integration will be explored. Similarly, the capacity of networks in informing service ecosystems structurally and quantitatively as initiators of value co-creation of new resource integrators will be identified. This three-stage layered integrative water service ecosystem will form the basis of a recommended new service model in the Nigerian water business sector.

Findings – A conceptualized model from the integration of service ecosystems and social network analysis will be presented. Networks initiate value co-creation structurally and quantitatively from service exchanges among resource integrators, through the identification of new type of resource integrators; brokers for which the importance in water service ecosystems will be explored.

Research limitations/implications – Our research suggests that, service exchange among resource integrators is multiplex and multifaceted process that is best examined within the contexts of service ecosystems and dynamics networks.

Practical implications – It is suggested that networks initiates value co-creation, consequently, organisations should consider structuring resources and relationships to develop more captivating valuable water schemes.

Originality/value – Our research novelty include; empirical analysis of service ecosystems including its outcomes which has not been established in service-dominant logic literature, and a novel understanding of identification of brokers as new resource integrators from combined concepts of service ecosystems and networks.

Key words - Water supply, service ecosystems, networks, resource integrators

Paper type – Research paper

Exploring a resource-based view of the value proposition concept

Payne Adrian, Eggert Andreas, Frow Pennie

Purpose - Although the value proposition is highlighted as a firm's most important organizing principle (Webster 2002) and is a strategic priority for research (MSI 2010, 2014), surprisingly little attention has been directed towards examining the theoretical foundation of the concept. In particular, we note that the antecedents and outcomes of value propositions remain largely unexplored**.**

Methodology - The paper draws upon diverse literature from value (e.g. Gronroos & Voima 2013), value propositions (e.g., Anderson et al. 2006; Rintamaki et al. 2007), marketing strategy (Day 2011), and especially recent work in service-dominant logic (e.g., Vargo and Lusch 2008). We develop a conceptual model, adopting a resource based view of how firm and market based resources (Kozlenkova et al. 2014) are shared in formulating a value proposition that has specific design characteristics. The outcome of the value proposition has important implications for the supplier, especially in terms of providing strategic guidance and focus, while communicating to the customer an expectation of their value-in-use. The result is improved performance for the supplier, both in terms of better use of resources and also enhanced customer value perceptions.

Findings - From our extensive review of the value proposition literature, we identify three contrasting perspectives of value propositions**.** First, a supplier determined perspective is typical of a goods-dominant view (Vargo and Lusch 2004), reflecting an "inside out" perspective (Day 2011). Here, the supplier largely determines and delivers value to the customer. Second, is a "transitional" view, with the supplier largely setting out an offer, but taking account of the customer's desired experience. Third, customer and supplier mutually determine the value proposition through co-creation (Ballantyne 2003), reflecting an "outside in" perspective (Day 2011). Using case illustrations that include Google and Uber, we illustrate the application of these ideas and the implications for value creation.

Research limitations/implications - This study provides a theoretical lens for exploring value propositions, identifying the conditions and outcomes of these important managerial tools.

Practical implications - This paper identifies the complex managerial task of how to design, develop and operationalize value propositions that achieve their potential with customers.

Originality/value - We identify how a resource perspective assists in explaining three distinct approaches to value propositions. We extend previous conceptualizations of value propositions exploring how resource integration between supplier and customer has important outcomes: for the supplier increasing their focus on customer centricity, while enhancing the customer's value perceptions.

Key words - value proposition; value co-creation; communication; resources;

Paper type - Conceptual paper.

Where every service is a bliss: understanding review biases in the sharing economy

Pera Rebecca, Viglia Giampaolo, Dalli Daniele

Purpose - Despite the consumer behavior literature has found strong evidence that consumers weight negative information more heavily than positive information (Ahluwalia, 2002), in most reputation systems reviews are overly positive, and they tend to suffer from non-response bias (Resnick et al., 2002). The purpose of this study is to take forward the analysis of noncomplaining behaviours, already acknowledged in the offline service marketing literature (Andreason, 1985; Chebat et al., 2005). In this contribute we claim that negative reviewing bias is explained by the social distance between the agents involved in the service transaction. Construal-level theory informs the study.

Design/Methodology/approach - The study investigates two contexts: 1. purely *market exchange transactions,* where people are driven by market norms (e.g., Booking, TripAdvisor, Yelp). 2. *Social and market exchange transaction*, characterized by high social exchange value (Airbnb).
The paper provides preliminary quantitative evidence based on secondary data regarding the existence and extent of the bias. The second phase consists of 23 in-depth qualitative interviews with consumers who have had negative and positive experiences within the service domain.

Findings - The data suggest that average scores are inflated because negative reviews are not posted. When interactions get closer, contextual reciprocity emerges in that unsatisfied consumers' non-reviews are the result of a moral obligation towards the host, but apparently not towards the community. *Fear of retaliation* and *perceived niceness* of the host are key elements when the social distance gets closer. These elements are marginally relevant in market exchange transactions, where biases are more limited.

Research limitations/implications - The preliminary evidence needs an experimental study to test the proposed causal relationship between the type of service system platform and the willingness to leave a negative review.

Practical implications - Voicing silent information would enable collaborative consumption services to increase their trustworthiness. A non-distorted reputational system would also benefit traditional companies, allowing them to compete on a more transparent ground.

Originality/value - By unveiling the psychological mechanisms of non-reviewing biases this paper contributes to the value co-creation and value co-destruction service science literature (Echeverri and Skålén, 2011; Edvardsson et al., 2011) shedding light on the negative outcomes of consumer-to-consumer interactions. While a non-distorted reputational system translates in a process of value co-creation with consumer-to-consumer interaction (C2C), non-reviewing biases translate in a process of value co-destruction (Paradigm 3).

Key words - reviewing bias; online reviews; reciprocity; collaborative economy; multi-method research; value co-destruction

Paper type – Research paper

Linking perception and action in the management of sales personnel

Peters Linda, Lee Nick, Toth Zsofia, White Seth

Purpose – This study draws upon S-D Logic and boundary role theory to empirically assess an individual's sales performance. Goods-dominant logic treats knowledge (and the ability to acquire and apply knowledge) as an exogenous condition for success. However, an SD-Logic perspective implies that the salesperson's view of intelligence is a key resource in value co-creation (Lusch and Vargo, 2014). Boundary role theory conceptualises the role of the sales person's perception of intelligence as necessary to identify boundaries between acceptable and unacceptable, desirable and undesirable behaviour (Lysonski & Johnson, 1983). This question is often framed as the problem of agency, in which personal beliefs regarding identity, and the social practices individuals enact, are intimately linked (Giddens, 1984; Archer, 1995). Actors' agency allows them "to take actions that shape the ecosystem that others inhabit" (Lusch & Vargo, 2014:164). Thus, in service ecosystems actors not only exercise their individual agency but also coordinate their actions to improve resource integration and mutual value creation. One particular facet of identity is the belief an individual holds regarding the nature of their intelligence. Dweck et al. (1995) focus on two distinct groups; those who believed they were born with a fixed amount of intelligence that cannot be changed, and those who deem their intellect to be malleable (i.e. continuously developed).

Design/Methodology/approach – Using Necessary Condition Analysis, we identify an individual's belief regarding intelligence as malleable as a necessary determinant that must be present for achieving an outcome (enhanced sales performance) but its presence alone is not sufficient to obtain that outcome. Without the necessary condition, there is guaranteed failure, which cannot be compensated by other determinants of the outcome.

Findings – A salespersons' conceptualisation of intelligence and their actual performance are tightly linked. Holding a very malleable mind-set proved to be a necessary condition for achieving high sales performance.

Research limitations/implications – Implications are explored examining how malleable self-perceived intelligence, combined with other conditions, can facilitate high sales performance. There is a considerable concern, however, that salespersons with strongly held beliefs in fixed self-perceived intelligence might face difficulties in achieving high performance.

Practical implications – The findings of this paper have implications for three key sales management topics; recruitment, sales training, and performance management.

Originality/value – This research captures the role of having a malleable mind-set as a necessary condition for high sales performance as opposed to the fixed mind-set.

Key words - Intelligence, Sales Performance, Boundary Role Theory, SD-Logic

Paper type – Research paper

Value creation, interactions and user engagement in sharing economy networks

Pick Doreen

Since companies such as Uber, Lyft and Airbnb offered digital platforms for providing consumers the (time-restricted) access towards products and for offering their personal items for usages of others, the (so-called) sharing economy gained more attention and interest not only in the media but also for several consumers. Nonetheless, the sharing economy is not widespread in populations in Europe. Accordingly, conceptual and empirical studies suggest several barriers to engage in sharing economy platforms. However, constantly more and more consumers register for several concepts such as carsharing, bike sharing, apartment sharing and even foodsharing in which characteristically ownership is not transferred to others. Typically, these sharing economy organizations are organized in terms of social networks (Haase & Pick, 2015), thus the availability of the shared good (and its usage) is dependent on the current usage of the shared object by others.

Besides several findings of the individual benefits for the user of sharing economy platforms (Hamari, Sjöklint, & Ukkonen, 2016; Hellwig et al., 2016; Pick & Haase, 2015) and the barriers of participating in the sharing economy, the question arises what personal value (private) users perceive in interacting with the sharing economy organization and its other users to get access to the shared goods. For example, sharing apartments with the owner is seen as value-in-use. Accordingly, companies such as Airbnb emphasize the emotional value the user might get by "renting" the apartment and these firms also highlight that the user can do something good for others, thus providing (economic) value for people providing access to their homes. However, less is known about the needed material and non-material resources users have to bring with for being able to interact and engage in sharing platforms and networks. More, the development of the commercial and non-commercial sharing economy motivates the question about the role of users in economies in general. Thus, for whom value is generated? What value (economic, social, ecological)? To what extent? Do users explicitly perceive their role as being a creator of value also for the firm and if not, what does it mean for the equity perception of co-generated value and the further expansion of the sharing economy? How equal must co-generated value (e.g., distributional value) be and how much equal input do users expect from all actors of sharing economy offerings to further engage in it? This cumulates into the question of the motives of actors of engaging in the sharing economy. Momentarily, research emphasizes the individual economic benefits of users such as saving money (e.g., Hamari et al., 2015). Several public policy organizations claim for regulation of the commercial sharing economy as they perceive the role of users as not as integrative as many sharing economy initiatives do as they explicitly require the operant resource of the actor (e.g., Airbnb). Several (if eventually not all) platforms of the sharing economy ground their business and/or society model on the provision of service to others. Accordingly, we expect an interesting discussion on the tasks of actors in economies against the background of the S-D logic and one of its representatives, the sharing economy. The knowledge how actors in the sharing economy perceive the roles of every actor and his/her operant resource level, a "new theory of society" (Vargo & Lusch, 2008, p. 6) could be strengthened.

Thus, this study aims to contribute to the understanding of co-created value of sharing economy networks (with their actors and operant resources) (Vargo & Lusch, 2004; 2008) and, the resources and types of interactions in both the commercial and non-commercial sharing economy. In this study, we therefore first present an overview of current knowledge of the sharing economy with its findings on the motives and benefits for users. Second, we present the results of a qualitative study in which we interviewed representatives from sharing economy organizations and (private) users to expose the co-created value in sharing goods and to identify required interactions and the related operant resources (e.g., knowledge, time, ownership of goods such as cars or apartments) people have to bring with (Haase & Pick, 2015). Accordingly, this paper fits into all three pillars of the Naples Forum because the sharing economy centers the co-creation of value for all actors through reciprocal service provision in service systems and sharing networks.

Assessing intellectual capital in service ecosystem perspective: some evidences from university context

Polese Francesco, Ciasullo Maria Vincenza, Troisi Orlando, Maione Gennaro

Purpose – Over the years, many scholars (Madhavaram and Hunt, 2017; Sydler et al., 2014; Sullivan, 2000; Stewart and Ruckdeschel, 1998; Edvinsson and Malone, 1997) have debated the theme of Intellectual Capital (IC). At the same time, managerial literature also offers numerous contributions (Kaartemo et al., 2017; Frow et al., 2016, 2014, Wieland et al., 2012, Vargo and Lusch, 2011, Barile and Polese, 2010a, 2010b) regarding the chance to interpret phenomena of reality as Service Ecosystems. In light of this, in university context, the work aims to achieve three specific objectives: framing university as a Service Ecosystem; defining the concept of University Intellectual Capital (UIC); identifying, for each level of university understood as a Service Ecosystem (Micro-, Meso-, Macro-, Mega-), the dimensions and sub-dimensions of University Intellectual Capital (structural, human and relational).

Design/Methodology/approach – In order to achieve the three pursued objectives, the work is based on a qualitative approach. The authors analyse a case study by means of participant observation and semi-structured interviews at University of Salerno during the event "Borsa della Ricerca". The research design includes six preliminary and concatenated phases: definition of research goals; identification of the case study to be analysed; choice of actors to be interviewed; choice of data collection techniques; data collection; and data analysis.

Findings – The work provides a confirmative answer to the three pursued objectives: with regard to the first one, university is described as an ecosystem in which value co-creation is constantly encouraged by the involvement of many actors (professors, researchers, students, external visitors, etc.), interacting in a non-linear manner, organized in different categories and levels, characterized by a continuous cycle of learning and reordering of the acquired knowledge; as concerns the second goal, the work highlights that, also with regard to university context, Intellectual Capital consists of three dimensions: University Human Capital (UHC), University Structural Capital (USC) and University Relational Capital (URC); finally, with reference to the third research aim, the analysis suggests that USC is observable in all four levels of University Ecosystem, UHC is mainly framed at Micro-Level and URC is observable at three levels (Meso- Macro- and Mega-).

Research limitations/implications – The work offers interesting both theoretical and practical insights. In fact, knowing the Ecosystem level (Micro, Meso, Macro and Mega-) in which it is possible to observe Intellectual Capital could help both academics and managers in an easier and more effective identification of its various different declinations (Relational, Human and Structural Capital) and could foster the spread of benefits for the whole organization. Beyond these strengths, however, the work also presents two main limitations: the use of an only qualitative approach, which does not allow for the objective measurement of Intellectual Capital; development of the analysis in a single context (University of Salerno).

Originality/value – Interpreting university in the light of the assumptions at the basis of the Service Ecosystem perspective and, at the same time, of the different dimensions and sub-dimensions of Intellectual Capital, is a novelty in managerial literature. The paper, therefore, can be considered original, since in literature there is no other study aimed at simultaneously reaching the research goals pursued in the present work.

Key words – Service Ecosystem; Intellectual Capital; Structural Capital; Human Capital; Relational Capital; Case Study; Qualitative Approach; Semi-structured Interview; Participant Observation.

Paper type – Research paper

SSMED and its multidisciplinary nature: an automatic literature review

Polese Francesco, Loia Vincenzo, Troisi Orlando, Fenza Giuseppe, Maione Gennaro

Purpose – In recent years, the academic world has seen the spread of a growing interest in understanding the dynamics characterizing studies conducted in different research areas (Golinelli et al. 2015; Gummesson et al., 2011; Barile and Polese, 2010; Lusch et al, 2008). This trend seems to have taken hold also in the scientific community interested in issues related to Service Science Management Engineering and Design (Spohrer et al., 2017, Maglio et al., 2015; Polese and Di Nauta, 2013). In this regard, the present study aims to investigate whether the multidisciplinary nature of SSMED, theoretically recognized, implies an effective orientation of academics towards manifold research areas.

Design/Methodology/approach – The work is based on an automatic literature review, conducted by using knowledge extraction techniques integrated in an IT tool developed for the objective pursued with this research. The tool has been applied on several databases (such as Wiley, etc.), enabling the analysis of different studies about SSMED and the extraction of the main trend characterizing the evolution of this science known as multidisciplinary along the time line.

Findings – The results emerging from the analysis show that, despite SSMED has progressively developed as a multidisciplinary science, actually, most of the studies related to it focuses on topics linked mainly to business management. However, the consideration of the time variable allows understanding that, within SSMED, especially in recent years, the number of contributions linkable to topics belonging to other research areas is progressively growing up (Polese et al., 2016; Russo Spena et al., 2013; Barile and Saviano, 2010).

Research limitations/implications – The research involves considerable theoretical implications, fostering an important advancement in the state of art in terms of more concrete and greater awareness of the multidisciplinary nature of SSMED. However, the study presents the limit of considering not all available databases. In fact, the involvement of additional databases, perhaps, would have been capable of leading to potentially different findings.

Originality/value – The work proposes a novel approach to carry out conceptual analytics summarizing trends along the timeline. It allows going far beyond the traditional techniques used in science mapping through the evaluation of scientific publications indexed or stored in big databases (such as systematic literature review, bibliometrics, and research performance analysis), enabling the assessment of the (chrono) logical evolution of the studies dedicated to SSMED. Moreover, unlike what occurs with other techniques (e.g. systematic literature review, bibliometrics, and research performance analysis), the development and the subsequent use of a specific IT tool for the analysis guarantees the advantage to automatically consider, extract and analyze in real time all contributions available on the selected databases.

Key words – SSMED, Service Science, Multidisciplinary nature, Science mapping, Automatic literature review

Paper type – Research paper

Balanced centricity: innovation through institutionalization in complex service systems

Quero María José, Ventura Rafael

Purpose – The purpose of this paper is to evaluate whether balanced centricity can be considered an institution that facilitates innovation into ecosystem (at the micro, meso and macro context). It can explain how new collaborative models behave facilitating value co-creation into ecosystems.

Design/Methodology/approach – The authors apply a conceptual approach to develop and propose a framework for deepening understanding "balanced centricity" as the basis for breaking rules, generating innovation at every level of the service ecosystem. Qualitative case study research was conducted with different methods of data generation including interviews and participant observation.

Findings –New business models need new institutions as all the actors exchange resources looking for the benefit of the whole system. In this sense, authors argue for considering "balanced centricity" as a new institution that breaks rules and facilitates innovation. From this perspective, "balanced centricity" can be the basis for fostering innovation when developed at every level of the ecosystem (micro, meso and macro).

Research limitations/implications – The paper is a conceptual paper that combines with an empirical approach. The empirical approach considers one case study on the university education context, which is an unexplored complex system. Other contexts and other countries would be useful to add new perspectives to the theory development.

Practical implications – Although sometimes an ecosystem arises in a natural way into markets, the configuration and development of "balanced centricity" as an institution would be useful in order to both: increase value co-creation among existing actors into the ecosystem and facilitation of innovation through rules breaking. As innovation is considered a desired fact, public universities have found into this strategy a model to foster and develop new businesses. It is the case of Link by UMA-ATech, which in the context of the University of Málaga is developing with great success an strategy based on facilitating innovation through "balanced centricity".

Originality/value – The present paper contributes to the conceptualization of "balanced centricity", considering it as an institution that can facilitate innovation at every level of the service ecosystem. Previous papers have never put together these concepts that build on the ecosystem theory (specifically FP 11/ A 5) to better understand and make easier that innovation arises into ecosystems. Also practical implications for managing innovation into ecosystems are described.

Key words - Balanced centricity, institutions, institutional arrangements, Service Dominant Logic, Value co-creation, ecosystems, systems of value co-creation.

Paper type – Research paper

Distortions of value co-creation in multi-party service systems

Rainer Schmidt, Moehring Michael, Keller Barbara, Zimmermann Alfred

Purpose – Service systems (P. P. Maglio et al. 2006) are composed of people, technology, and organizations in order to create value. We consider so-called multi-party service-systems with at least three parties. The common view on multi party service-systems is an idealistic one. The underlying assumption is that all participants contribute equally in value co-creation (P. Maglio et al. 2009). However, in practice distortions of Value Co-Creation can be observed, that disadvantage some parties and favor other parties of the multi-party service system.

Design/Methodology/approach – We used a design science approach according to Hevner et al. (Hevner et al. 2004) from the area of information systems research. The developed framework is an artifact that addresses the identification and description of value co-creation distortion in multi-party service systems. It is relevant because it allows to explain real-world phenomenon's. The design evaluation is done using informed argument.

Findings – These distortions of value co-creation in multi-party service systems follow two patterns. These patterns show a reduced resource commitment of one or several parties and reduced value creation and / or increased resource consumption for other parties. The reductions may be operant or operand resources (S. L. Vargo and Lusch 2004) resources. Thus, we consider the case of an asymmetric and disproportional value-creation.
The first basic pattern describes reductions in resource commitment of one party that reduces the value created for other parties. The second basic pattern is the reduction of resource commitment of one party causing an increase of resource consumption for one or several parties.

Research limitations/implications – Limitations can be found in a deeper empirical validation in different sectors.

Practical implications – Enterprises participating in multi-sided service systems are able to detect and identify distortions pattern more easily and more quickly. By these means they are able to reduce the negative effects on them. Therefore, the efficiency and competitiveness can be increased.

Originality/value – The research introduces a new perspective by introducing also non idealistic behaviour into data-science. The contribution of this paper is to describe a non-idealized view on value-creation in practice and to enumerate a number of patterns for distortions by describing their underlying value flows. An example from the air-travel industry will show the applicability of the framework developed.

Key words - Service Systems, Distortion, Operand Resources, Service-Dominant -Logic

Paper type – Conceptual paper

Digitized products as source of strategic benefit

Rainer Schmidt, Moehring Michael, Keller Barbara

Purpose – The Internet of Things enables the creation of so-called digitized products. Digitized products (Schmidt et al. 2015) are physical products augmented by computational capabilities and connectivity. In this way, digitized products are operant resources (S. L. Vargo and Lusch 2004). Thus digitized producers are a source of strategic benefit (Stephen L. Vargo and Lusch 2016) based on value co-creation (Tommasetti, Vesci, and Troisi 2015). Therefore, we analyze how the mechanisms of digitized products provide strategic benefits. The need for a more conceptual view of the Internet of Things has been identified by Mikusz (Mikusz 2015).

Design/Methodology/approach – We used a design science approach (Hevner et al. 2004) from the area of information systems research. The developed framework is an artifact that addresses the appropriate selection of initiatives in the Internet of Things. It is relevant because it enables the development and implementation of technology-based solutions. The design evaluation is done using informed argument.

Findings – We developed a two-dimensional framework to analyze and classify the strategic benefits provided by digitized products. The framework has two dimensions: the business layers and lifecycle phases. The use of layers to describe the value creation in the internet of things has been introduced in (Mejtoft 2011). We differentiate three layers: business processes, value creation, and business model. On the business process layer, digitized products enable the optimization of business processes by improving decision making and increasing flexibility (Regev, Soffer, and Schmidt 2006). Digitized products enable value co-creation by providing data for creating knowledge resources and using knowledge resources for local decisions. Digitized products also provide strategic benefit on the value creation layer. Their permanent accessibility and reactivity enable service co-creation. Furthermore, digitized products become the touchpoint of services (Xu and Ilic 2014). The business model layer shows the deepest impact on strategic benefits by enabling the creation of platforms, aka two-sided markets (Parker and Van Alstyne 2005). In this way digitized products fit perfectly to the extensions of SD-Logic defined by Vargo and Lusch (Stephen L. Vargo and Lusch 2016) and the models created by Chan (Chan 2015) and Ng (Ng 2014) as well as Turber et al. (Turber et al. 2014; Turber and Smiela 2014).
The lifecycle phase with the biggest impact on strategic benefits are the deployment, operation and reconfiguration phase. Digitized products are malleable and can be tailored in dialog with the customer. In the operation phase, digitized products produce data that allows permanently monitoring their status, but can also be used for product design. This includes data on the usage of the product by the customer. Digitized products allow the reconfiguration on the fly due to their malleability. A crucial capability of digitized products as operant resources is the permanent status information provided by digitized products. It allows to predict failures and to initiate maintenance procedures to prevent the failure, aka predictive maintenance (Sipos et al. 2014).

Research limitations/implications – Limitations can be found in a deeper empirical validation in different sectors.

Practical implications – Enterprises can prioritize their initiatives in the Internet of Things using the framework developed. Thus they are able to select digitization initiatives appropriate to their needs and in alignment with their corporate strategy.

Originality/value – The framework developed allows determining the impact of digitized products on business processes, value creation, and business models.

Key words - Internet of Things, digitized product, Service-Dominant -Logic

Paper type – Conceptual paper

Proposing and co-creating shared value: an integrative framework and research agenda

Rintamäki Timo, Saarijärvi Hannu

Purpose - Recent developments in service-dominant logic and service science emphasize the role of systems thinking and recognition of complexity in understanding how value can be proposed and co-created (Lusch & Spohrer, 2012; Vargo & Lusch, 2016a, 2016b). Consequently, it is growing increasingly important to explore common ground for joint goal-setting and resource integration. In this endeavor, the notion of shared value can be an important conceptual integrator. Porter and Kramer (2011: 66) define shared value as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates." This notion points to shared value creation as inherently building on value propositions that go beyond dyads, enable new means of resource integration within a given value chain or cluster, and shift the locus of value creation toward ecosystems (Dembek et al., 2015; Kramer & Pfitzer, 2016; see also Akaka & Vargo, 2015; Wieland et al., 2012). Although service-dominant logic and shared value seem to resonate well with complex and networked value creation contexts, there appears to be little research combining these two perspectives. Hence, the paper presents development of an integrative framework for proposing and co-creating shared value.

Methodology/approach - Applying a conceptual approach, the paper synthesizes literature on service-dominant logic and shared value for creation of an integrative framework for proposing and co-creating shared value. To illustrate the framework, three case vignettes are presented and discussed.

Findings - An integrative framework focusing on value propositions, value co-creation, and integration of service-dominant logic with shared value is presented and discussed. This contributes to understanding how the interests of companies and the public at large may be balanced through value propositions and value co-creation.

Research implications - The paper opens new avenues for conceptualizing value in the service-dominant logic domain and is aimed at strengthening the theoretical underpinnings for the concept of shared value (see, for example, Crane et al., 2014; Dembek et al., 2015). Based on the framework, an agenda for future research on shared value is presented.

Practical implications - The paper contributes to the understanding of networked business models and of ecosystems composed of companies and public entities, along with their market behaviors directed toward creation of shared value.

Originality/value - The paper forms a bridge between literature on service-dominant logic and on shared value, and it outlines an integrative framework for proposing and co-creating shared value.

Keywords - Value proposition, value co-creation, service-dominant logic, shared value

Paper type - Conceptual paper

Managing Service Ecosystems – an intentional ecosystems approach

Röndell Jimmie, Sörhammar David

Purpose - There has been, and still is, a long debate regarding if a single firm can manage "their" surrounding (e.g., service ecosystem). Some scholars strictly say no (e.g., IMP school of thought) as these systems are considered unintentional. Others however argue that within a system there are certain structural positions that are strategic important. What these "structural holes" manifest is that a well-positioned firm can become the "hub-firm" within the ecosystem, thereby enabling the firm to orchestrate flows within the ecosystem, hence, an intentional system.

In this paper (from the intentional network standpoint), we explore how to manage intentional service ecosystems where a specific hub-firm need a business model to manage resource flows within the system. This systemic view is encapsulated in the concept of service ecosystems, defined as "relatively self-contained, self-adjusting system[s] of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange".

Design/methodology/approach - This paper conceptualizes and contextualizes the management of a service ecosystem by elaborating on a business model constituting of the three dimensions of the service ecosystem definition; Institutional arrangements, Resource-integrating actors, and, mutual value creation.

A theoretical sampling approach was used to select cases that highlighted efforts of hub-firms managing their service ecosystem. Through this process three cases were selected. The primary source of data for the cases was in-depth interviews. Overall, 34 interviews were conducted with company executives and employees. Primary data also stemmed from observations. Statements were identified, sorted and structured in the data analysis, identifying specific instances of Institutional arrangements, Resource-integrating actors, and, mutual value creation.

Findings - The hub-firm deals with the challenges of managing the service ecosystem by putting a great effort into learning about the involved actors' unique institutional logics (e.g., rules, norms, values and beliefs, language and technologies). Throughout this learning process the hub-firm acts as an "institutional-logics broker" forming a number of institutional arrangements within the ecosystem. The hub-firm thereby provides a stable set of expectations influencing resource integrating actors within the service ecosystem and facilitating mutual value creation

Research limitations/implications - The present study provides a starting-point for further research on a hub-firms brokering function within service ecosystems.

Originality/value - Moreover, this study extends previous knowledge by identifying managerially relevant guiding principles that a hub- firm can follow to strengthen the viability of the service ecosystem.

Keywords - Hub-firm, Service Ecosystem, Intentional system, Case studies

Type - Research paper

Families with special needs children consuming social and health care services – visible and invisible activities of daily life

Särkikangas Ulla, Autio Minna

Key words - Service-Dominant Logic, Customer-Dominant Logic, Social and Health Care Services, Customer Experience

This paper aims to reveal how the customer experiences of heavy users of social and health care services are formed as part of their every day lives. The study argues that deeper insight on the role of services in customers' lives will enable service providers to develop services – or a network of services - that can fulfill one of their primal purposes, that is, increase customers' welfare.

The research focuses on the experiences of heavy users of social and health care services in Finland. In this research heavy users are defined as families who have a special needs child/children and who use more than four different social and/or health care services. Special focus is given on digital service environments.

Ten narrative interviews on mothers of special needs child/children were conducted in 2016 and narrative analysis was used when analyzing the data.

Preliminary findings reveal three major challenges: the unavailability of essential information, multiple obstacles preventing families to become customers and heavy maintenance of services forcing customers become service managers (unpaid customers).

This study is interdisciplinary in nature. It falls in between consumer economics and service management theory. In addition it aims to provide scientific knowledge to the design and development of social and health care service system.

Integrating the internet of things and big data analytics into decision support models for healthcare management

Sarno Debora, Badinelli Ralph D.

Purpose – This paper presents formulations of decision models for the innovative management of healthcare systems through the application of the Internet of Things (IoT) and Big Data Analytics (BDA). By integrating the technology of IoT and the intelligence of BDA we derive service designs that amplify the personalized, co-creative nature of effective health care. Capturing and interpreting data about patients' needs and desires, resource availabilities (doctors, nurses, medical equipment, medical supplies and others), treatment options and potential outcomes enables a smart and adaptive health management system for planning, scheduling and coordinating service activities in a jointly managed, co-creative system.

From a service-system point of view (Maglio et al., 2009), healthcare systems are configurations of people, information, organizations, and technologies operating together for mutual benefit and common objectives. The traditional approaches to the design of these service system take one of two perspectives: a patient-centric view, oriented to patient health (Polese, 2013) in terms of quality and speed of care; and a provider view, focused on resource utilization and efficiency (patient waiting time or service level is the only consideration given to the patient - Sarno and Nenni, 2016). In the new *digitization* era, the design and management of healthcare services should structurally incorporate both perspectives under the awareness that *service* itself means value co-creation among the involved actors (Vargo and Lusch, 2004), personalizing the health care experience for each patient and adapting organizational and planning processes to context variability.

Large investments in fixed assets and highly trained staffs severely limit the flexibility in capacity of every healthcare service system. The inertia of the supply chain limits its ability to respond to the non-stationary nature of demand that is driven by individual patient needs. Therefore, resource allocations that are typically used in other service industries to respond to variable demand are not effective in healthcare systems. The use of IoT and BDA to generate more accurate and dynamic updates of parameters that affect demand and resource availability enables a different approach known as demand response (DR). Electric utilities are a good example of an inertia-constrained supply chain that uses IoT and BDA to enable DR (Siano and Sarno, 2016). Although healthcare service systems presently do not adopt the practice of DR, the necessary technologies are in place to do so. An essential requirement of DR is also an innovative feature of this practice – DR requires co-creation. Through the application of finite capacity scheduling (FCS) a healthcare system can utilize real-time data about patient locations, medical conditions and desires to dynamically assign patients and healthcare resources to medical procedures for improved efficiency in the use of healthcare resources and the personalization of patient care. This research formulates the key decision models that will support DR in healthcare systems and take advantage of IoT and BDA. We identify the unique tradeoffs that DR presents to the design and management of healthcare systems, specify the data requirements of the predictive models that are recommended, formulate the mathematical structure of the decision models and describe the changes to the management and culture of the healthcare ecosystem that will be necessary.

Design/Methodology/approach – The formulation of adaptive, intelligent decision models for planning, scheduling and controlling health care services will be accomplished through application of the techniques of operations research guided by the perspective of Service Dominant Logic (SDL) and the Viable Systems Approach (VSA). Although these decision models can trace their pedigree to classic resource planning and scheduling models of goods-dominant research, they embody distinctive and essential features of co-creative systems. Our formulations of these models will expose these features. The state of the art in the application of IoT and BDA in healthcare enables the acquisition of massive amounts of detailed data from patient electronic medical records; real-time patient condition monitors; location devices for patients, healthcare personnel, medical equipment; social networks' comments; resource status reports and schedules; and intelligent medical knowledge bases. Furthermore, cognitive assistants are now providing medical professionals with up-to-date knowledge to support diagnosis and treatment. Our model formulations will be directed at defining the specific model constructs that take advantage of the recent advances in IoT and BDA. Specifically, we will develop a hierarchy of models that exhibit the benefits of utilizing increasing penetrations of big data sources and increasing degrees of decision adaptation (homeostasis).

Findings – 1) How can big data inform us about the needs and desires of all of the players in the health care system? 2) How can big data analytics be used in predicting patient needs and desires as well as the intentions of healthcare providers? 3) How can IoT enable the beneficial usage of big data for co-creative healthcare management?

Research limitations/implications - This research represents the first step of a wider research project aimed at assessing the feasibility and the convenience of new forms of value co-creation in healthcare management. The suite of models that this research creates will initiate a quantitative evaluation of the relative performance of the models in the suite. However, this evaluation, which will be done via computer simulation, is outside the scope of the current paper.

Ultimately, our models will demonstrate the specific ways in which BDA and IoT can be used effectively in healthcare management. Service innovators in the healthcare industry will be able to use the results of this stream of research to see beyond the hype of these new technologies and learn how to leverage them effectively.

Originality/value – The advances in the engineering of IoT devices and the development of statistical methods for BDA have been very impressive. The applications of these technologies have been heavily promoted, but there has been very little research into the integration of IoT and BDA into model-based decision support systems. This study will be original in its foundation in decision modeling.

Key words – big data analytics, internet of things, value co-creation, healthcare, internet of everything

Paper type – Research paper

A new consensus method for social networks viability

Sarno Debora, Gaeta Matteo, Polese Francesco

Purpose – Online social networks have become one of the main feeder of news and it has been demonstrated their ability to determine opinion formation of users (Xiong et al., 2017). The growing number and consequences of fake news are capturing attention and concerns of the biggest players of the market such as Facebook and Google (The New York Times, 2016) who risk to lose credibility (The Washington Post, 2016). Another source of concern is the publication of inappropriate news (due to topic or multimedia contents not compliant with users' community). This paper proposes an innovative method to cope with fake and inappropriate news on social networks based on an extension of the *Gruber model* (on which *Collective Knowlegde Systems* – CKS – are based) which incorporates a *Consensus Method* (Herrera-Viedma et al., 2014) typically used in the *Group Decision Making* (Alonso et al., 2013) built according to the *Viable System Approach* (VSA) perspective (Barile and Polese, 2010) and taking into account engagement (Carrubbo et al., 2017).

Design/Methodology/approach – Social networks are assumed as a specific example of *Collective Knowlegde Systems* (CKS), and an example of them is the *model of Gruber* (Gruber, 2008) in which small groups of proactive users produce information artifacts that can be searched by other users which need information.
Using the VSA lenses (Barile et al. 2015), these groups will be identified for having a specific information variety that allows them solving the complexity of news credibility/appropriateness assessment in a timely way. Given the *Collective Intelligence* logic (Levy, 1994), these people would need heterogeneous knowledge (but not dissonant information varieties), multiplying instead of summing their intelligence (Kerckhove, 1996) in order to provide different micro-contributions to the understanding (Nielsen, 2012). This would dynamically change their information variety and the information variety of the system as a whole (the social network). Moreover, the model will represent an engagement platform in the social network (which is, according to Storbacka et al. (2016) the microfundation of value co-creation) of both the judging experts (reworded with a competence score) and the other users (who will perceive the news reliability in a consonant relation with the community). By adopting an holistic and systems perspective, such system's reaction (thanks to its autopoietic traits) to reset relations with actors of the system's structure in order to re-configure the system towards a new equilibrium can be interpreted as the system tension to keep viability. After an introduction on the issue (section 1) and a comprehensive literature review related to service system and VSA on one side and CKS, Gruber model and consensus methods on the other side (section 2), the model will be mathematically formalized and described in detail (section 3) and finally shown in a simple application. Social and managerial implications will close.

Findings – The method proposed in the paper answers to the following questions: 1) How can fake/inappropriate news be detected by groups of individuals belonging to an on-line social network?
2) How can these individuals be further engaged in the community? The method could be efficiently adopted in private social networks within organizations but also extended to bigger and general purpose ones.

Research limitations/implications - This research moves on the new frontier of social networks autopoiesis and will provide novel interesting contributions to the reflections on decision making in systems and viability of Smart Service Systems (Polese et al., 2017). Further researches will be needed to find out the optimal (and minimum) number and composition (in terms of information variety and gained rewording score) of experts to assign to each news to be evaluated in the consensus phase. Moreover, semiautomatic semantic filters could be introduced in the model to both classify news within expert classification categories and reduce the total amount of news to be evaluated (and, consequently, the lead time needed to make decisions), finally making the methods operating in a "quasi-real time" social network environment.

Originality/value – The originality of the paper relies on:
- adoption of the VSA lenses to cope with the issue of fake/inappropriate news in on-line social networks;
- adaptation of the Gruber model to the issue and incorporation of a consensus method;
- introduction of a further engagement logic into the community.

Key words – Fake news, VSA, user engagement, Collective Knowledge Systems

Paper type – Research paper

Envisioning future scenarios for service research

Saviano Marialuisa, Barile Sergio, Reynoso Javier Francisco,
Caputo Francesco, La Sala Antonio

Purpose – In the last decades an increasing number of researchers and practitioners have embraced the service logic as an approach useful to understand several emerging dynamics that give evidence of the growing relevance of the service sector. Many trends, such as *tertiarization*, *servitization*, and *dematerialization* of the economy, have significantly changed our everyday purchasing and consumption processes increasing, in particular, their immaterial dimension. More recent innovations, such as the *Internet of Things* (IoT), the *Internet of Everything* (IoE), the *hub of all things*, or the *Augmented Reality*, have increased the interconnection of computing devices embedded in everyday objects, making apparent that this phenomenon is more than an innovation in the way we send and receive data. With the aim to enrich the traditional debate about the relationship between goods and services, given the dominant trend of dematerialization of the economy, the purpose of this paper is to reflect upon possible future scenarios regarding the relationship between the material and immaterial dimensions of purchasing and consumption processes, and its impact on service management and research.

Design/Methodology/approach – The paper builds upon the most recent advancements of the Service Logic stream in Service Research, reinterpreted in the light of the *Viable Systems Approach* (*VSA*). It develops an interpretative pathway that rereads the multiple paradigmatic changes, which have characterized the evolution of service theory and practice over the last decades, in terms of relationship between the material and immaterial dimensions of service, identifying a possible evolutionary principle that may underlie the major changes observed.

Findings – The interpretative approach adopted highlights numerous signals that seem to show an inversion in the dematerialization trend of Service Research 3.0 paradigm, indicating an opposite 'materialization' process through which the new immaterial dimension is progressively embedded in the material world. The reading of these evolutionary changes in the light of the *VSA* general schemes reveals the emergence of a renewed service materiality as an expression of a more general evolutionary principle according to which the relationship between the material and immaterial dimensions of service processes appears cyclically to change.

Research limitations/implications – The proposed interpretation opens up multiple research pathways highlighting the necessity to rethink traditional interpretation schemes of service theory and practice.

Originality/value – The paper adopts the general interpretation schemes of the *V SA* envisioning possible future scenarios of a renewed service materiality that may outline a possible shift towards a Service Research 4.0 paradigm.

Key words – Tertiarization, Servitization, Dematerialization, Internet of things (IoT), Viable Systems Approach, Service Research.

Paper type – Conceptual paper

Development of value propositions: a managerial framework

Schäfer Adrienne, Windler Katharina, Georgi Dominik

Purpose – Despite significant interest in value propositions, there is little understanding of their application to today's increasingly interconnected and networked world (Frow et al., 2015). Although value propositions play an important role when impacting relationships of the focal company with its ecosystem and in shaping perceptions of value, studies (Frow and Payne 2013) suggest that that only a small proportion of enterprises have a formalised process of value proposition development and that value propositions are often implicit rather than explicit.
In order to address this topic, the aim of our research is to develop a framework that supports companies in the development of a value proposition contending "that having an explicit process of value proposition development is more likely to ensure a competitively superior value proposition" (Frow et al., 2015, 32).

Design/Methodology/approach – We applied an interaction research approach, assuming that testing concepts, ideas, and findings through interaction with different target groups is "an integral part of the whole research process" (Gummesson, 2002, 345). We conducted case studies with a comparative exploratory cross-sectional design (Yin, 2003). Our sample comprises the ecosystems around three supplier companies, in a B2B context and acting in different industries: automation, logistics and finance. We gathered data from documentary evidence, artefacts, observation, interviews with senior management from customer companies and workshops with senior management from focal supplier companies as well as further actors of the ecosystem. Data analysis followed King's (2004) template approach.

Findings – We developed a framework where companies can locate their current (implicit or explicit) value proposition and which supports them in deciding on the direction of their new value proposition. This framework is based on a relationship continuum which ranges from exchange to partnership.

Research limitations/implications – Our research is exploratory, the findings are therefore tentative. Future research could validate the framework within a variety of B2B contexts. An extension to B2C contexts would also be an interesting route for further studies.

Practical implications – Our conceptual contribution can be positioned as "summarising", i.e. we encapsulate and consolidate existing management methodologies into a manageable set of activities and an organising framework. As stated by MacInnis (2011, 142): "conceptual contributions at the procedure level can be of particular value to marketing practitioners."

Originality/value – In order to define and implement the (new) value proposition we advanced several tools that address the definition, the offering, the pricing and market entry strategies for new value propositions.

Key words - value proposition, development of value proposition, ecosystem

Paper type –Research paper

Causation and Effectuation in the context of Service Innovation in small, independent firms

Shishan Farah, Perks Helen, McCabe Scott

Purpose - This study aims to examine the relationship between effectual (means-driven) and causal (goal-driven) logics in service innovation (SI) in small independent firms. It further seeks to unravel how these logics interact over time (Sarasvathy, 2008; Sarasvathy, 2001). Effectuation theory may assist in understanding behaviors associated with resource utilization and integration in small firms. Drawing on some parallels with bricolage, effectual logic based on constrained creativity, where an actor starts and initiates the innovation process based on what they have (Baker and Nelson, 2005; Sarasvathy, 2008). This study examines the role of bricolage within these logics and its ability to explain how they may intertwine.

Design/Methodology/approach – The study employs a multiple case study methodology. The sample is nine small independent hotels, located in the UK. Data is collected via in-depth interviews and observations. Data is analyzed through systematic stages: data reduction, data categorization and drawing conclusions (Miles and Huberman, 1994).

Findings – The findings suggest that one of the logics may be dominant in a firm, but this does not eliminate the occurrence of other logic activities. This can happen when some available resources are recognised, and the development of multiple variations and experimentations of a service comes with minimal cost. Additionally, the findings demonstrate that firms' engage with different logics' and bricolage activities at the same time when firms adapt with its resource-constraints and have the flexibility with decision making. Moreover, effectual logic and bricolage may be perceived as two sides of the same coin depending on the firm's behaviour to develop a service or to overcome a resource constraints, and sometimes both approaches lead to each other in a reciprocal cycle. Lastly, drawing from the eco-system context, the data suggests that informal relationships can lead to informal commitments. These offer novel means resulting in new/improved goals. This is contrary to classic effectuation theory which stresses formal partnerships and commitments.

Practical implications – The findings show ways to manage (SI) by dynamically exploiting available resources, adding and updating resources through informal relationships and changes in the environment. Additionally, utilise available and/or unused resources to innovate or overcome some resource-constraints.

Originality/value – This study fills a research gap in the relationship between effectual and causal logic. It builds bridge between effectuation theory and bricolage for (SI) in established small firms rather than start-ups.

Keywords - Effectuation theory, bricolage, service innovation, resources.

Paper type – Research paper

The investigation of regional marketing from S-D logic perspective

Shoji Masato, Inoue Takamichi, Taguchi Takashi

Purpose – Vargo and Lusch (2004) and Lusch and Vargo (2014) introduced service-dominant (S-D) logic to clarify the structure of markets and marketing (Vargo and Lusch 2004; Vargo and Lusch 2016; Vargo et al. 2015). Their approach begins at transactions and expands to service exchange. Traditionally, research on marketing has investigated the relationship between firms and customers; as such, marketing has been focused on goods as the objective of transactions.

However, little attention has been given to expanding the scope of this research. In this study, we examine the structure of regional marketing using S-D logic, investigating the role of resources and the structure of service ecosystems.

The S-D logic literature does not emphasize value-in-exchange, which is the criterion for transaction, but value-in-context, which drives actors to exchange service (Chandler and Vargo 2011; Wieland et al. 2016). It thus contributes to the expansion of the scope of markets and marketing (Mele et al. 2015; Vargo and Lusch 2016).

Actors in various regions integrate resources and generate value-in-context from service provision with the aim of acquiring YARIGAI (in Japanese), self-pleased behavior of actors, and gaining satisfaction through their activities. We study regional marketing activities to examine the structure of YARIGAI and the antecedent and consequences of service provision.

Design/Methodology/approach – We introduce the concept of YARIGAI as challenging work in regions. Actors in regional marketing do not aim for value-in-exchange but for value-in-context to improve the performance of their region. In this study, we examine cases of regional marketing and investigate the structure of YARIGAI.

Findings – In this study, the concept of value-in-context show to be applicable to local marketing. Furthermore, YARIGAI can be clarified as the service exchange of the actors in connection with local activities aimed at the acquisition of value-in-context.

Originality/value – There are very few studies exploring the structure of value-in-context. This study aims to evolve the concept of value in S-D logic.

Key words - Value-in-Context, Regional Marketing, Service Ecosystem

Religion and Online Deviant Behavior:
a conceptual framework explaining the actors' intentions to co-destruct value online

Sigala Marianna

Purpose - Tourists increasingly adopt fake and/or inaccurate online behaviors that in turn diminish value for other actors (Sigala, 2017; Yoo & Gretzel, 2009; Luca, 2011; Munzel, 2016; Jin & Leslie, 2009; Schuckert et al., 2016; Kim et al., 2015). For example, people: share fake posts and online reviews for creating conspicuous consumption and constructing an inflated self-image; adopt socially 'appropriate' online behaviours for avoiding ostracism and being accepted by their online peers; to receive financial and material rewards such as free drinks from hotels and restaurants (i.e. paid or bogus reviewers as mentioned by O' Connor, 2010). Sigala (2017) defined this online customer behavior as Online Deviant Behavior (ODB) referring to any online customer behavior that is against the law, organizational policy and/or social norm that can harm the firm, the employees and/or other online users. Thus, ODB has been viewed as a form of a social practice whereby actors co-destruct value. However, research investigating the motivations, the drivers and the factors reinforcing the adoption of this ODB is scarce. The majority of the studies have focused on developing algorithms and methodologies for detecting fake online behavior (e.g. Chen et al., 2015; Akoglu et al., 2013; Banerjee et al., 2016), ignoring the management approach of this phenomenon. Thus, almost none study has focused on investigating the reasons driving people to do it, with the exception of Sigala (2017) who used the neutralization theory to explain the factors enabling people to justify and so, sustain and perpetuate such behavior. However, it is recognized (Sigala, 2017; Harris & Dumas, 2009) that this theory cannot still explain the reasons for which people adopt such behavior in the first place.

This study uses religion as a factor for explaining and understanding why people with different religion backgrounds intend to adopt different ODB. The role of religion in sculpturing and defining human behavior is well known and studied within the field of Consumer Culture Theory and Marketing. However, the majority of the studies have focused on examining **what** religion dimensions, objects and identifiers impact certain behaviors such as, shopping orientations (Mokhlis, 2009), information seeking, product innovativeness, adoption and consumption (Hirschman, 1981), design elements of social media marketing campaigns (van Esch, 2015; van Esch et al., 2015) and ethical positions (Cornwell et al., 2015). Almost none study has focused on explaining **why and how** religion dimensions influence and form consumer behaviors (Mathras et al., 2016).

To fill in these gaps, this study develops a conceptual framework and research questions for understanding and predicting the ways in which religion determines people's adoption of ODB.

Design/methodology - A wide and diversified area of literature is critically reviewed for developing the conceptual framework and research questions (i.e. religion studies, consumer behavior, customer deviant behavior, online customer engagement, value co-destruction). Four dimensions, namely beliefs, rituals, values, and community are identified for defining and operationalizing religion and then, research questions are developed for explaining how these dimensions influence people's intention to adopt ODB.

Findings - The conceptual framework proposes that religious affiliation shapes consumers' religious beliefs, rituals, values, and community constructs, which in turn drive differences in ODB between groups. The conceptual framework and questions have high interpret power because instead of determining what people from different religions do differently and/or what religion objects and identifiers relate to various ODB, the framework unravels and explains why people with different religion dimensions tend to adopt various ODB by uncovering the psychological mechanisms driving and underlying these effects. The framework also suggests that a consumer's level of religiosity likely predicts the centrality of a certain set of religious beliefs, rituals, values, and community in his/her life. Thus, it is proposed that religiosity moderates (e.g., strengthen) the relationship between an individual's religious affiliation and his or her religious beliefs, rituals, values, and community structures.

Research limitations/Implications - The paper develops a conceptual framework and develops research questions for understanding people's intentions to adopt ODB. Given the rise of ODB and the scarcity of research to explain, predict and manage this phenomenon, urgent empirical research is required to test, validate and refine the proposed framework. Future research should: use a diversified religion sample of consumers; cater for people with no religion affiliation (atheists); and control for other factors influencing ODB such as personality and culture (Taylor et al., 2016).

Originality/value - Despite the increased adoption of ODB, little is still known about the factors driving people to adopt ODB and co-destruct value. Personality and neutralization factors have been proposed as factors identifying people adopting ODB, but they lack the interpretive power to explain why people do it. This study uses religion as a multidimensional construct for unraveling and explaining the psychological mechanisms driving people to adopt ODB. Previous studies in religion and consumer behavior have treated religion as a moderating variable for differentiating and segmenting people with various behaviors. Hence, this study also contributes to the field by using religion as a main theoretical construct for explaining human behavior and understanding why people adopt various ODB and co-destruct value which might be against and/or in line with their religion beliefs, values, rituals and community constructs.

Practical implications - The conceptual framework provides numerous suggestions and directions for conducting future research. The research questions have also implications for predicting and understanding OBD, developing effective managerial practices and guiding policy-making for managing ODB.

Keywords - religion, online deviant behaviour, conceptual framework, adoption

Ecotones: the complex transitional zones of service (eco) systems

Simmonds Hamish, Gazley Aaron

Purpose – This paper introduces ecotones to the service (eco) system literature as a conceptual extension to the ecosystem framework, arguing that the boundaries and the relations between complex systems hold particular explicatory value as complex zones of stability and change. We further utilise the remarkable properties of ecosystems to address the complexity found in the intersections of multiple service systems and the actors who inhabit them.

Design/Methodology/approach – This conceptual paper lays out the ecotone concept before reconciling its explanatory and conceptual linkages with complex systems and recent developments in institutional and field theories and the service (eco) system concept to explore the relations between linked service (eco) systems.

Findings – The open and fluid nature of complex systems means boundaries do not separate but intimately connect systems with their environment, meaning the nature and complexity of a system is necessarily influenced by its relationships and interaction with other complex systems. Ecotones provide a useful concept as they represent the zones of transition between adjacent systems. These transitional areas support comparatively large amounts of diversity, resources and activity, creating emergent phenomena, while supporting the inhabitants (actors) of the overlapping systems and commonly inhabitants that are characteristic of and often restricted to the ecotone. Ecotones can be understood through the effects they have on their constituting systems, the feedback effects they generate, their mediation of resource flows between systems and their constituting roles in helping define the structure of systems. We utilise the ecotone concept from natural ecosystems to build a conception of the service ecotone as complex interactional and transitional zones formed by intersections of informational, relational, technological and institutional boundaries. These intersections serve as dynamic spaces of complexity created by tensions and diversities in roles, resources and practices between resource integrating actors and value creating systems. We argue that by synthesizing the functions and dynamics of the ecotone concept we can contribute to the recent focus on institutional complexity, the limited understanding of the relations and interactions between institutional fields and different types of ecosystems and address the interactions and roles of actors within these transition zones.

Originality/value – We introduce the ecotone concept and integrate it with emerging literature influencing service theory and the general 'zooming out' of social-economic activity. This paper suggests service ecotones provide a conceptual tool for understanding the complex interplay between different systems that affect their emergence, composition, stability, and co-evolution. Thus, ecotones suggest new avenues for understanding the diversity and roles of actors, and how new structural properties, resources and practices come to be through the tensions, interactions and flows facilitated in these complex zones of intersection linking complex systems.

Paper type – Conceptual paper

The nesting architecture of T-shaped capacities:
Fostering the requisite variety in the service economy

Simone Cristina, Calabrese Mario

Purpose – The transition towards the services economy requires a rethinking about the cognitive endowment both of individuals and organizations. With the aim of deepening the study of the human cognitive endowment necessary to survive and innovate in a service economy, in this study we theoretically explore and discuss the nesting architecture of 'T-shaped' capacities from individual to organizational level. Our discussion is essentially conceptual and theoretical and aims at fostering multi-perspective debate and knowledge exchange among scholars as well as practitioners from diverse disciplinary domains and professional sectors.

Approach – The paper is rooted in the recent Service Science line of research focused on the notion of 'T-shaped' knowledge and moving from the distinc tion between capacities and competences according to the Viable System Approach, it sheds light on the nesting architecture of T-capacities at individual and organizational level.

Findings – The emerging need for T-Shaped capacities set both at individual and organizational level is stimulating to deep understanding the basic elements of the T-shaped endowments. We face this issue by attempting to identify the T-shaped capacities sets characterizing three different logical levels of an organization: structure, general schema, system. We find that, at any level of analysis, we could describe a T-shaped capacities set in terms of an interesting nesting architecture, quite similar to a recursive fractal frame. This way to conceptualize a T-shaped capacities set sheds light on the service economy's specific need for an increasing cognitive variety at any organizational level.

Managerial and research implications - The "recursive" way to conceive a T-shaped capacities set could support organization in defining the cognitive richness and abundance (variety) necessary to effectively survive in environmental conditions of complexity. The principle of requisite variety is not an abstract concept. Rather it is a very concrete managerial principle which fundamental in the VSA: if an organization is not capable to change by adapting itself in response to external changes, it will not be able to survive. Here is a call for service systems researchers: to direct the development of business models. A shift to a more flexible, open and responsible view of organizations, less focused on the 'certainty' of t he structure and technology, and open to the unpredictable outcomes of the human side of the system's dynamics which is essentially emergent in nature.

Originality/value – The "recursive" way to think of a T-shaped capaciti es set is new and it could lead to new way to frame and link together different dimensions of an organization: individual, structural and systemic.

Key words - T-shaped capacities; service economy; viable system approach, cognitive variety

Paper type – Conceptual paper

Clicking away privacy: do users know (or care) about their personal data?

Smith Mel

Purpose - The rapid growth of the Internet of Things (IoT) and the collection and use of big data by businesses and governments has increased concerns about online data privacy (Punagin and Arya, 2015; Wang et al, 2016). However, there is little research into how much individuals really know or care about how their personal data is harvested and used, or the extent to which they are prepared to change their behaviours to protect it. The purpose of this research, therefore, is first to understand how much individual users know about the data they generate and how it is collected and used. It will also assess their perceptions about this data collection and determine their willingness to take control of their data in an IoT future.

Design/Methodology/approach - The research utilises an exploratory online survey of UK based individuals who are users of internet-enabled services. Sampling uses a non-probability snowball approach, to maximise the reach of the survey to relevant participants. Data on basic demographics, knowledge and understanding of data privacy by users, and willingness to take control of personal data, is collected. The data is primarily quantitative, but participants are also able to elaborate their answers in a qualitative fashion.

Findings - The findings will expose users' perceptions and knowledge about their personal data and how it is used, across different demographic groups. It will also help determine the behavioural motivators for moving from passive acceptance, to active control over personal data usage.

Research limitations/implications - The research is exploratory, relatively small-scale and based only on UK users of internet-enabled services. Therefore, the findings are not generalizable in a broader context.

Practical implications - There have been calls to develop personal data markets between individuals and industry, to give control to the users who generate the data (Ng & Wakenshaw, 2017). This research offers some insights into the potential motivators for individual users to take this step and help create this market.

Originality/value - Whilst business and governments already recognise the value of personal data and are striving to establish how best to exploit it, this research considers the issue from the viewpoint of the users who create the data, touching on concepts of informed consent and what encourages people to click away their privacy.

Key words - Internet of Things; Privacy; Personal Data.

Paper type - Research paper

A service ecosystem perspective on the digital service journey

Sörhammar David, Kowalkowski Christian, Tronvoll Bård, Sklyar Alexey

Purpose - As part of digitalization's influence on companies' offerings, processes and general performance, specific attention has been paid to investigate companies' service transformation efforts; from selling products towards selling service solutions. While service and solutions management literature acknowledges exogenous influence at the network or system level little is known about the service journey that companies need to undertake to transform not only their own organization but also their supporting network. Understanding the inter-organizational side of the service journey is critical, as co-creating value from a service ecosystem perspective is at the heart of establishing service solutions with legitimacy and persistence. The objective of this paper is hence to analyze how the creation of new digital solutions has an effect on and is affected by the business network in which the solution is embedded.

Design/methodology/approach - Drawing on service-dominant logic, resource dependence theory and industrial network theory, we elaborate on how service solutions stabilize and challenge the relationships between actors within the involved service networks. Subsequently, we rely on longitudinal studies of the service journeys of two successful business units of a world-leading industrial corporation. In total, we conducted over 50 interviews with key decision makers in Asia, Europe, and North America.

Findings - While digitalization has enabled both business units to undergone a service journey towards solutions selling, the extent and success of the transformation efforts differ greatly. Despite being part of the same corporation and sharing several technical platforms and standards, service strategies and network positions differ. We offer a network-based model on the antecedents and effects of service solutions from a service ecosystem perspective. The qualitative empirical findings and the model build new theory on service solutions and organizational collaboration at the network level, complementing the predominant firm perspective of research in the extant solutions literature.

Research limitations/implications - By integrating previously separate bodies of work and proposing relationships between new and established constructs, the study provides a foundation for further research of digital service transformation.

Originality/value - This research adds to the understanding of how digitalization facilitates, but also potentially obstruct, service transformation. It also extends previous knowledge by identifying managerially relevant guiding principles that an industrial firm can follow to strengthen the success of its digital service journey.

Keywords - Digitalization, Service Ecosystem, Service Journey, Case studies

The arab spring revisited: drivers of service ecosystems transformation

Soumaya Ben Letaifa, Edvardsson Bo, Kotaiba Aal

Purpose - The aim of this paper is to extend the understanding of service ecosystems by analyzing the process and the drivers of ecosystems' transformation. The paper contributes to the ongoing discussion on actors' resource integrating and value co-creating efforts by exploring how different actors at the micro, meso and macro levels coordinate their activities and the interdependencies between ecosystem levels.

Design/methodology/approach - The conceptual framework builds on management and service-dominant logic (SDL) premises to contribute to service ecosystem literature. It analyzes how changes are institutionalized and scaled up from People (micro), to networks of people (meso) to institutional actors (macro). Two ecosystems, one in transition, Syria, and another one being transformed, Tunisia, are selected. The study uses netnography and interviews as the main data collection methods.

Findings - The empirical study explores: 1/ how the change moves from micro to meso to macro level; and 2/ the drivers of service ecosystem transformation for each level. Four theoretical, methodological and empirical propositions are presented: (1) social tools catalyze people and leverage online value of resources, (2) transformation is the institutionalization of the change at the macro level, (3) micro, meso and macro drivers shape and transform actors and (4) the need for a new ecosystem methodology to study ecosystem transformation.

Originality/value - This study provides an explicit understanding and framing of the levels of actors and did not focus on drivers that engage actors at different system levels; drivers that either support or inhibit such transformation.

Keywords - Ecosystem, transformation, framework, actors, drivers.

Using technology to foster actors' resource integration and value co-creation efforts: Empirical studies of management practices in the context of luxury hotels

Spring Han, Edvardsson Bo, Verma Rohit

Positioning and knowledge gap - Service scholars have argued for the need of comprehensive empirical studies on actors' resource integration practices from a S-D logic lens (Edvardsson, Tronvoll and Gruber, 2011), combining high touch with high tech (Ordanini and Parasuraman 2011, p. 17). Furthermore, the key role of technology and service platforms in value co-creation has been argued for by Lusch and Nambisan (2015). Technology is understood as the practical application of knowledge and thus technology and resource integration are interlinked (Lusch and Nambisan, 2015, p. 159). Resource configuration and integration are crucial for value co-creation and value-in-context, including customer and other actor's experiences (Ordanini and Parasuraman, 2013; Vargo and Lusch, 2016).

Aim - The aim of this paper is to contribute with knowledge on actors' use of technology to integrate resources during value co-creation in service ecosystems. Service ecosystem here refers to institutionalized practices grounded in a diverse set of actors with a fair degree of agency to engage in value co-creation (in line with Lusch and Nambisan, 2015).

Approach - We partnered with the International Luxury Hotel Association which is a member-based nonprofit organization. In the first study, a number of focus groups were held in major hospitality centers across the United States with invited executives and general managers. They all are deeply familiar with what today's guests want and their expectations on how to be served. In the second study, in cooperation with Cornell University, we carried out a survey among hospitality professionals. Text-analysis was carried out using open coding.

Findings - The empirical analysis resulted in five technology-use practices from a management perspective. Practices are routines that are enacted by people to facilitate collaboration and make sense of other actors' resource integrating activities in a specific social or business context. The five technology-use enabled practices identified in this study are: (1) *Staff training* to enable and direct technology-use in effective ways to create favorable customer experiences; (2) *Computability* that enables actors to integrate a wide range of resources, also across system boundaries; (3) *Ease of use* enable actors to operate smoothly on available resources to maximize their value potential (4) *Reliability* which has to do with activities, processes and systems being up and running as promised in a safe and secure way; (5) *Human touch* combined with high tech and human touch enabled by technology.

Originality/value - This is the first empirical study zooming in on technology-use to enable multiple actors' resource integration and value co-creation efforts in service ecosystems. Theoretically this adds to the scholarly understanding of practice-drive, experience-based value co-creation in service ecosystems.

An exploration of valuation practices in complex case reviews in healthcare

Spurrell Mark, Araujo Luis, Proudove Nathan

Purpose - The purpose of this paper is to explore valuation practices in a complex case setting in healthcare. Value based healthcare is an important theme in contemporary health management, particularly in relation to management of cases with multiple stakeholders. The concept of value co-creation concentrates on value as uniquely (and privately) determined by the beneficiaries. In this context researchers have begun to explore value co-creation styles in relation to health service outcomes. The challenge for value based healthcare however is to also capture an accepted valuation of service benefit that has currency for all stakeholders. In the valuation literature this can be viewed as a collaborative performance. Valuation practice styles have not previously received attention in healthcare research. As a result there is a gap in understanding as to how private co-creation of value by individual participants might relate to their collective valuation of service benefit. Beginning to characterise valuation practices in a series of healthcare case reviews is therefore a fruitful investigatory step.

Design/Methodology/Approach - The documentary record of a series of 20 case reviews was obtained with permission for individuals with complex needs from a hospital Learning Disability service. All were subject to a standard case management system entitled The Care Programme Approach (CPA). This process requires regular collaborative case reviews involving patients, family, clinicians and service commissioners. The records were explored using a thematic template analysis. From combining emerging themes and reference to the valuation literature a template of valuation practices was developed for further analysis. Using techniques from Qualitative Comparative Analysis a range of configurations of valuation practice were identified for discussion.

Findings - For this sample case reviews divided between those that were apparently strongly valuation orientated and those that were not. In addition, within that range there were also a number of possible valuation practice configurations identified. These configurations aligned with four styles of practice: To develop an integrative style of a number of modes of valuation practice; A simple style which might form a stem for other practices; a results orientated style; A style characterised by professional learning.

Originality/Value - This study highlights that a range of co-valuation styles are manifest within case review practice. These configurations may well reflect the underpinning value registries in play amongst participants. Thus, variation in valuation practices is an area to consider for healthcare improvement initiatives. This is a novel perspective to the process of gaining collective ownership of outcomes by stakeholders in health. Moreover, we extend service theory by raising the question of how co-valuation relates in counterpoint to value co-creation. We consider that valuation practices might be an extension of value co-creation. Alternatively, we consider whether these are parallel processes in service exchange, with an inter-play between individual value co-creation styles and the collective co-valuation style. Our methodological approach provides a useful starting point for further research.

How actors of a dyad perceive the influence of service ecosystems on service experience co-creation?

Still Johanna

Purpose – Experiential side of value has been of interest to service researchers for a long time, and it is nowadays argued that all value is experiential – i.e. value is what we experience it to be (Vargo and Lusch 2016; Helkkula et al. 2012). Hence, it is argued that in order to understand value and how it is created, one must also understand what service experience is and how it is created (Jaakkola et al. 2015b). Following that, it has been noted that similarly to regarding value to be co-created between actors, also service experience is co-created (Jaakkola et al. 2015a). However, as Jaakkola et al. (2015a) note, there are currently gaps in our knowledge regrading service experience co-creation. One such gap is the influence of context on service experience co-creation (ibid.).

Hence, this study aims to investigate service experience co-creation in the context of service ecosystem (Vargo and Lusch 2011). Even though the importance of service ecosystems is widely acknowledged in service research (Wieland et al. 2015), current research is still very much conceptual and lacks empirical evidence from different types of service ecosystem contexts (Frow et al. 2016). Therefore, this study aims to describe how a service ecosystem influences service experience co-creation within marketing communications sector.

Notably, this study will concentrate on relationships between service providers and customers. In this way it will 'zoom in' to the context, i.e. it takes a perspective of a dyad within a service ecosystem, instead of 'zooming out', i.e. taking a broader helicopter perspective. In this way, it aims to fill in some of the gaps identified by Leroy et al. (2013) who argue that there is still a need for studies that complement the big picture of service ecosystems by offering more specific viewpoints to the context.

Design/Methodology/approach – The empirical investigation is conducted as a qualitative exploratory study (Denzin and Lincoln, 2000). Its primary data was collected through 15 in-depth, narrative interviews of marketing communications professionals, representing both customers and service providers.

Findings, originality/value – The results of this study will fill in the current research gaps by describing how actors make sense of the service ecosystem that surrounds them, and how they perceive its influence on service experience co-creation taking place in their relationships. Initial empirical analysis suggests that they seem to identify certain institutions (e.g. Edvardsson et al. 2014) within the service ecosystem that influence their operations and perceptions.

Key words – Service experience co-creation; institutions; marketing communications

Paper type – Research paper

A framework of capabilities and business dimensions influencing servitization based upon service dominant logic, service science and network and system theory

Tempelmayr David, Stadlmann Christian, Mang Stefan,
Überwimmer Margarethe, Ehrlinger Doris

Purpose – Servitization is the transformational process of a company shifting to a business model and logic based on service, including the innovation of an organisation's capabilities and processes. As the servitization literature is fragmented and lacks a systematic framework, this paper tries to contribute by developing a framework of capabilities and business dimensions influencing servitization based upon service-dominant logic, service science and network and systems theory.

Design/Methodology/approach – A systematic literature review was conducted, looking for factors critical for the success of servitization. 126 papers have been fully reviewed and analyzed leading to twelve critical success factors. Second, these factors have been discussed in 26 qualitative interviews with companies and two focus groups to verify and extend them.

Findings – The underlying concepts of service dominant logic, service science and network and systems theory highlight the need for a systematic concept that emphasizes interaction. The literature review and the quantitative study confirmed the need for a broader framework and an emphasis on interaction. Thus, a framework with twelve business dimensions influencing servitization has been developed that includes interaction as well as other factors important for successful servitization.

Research limitations/implications – This paper confirms the need for a broader concept in servitization research. Moreover, this research indicates the usefulness of the three underlying concepts. Future research should address how to measure the twelve dimensions and to manage the servitization status-quo in practice. This research is embedded in an EU-funded research project in which these limitations shall be further examined.

Practical implications – The twelve success factors presented in the paper can offer guidance to practitioners of what to consider when managing their servitization attempts.

Key words - service-dominant logic, network theory, service science, servitization

Paper type –Research paper

Drivers of consumer's engagement in value co-creation

Thion Stephane, Eric Vernette

According to Vargo and Lusch's service dominant logic, the company makes a value proposition and the customer is involved in the production of value during the consumption process. Thus, on the one hand, the value is co-created with the customer, but on the other, the value created depends on the customer's degree of engagement. What motivates his engagement in co-creation ? What benefits does the consumer reaps from his engagement ? An empirical study based on a sample of 222 consumers shows that (1) intrinsic motivations that determine engagement in co-creation, (2) engagement increases consumer's perceived empowerment.

What is the role of services in achieving high new product performance? The analysis of must-have and good-to-have service conditions applying Necessary Condition Analysis (NCA)

Toth Zsofia, Dul Jan

Purpose – This study empirically investigates how some services bundled with product-related conditions are necessary to achieve high new product performance in the context of the value co-creation process between the company, customers and other stakeholders. The importance of a service approach is widely discussed in the new product development literature, even when the development process does not directly focus on services or the end-product is not bundled with services. Authors label the service element as vital, essential, critical and requisite without the empirical investigation of its necessity in regard to the outcome. Applying Necessary Condition Analysis (NCA) we identify necessary service elements in accordance with SD Logic.

Design/Methodology/approach – We identify the extent to which service elements such as research and development (R&D) services, knowledgeability in relation to customers and competitors are necessary to achieve high and lower levels of new product performance. We analyse three large datasets that encompass conditions leading to high or low new product performance. Without the presence of the identified service-related necessary conditions, new product failure would be unavoidable, and these conditions cannot be replaced by other conditions in order to achieve the outcome (high new product performance).

Findings – Achieving high new product performance has some necessary service-elements that cannot be compensated with other conditions. R&D services and customer/competitor knowledgeability and other services-related conditions are necessary to varying extents for high new product performance.

Research limitations/implications – Implications are explored how different conditions of new product performance (including new product development activities and conditions in relation to their introduction) could be prioritised, i.e. which conditions are necessary and not necessary but sufficient, with special regard to service-related conditions. The findings reveal the vital nature of SD-Logic even in more traditionally product-focused development processes.

Practical implications – Practical implications suggest different resource allocation strategies for managers involved in new product development processes.

Originality/value – This research identifies necessary service-related conditions for high new product performance.

Key words – New Product Performance, Necessary Conditions, SD-Logic

Paper type – Research paper

When value talks

Tregua Marco, Amitrano Cristina Caterina, Bifulco Francesco, Gargiulo Roberta

Purpose – The aim of this work is to analyse the main features of Service-Dominant Logic (SDL) by providing insights, details, and further research opportunities about actions based on talking instruments in the main framework of Internet of Things (IoT) (Kim et al., 2016; Woodside and Soo, 2017). The disruptive effect of talking instruments (Choi and Kim, 2017; Cuomo *et al*., 2017) is an additional way to focus on the contribution offered by technology to firms in proposing interactions to customers in all the activities, instead of focusing just on value-in-use (Balaji and Roy, 2017).

Methodology – We use illustrations in order to add some contents to the already available theoretical concepts in SDL as in previous contributions (Edvardsson et al., 2010; Payne et al., 2017). We chose evidences from different cultural heritage contexts and typologies of relationships among actors to better highlight the several contributions offered by some technologies, especially digital technologies (Parise *et al.*, 2016).

Findings – The evidences we chose to illustrate the linkages between SDL and IoT are mirroring the following elements: interactions are being oriented towards a technology-based approach (Pallud, 2016); technologies are captive, so customers' acceptance of value propositions and their involvement in value creation are higher (Thyne and Hede, 2016); technologies are giving substance to immaterial contents, so value propositions are being re-shaped.

Research limitations/implications – IoT emerges as a set of instruments to be further framed in the SDL literature (Ehret and Wirts, 2017; Lai et al., 2017). This tie is highlighting the chances offered by new technologies in favouring value creation. Further research are expected in order to depict the advantages of talking instruments in favouring improvements in the interactions or in value creation. Empirical research is called for to test the real effects of talking instruments on both firms and customers in taking part to the whole value creation process.

Practical implications – Firms and customers can interact in new and more direct ways towards the mutual understanding of value propositions and their effects and in achieving value creation in new ways.

Originality/value – This work is offering some more insights on the already clear distinction between value-in-exchange and value-in-use and in the comparison and ties between value proposition from value (co-)creation through the lens of IoT. The role of technology is particularly highlighted towards the achievement of a better understanding of the new elements shaping marketing interactions. Moreover, additional linkages between the main topics of SDL and the emerging issue of IoT are proposed.

Keywords – Service-Dominant logic; Internet of Things, value propositions, talking objects, talking instruments

Paper type – Conceptual paper

Value propositions in context

Tregua Marco, D'Auria Anna, Coppola Mariarosaria, Bifulco Francesco

Purpose – The conceptualisation of value-in-context (Vargo et al., 2008; Chandler and Vargo, 2011) added a new perspective to Service-Dominant Logic (SDL) literature, by shifting the focus from just value-in-use to value-in-use in a context. Anyway, we argue that even value propositions can be framed in context, since the main features of value offerings can be changed on the basis of both the addressee(-s) – namely the potential users – and the circumstances in which they are proposed; this is in line with the idea of value proposition as a recombination of practices, processes and symbols (Akaka and Vargo, 2014) and digital marketing as a way to achieve service innovation (Signori and Flint, 2016).

Methodology – We chose to pay attention to the theoretical side of both value proposition and context-aware recommendation in order to combine this two conceptualisations, leading to value proposition in context. Aiming at combining this theorisations we reviewed both literatures to propose a framework useful to define value propositions in context. The proposed framework was illustrated through the elements emerging from a case study (MacDonald et al., 2011), namely Hotelincloud designed by the Italian company Promoinside.
We paid attention on this specific case since it can be considered as an example of how the use of proximity technology can affect customers' behaviours, and their contributions to the definition of the company's value proposition.

Findings – Monitoring (Ryan, 1997), detecting preferences (Brown, 1998) and suggesting offerings (Burke, 2007) are the elements to convey context-aware recommendation into SDL. Indeed, these three elements support the considerations of value propositions as not being static (Kwan and Yuan, 2011) and the need to adapt them along time (Kowalkowski, 2016) by combining firms' knowledge about customers' preferences and the emerging interests of customers.

Research limitations/implications – The definitions of context-aware recommendations are converging towards the idea of preferences to be analysed and assessed to shape offerings (Hill et al., 1995; Burke, 2007) aiming at a better customization of service offerings (Huang and Sarigöllü, 2014); a context-aware recommendation system is based on data about users to be combined and used to shape recommendations to potential customers, namely to customize value propositions into a specific context. Further research is needed to observe the evolution of literature contribution and the empirical evidences showing how value propositions can change to be customized on the basis of users' preferences, especially paying attention to the analysed case study.

Originality/value – This paper is framing value proposition in a new perspective, since the ideas of adaptation through technology and customization are being stressed thanks to the theoretical features of context-aware recommendations.

Keywords – Value proposition; value propositions in context, value-in-context, context aware recommendation, service-dominant logic

Paper type – Conceptual paper

Zooming out on quality

Vaughan Claudia, Vargo Stephen

Purpose - The investigation of a broadened (re)conceptualization of quality and its role in value cocreation and determination from an institutional and service ecosystem's perspective

Design/methodology/approach - A service-dominant logic based, conceptual paper that extends the perceived-quality perspective of the service literature through consideration of the source and context of quality standards.

Findings - Quality standards are dynamic standards linked to the institutional arrangements that define service ecosystems of which actors are a part. They are thus both socially constructed and actor and context specific. Context is a function of the practices associated with institutional arrangements and the integrability of resources available with relevant service ecosystems. Thus, context must be observed from varying levels -- e.g., individual/actor, societal, etc.

Research limitations/implications - Research is needed in the further refinement of this perspective of quality, as well as in the development of related midrange theory, as called for in Vargo and Lusch (2016)

Practical implications - Managers need to pay attention to more than just industry specific quality standards but also to contextually specific standards related to other, relevant ecosystems and the associated resources and institutional arrangements.

Social implications - Tied to the above. Quality has typically been looked at from a micro-level perspective (e.g. firm and customer) but zooming out allows conceptualization and determination of quality from multiple, nested and overlapping systems (e.g., societal) at higher levels of aggregation (e.g., societal) that contribute to micro-level value co creation.

Originality/value - A shift in perspective from standards in exchange (engineering/production quality) and actor specific standards (customer perceived quality) towards standards in use, which are systemic, shared and based on the integrability of resources in value cocreation and shared institutional arrangements.

Service ecosystem design: doing institutional work through design

Vink Josina, Tronvoll Bård, Edvardsson Bo, Wetter-Edman Katarina, Aguirre Manuela

Purpose – This paper supports the continued conceptual evolution of service design in service research through the integration of a service ecosystem perspective.

Approach – This paper illuminates a convergence toward a new perspective on service design called "service ecosystem design". The conceptualization of service ecosystem design is supported through the development five propositions that are contextualized using empirical examples from Mayo Clinic.

Findings – Service ecosystem design is an ongoing, collective process in which actors shape value-incontext by making, breaking and maintaining institutional arrangements to realize desired futures. While actors are embedded and entangled in the service ecosystems they design, participation in design methods can build reflexivity, helping actors to overcome the constraints of existing institutional arrangements.

Research implications – This research positions service design as not only as a means of improving service user experience, but also a way of reshaping institutional arrangements in service ecosystems. As such, service design is highlighted as a valuable practice for actors looking to support the intentional adaptation of service ecosystems.

Originality/Value – Through the conceptualization of service ecosystem design, this paper offers an extended understanding of service design in service research and builds a platform for future research on reshaping institutional arrangements through design.

Key words - Service design; institutional work; service ecosystems; reflexivity; systems thinking

Paper type – Conceptual paper

Consumer Perceived Vulnerability, privacy calculus and information disclosure: an empirical investigation in retailer loyalty program

Wakenshaw Susan, Dixon Mike, Ng Irene, Maple Carsten

This paper investigates the impact of consumer perceived vulnerability on the saliency and immediacy of privacy related construct in affecting their information disclosure decision-making.

In digital economy, consumers' information disclosure decisions would be crucial for firms to harness the value of personal data. Research on consumer information disclosure behavior has primarily used 'privacy calculus' approach. For example, Kehr et al (2015) defined it as "*a situational-specific trade-off of privacy related risk and benefit perceptions, bounded by dispositional tendencies and irrational behavior*" (Kehr, et al, 2015). According to Kehr et al (2015), in addition to the benefits (such as financial rewards, personalization, self-enhancement and pleasure) and risks (such as the perceived sensitivity of information to disclose etc), dispositional factors (such as individuals' privacy concerns: general doubts about information privacy and institutional trust: individual' confidence about the general data requesting mechanisms) and other situational factors (such as individuals' (in)ability to process the information for these trade-offs, bounded rationality, their gut feeling in these situations) also affect consumers decision making. Indeed, the situational factors associated with psychological limitations and the general dispositional factors make it necessary to consider the constructs such as perceived vulnerability, perceived control and perceived trust into consideration when model the privacy calculus to understand how consumers make the tradeoffs for information disclosure. Therefore, our study contribute to the privacy calculus research literature by identifying the salient factors affecting consumer information disclosure decisions and in particular by providing insights into how consumer's perceived vulnerability could affect the salience and immediacy of privacy related constructs in their decision-making.

Empirically, we use discrete choice analysis method. We provide participants with choices from bundles of attributes (constructs identified in the literature). The attributes that are shown are chosen by Sawtooth software in a way that allows all attributes to be compared to all others with the least amount of overlap. Using a monte-carlo style simulation, we can derive the relative importance of each of the attributes. This initial study will allow us to narrow down which elements are most important in a more complex choice analysis. We then use the videos to prime participants into a state of vulnerability. Finally, then we test the priming conditions to see if they make a difference in these choice methods [The research is onging and we would be able to present the findings in Frontiers 2017 if the paper is accepted].

The theoretical significance of the research is to differentiate the effect of privacy concerns and perceived vulnerability, trust and control on consumer information disclosure. This has empirical implications for firms to find ways to enhance consumers' data sharing/disclosure behavior.

Engineering a personal data market: the Hub of all things (HAT)

Wakenshaw Susan, Ng Irene

In order to harness the positive externalities (benefits) of personal data in digital economy, we must deal with the negative externalities (primarily the privacy issues). Scholars have suggested personal data market would be a proposed solution for privacy issues. Thus, there are urgent needs to create primary personal data markets enable us to overcome the privacy issues and to leverage the value of personal data. The big challenge is how to create a primary personal data market that does not exist currently. Most existing research on market creation have taken the post hoc approach by describing and reflecting on existing markets as something out there. By using HAT as a case, the paper empirically investigated how a new market could be designed and created. Contributions and managerial implications for the personal data market were discussed.

Psychological microfoundations of value generation

Waseem Donia, Biggemann Sergio, Garry Tony

Purpose – The purpose of this paper is to explore the role of joint production motivation (JPM) in value generation.

Design/methodology/approach – A phenomenology study drawing on 57 interviews was conducted and the principal researcher spent 12 weeks in in-depth participant observation within a tile manufacturing firm. By embracing an iterative approach, data was analyzed using thematic content analysis.

Findings – The findings identify two types of JPM in an organizational setting. Proactive JPM exhibits an actor's personal initiative JPM whereas relational JPM exhibits an actor's motivation towards joint production is initiated through interpersonal processes by a transformational leader in a value generating endeavor.

Research limitations – Our study focuses on multiple relational orientations of individual actors, therefore, there is an opportunity for future researchers to explore the impact of JPM from a collective orientation in value generation. Also, we studied JPM in a formal organizational setting but there is an opportunity to explore it in different work contexts where the nature of work is different e.g., virtual teams.

Practical implications – We urge organizations to ensure their communication strategy supports the organization's goals. By ensuring that individual's goals align with the organizational goals and the relational processes support them, the organizational goals remains as the main goal which derives strategic benefits for the organization.

Originality/value – This paper marks the first attempt to conceptualize the role of joint production motivation in value generation within an organizational context. To our knowledge, this paper marks the first attempt to conceptualize the relationship between JPM and value generation and its outcomes thereby creating new knowledge in two domains. This paper proposes the two different types of JPM and its affect in value generation.

Keywords - Value generation, actor engagement, joint production motivation, psychological microfoundation

Exploring consumer engagement in online communities – a practice-based approach

Winklhofer Heidi, El Kolaly Hoda, Peters Linda

Purpose - The purpose of this study is 1) to advance the conceptualization of consumer engagement (CE) by reconciling the Service-Dominant logic (SDL) with practice theory; 2) to empirically illustrate the variety of Customer-to-Customer (C2C) engagement practices in an online community setting.

Design/Methodology/approach - A netnographic methodology was adopted, allowing for the collection of rich relevant data in its natural setting via an ongoing non-participant observation.

Findings - Nine engagement practices were identified, organized into three thematic categories: 1) cognitive engagement practices, 2) emotional engagement practices, and 3) social engagement practices, thus providing empirical evidence for the need to include a social dimension. The behavioral dimension is reflected in all identified practices through the act of posting. The adoption of specific practices depends on a member's disposition and on the nature of their interactions with other members.

Research limitations/implications - Theoretically, the study enriches and advances our understanding of the concept of CE in three ways. First, that a practice theory perspective can be used for empirically exploring CE within a C2C online community. Second, by providing empirical support for the need to include a fourth (social) dimension in conceptualizing CE. However, the study is exploratory and the sample was gender biased. This offers opportunities for future research to consider communities with more gender diversity, and to investigate a wider array of communities to identify common sets of practices across such communities.

Practical implications - Adopting a "practices" lens provides a more managerially-oriented approach for understanding CE as it focuses on activities and processes (Vargo and Lush 2016), making the CE construct more observable, hence more designable and manageable.

Originality/value - It is the first empirical study of CE that adopts (a) a practice-theory approach; (b) empirically supports the inclusion of a social dimension; (c) previous work has focused on brand communities, this study focused on non-brand related virtual C2C communities, which represent a substantial proportion of C2C virtual communities (Schau et al. 2009).

Keywords - Engagement, practice theory, online community

Paper type – Research paper

A computational method to examine service business models

Wood Zena, Parry Glenn, Walker David

The ability to measure the extent of servitization over time, and categorise according to degree of product/service offer, would be of great interest to servitization researchers and provide valuable insight for firms and markets. Previous approaches to the measurement of servitization are time consuming and reliant on databases which are not controlled by the individual firms of interest and may contain inaccuracies (Neely, 2009). This paper presents a computational method, incorporating machine learning, web-scraping, and ontological theory, that has been developed to measure the diffusion of service and extent of servitization through the analysis of firm's webpages.

The work is focused on developing a method that allows business to be classified based on the business models that they operate. Servitization is taken as a change in the business model, from a focus on purely product towards inclusion of service in the value proposition. A basic framework for a business model (Parry and Tasker, 2014), has been adopted that includes three elements of a business; value proposition, realization of value in use, and worth capture.

The method has been implemented in Python and successfully applied to a sample set of websites: the West Country's 150 biggest businesses (Top 150 Businesses Guide 2014) as listed by Western Daily Press. Work is currently being undertaken to improve the method based on the results of this application, namely the inclusion of more advanced text analysis of the website content and different clustering algorithms.

Three potential benefits to the method have been identified. First, the analysis is not limited to firms who meet the necessary qualification to appear in a database, such as geography, turnover, registration etc. Second, the data is assumed to be more reliable as it is created and disseminated by the firm themselves who have a direct commercial interest in the timeliness and accuracy of data. Third, by employing extensive computational methods the approach can be run at minimal time and cost to the research team. Thus the work seeks to provide a regular output that may be of interest to the research community an organisations, tracking trends in the number of firms in a market, their activity and changes in activity from product to service over time.

Poster Session

The engineering of the learning experience: the case of the Shenker method

Baglieri Enzo, Marino Vincenzo

Purpose – In our paper we summarize the basic concepts of the emerging theory of the engineering of the customer experience, as introduced by Baglieri and Croom (2015) and Karmarkar and Karmarkar (2014), and then we describe the methodology adopted since the last century by the so-called "Shenker method" to facilitate and stimulate the learning experience, particularly in the understanding of a foreign language. This "method" is based on a precise sequence of activities and events and provide us a valuable context to apply the framework discussed. This paper represents a second step in our research on the learning experience as a fruitful context to apply and validate the models and theoretical concepts of the design and engineering of the customer experience, started with the seminal work presented at the Naples Service Forum 2015. The goal of this paper is to explore which factors and process characteristics are more effective when designing and engineering a memorable customer experience.

Methodology/approach – The paper is based on the analysis of the methodology adopted by Shenker, a leading educational institution in Italy and abroad. Data and examples have been provided directly by the company, and evidences have been discussed and validated with the top management of the company.

Findings – As discussed by Karmarkar and Karmarkar (2014), customer experience is strongly influenced by many factors, and among them, the impact of digitalization is controversial. Our expectation is that digitalization can increase the active role of the customer in the co-creation of the service. Analyzing the Shenker's experience, we expect to identify both those factors and characteristics which are, independently from the technological content, affecting the effectiveness of the learning process, and those factors which are empowered by the implementation of the digital solutions. More in general, we expect that the more the technology enable the degree of "co-creation" in the learning experience, the higher the effectiveness of the experience itself.

Research implications – This paper is based on the concepts of the service industrialization (Baglieri and Karmarkar 2014), whose main assumption is that "service theater" (Harris, Harris & Baron, 1990; Grove & Fisk, 1992; Grove, Fisk & Dorsch, 1998; Pine & Gilmore, 1999; Stuart & Tax, 2004; Fisk & Grove, 2013) and "service factory" (Chase & Erikson, 1988; Chase, Kumar & Youngdahl, 1992; Silvestro et al, 1992) can progressively converge, thanks to the application of the information and digital technologies.

Practical implications – The paper can illustrate to practitioners and executives how to design any customer experience in a more effective and efficient way. The main focus is on the education and learning processes in general.

Originality/value – This study represents an additional contribution to the seminal work started by Baglieri, Zambolin (2012) and Baglieri, Karmarkar (2014) on the convergence between service factory and service theatre as a consequence of the so called service industrialization phenomenon. It contributes to better qualify the difference between service quality and experience (Baglieri and Croom, 2014) and to validate the initial statements on the engineering of the experience (Baglieri and Croom, 2015).

Key words – Experience, Service Factory, Service Theatre, Industrialization Strategies

Paper type – Research paper

Marketing performance measurement in relational networks: the case of colorificio san marco

Bagnara Alberto

How to calculate the outcome of marketing activities with respect to financial (and non-financial) resources deployed? This paper tries to establish a comprehensive, multidisciplinary literature review on the issue of marketing performance measurement, which encompasses Relationship marketing and S-D logic, as well as knowledge management, organizational behavior and business strategy. Prompted by the digitalization of the economy and by the disaggregation of value chains, marketing has evolved in the last years from being just a connector between production and consumption, to become a value transmitting force for the whole production and distribution chains. Small and medium enterprises need to spread knowledge across networks, to implement reticular business models, and redefine how to create, distribute and extract value, according to a customer-centered logic.

Nevertheless, the causal linkages between marketing activities and sales, profitability, retention rate or customer satisfaction remain unclear because of the large number of variables influencing these measures and their degree of interrelatedness. Studies discussing relationship marketing with a focus on which metrics to use in practice are relatively few: the present work tries to connect general theory to the practical implications related to performance measurement, through a sound literature review and a practical case study. Indeed, the analysis of a B2B in the building's coating systems industry will highlight how a firm operating in a totalrelationships context needs some practical guidelines to measure the performance of marketing endeavors. Accordingly, it will be assessed the prominence of business model redefinition in a total relationships meaning, with respect to intensive quantitative marketing performance measurement.

Doctorial Workshop

THE 2017 NAPLES FORUM ON SERVICE – DOCTORAL WORKSHOP

To stimulate academic scholarship, discussions of ideas and dialogue among students and researchers from different countries, in the field of service, we invited doctoral students to attend a doctoral workshop.

PhD students in early and middle stages of their PhD research project were particularly encouraged to participate and therefore will present their research proposals, preliminary results and their reflexions on issues related to theory, methods and analysis, highlighting: introduction, review of the literature, methodology, findings (if there are), discussion and conclusions.

The doctorial session chair will stimulate discussion and will attempt the deepening of some of the research dilemmas and open questions.

AUTHORS	TITLES
Braz Becker Larissa Carine	*Rethinking consumer experience: a phenomenological study adopting a consumer-centric view*
Darmayanti Dahlia	*Service - brand value co-creation in heatlh care*
Goebel Hannes	*Service Dominant Design Principles enabling IT Service Innovation*
Hartwig Kea	*Assessing value for mobile services: Customer perceptions and influence of value in use*
Polat Sesliokuyucu Inci / Atalik Özlem	*Impact on Service Innovation and Performance of Service Dominant Orientation in Airline Ecosystem*
Sahhar Yasin	*Practising the Service-Dominant Logic*
Sebald Anna Kathrin / Jacob Frank	*On the Couch: Understanding Consumer Shopping Motivation in Curated Fashion Retailing*
Waseem Donia	*Role of actors in value generation*

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