

Open Service Design? Exploring Customer Co-creation in a Service Manufactory

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Customer Co-Creation for Service Innovation – The Foundation for a Service Manufactory

Services are solutions, processes and experiences – intangible and difficult to describe, co-created between the service provider and the service perceiving customer (Bitner, Faranda, Hubbert, & Zeithaml, 1997; Vargo & Lusch, 2004). Whilst customers are acting as co-producers of services on the one hand, the success of a new service is highly dependent on the positive perception of the customer on the other hand (Parasuraman, Zeithaml, & Berry, 1985). For innovating new services, these premises demand a) specific tools that address the characteristics of services and enable the communication and visualization of services (Blomkvist & Holmlid, 2010) and b) the integration of the customer as a co-creator in service innovation (Witell, Kristensson, Gustafsson, & Löfgren, 2011). Service design tools are gaining attention and acceptance across disciplines. Especially service prototyping allows to describe, discuss and develop services more efficiently and collaboratively (Blomkvist & Holmlid, 2009, 2010; Neyer, Doll, & Möslein, 2009; Steen, Manschot, & Koning, 2011). Given these possibilities, service innovation is practicable in interdisciplinary settings not only for but also with customers (Mattsson, 2010). Customers might share their experiences with existing products or function as co-creators for new meaningful solutions (Chesbrough, 2010; Lee, Olson, & Trimi, 2012; Ramaswamy & Gouillart, 2010). As co-creators, customers are given the chance to participate in the creation of future services not only by the integration of their explicit but also their valuable latent needs and tacit knowledge (Chesbrough, 2010; von Hippel, 1994). Today, the integration of customers is characterized by passive and reactive methods mainly, where customers are observed or asked questions to describe their service experiences (I. I. Alam, 2002). Different from that, co-creation for service innovation should be an interactive process, enabling a mutual, two way communication between the customer and the service providing company (Gustafsson, Kristensson, & Witell, 2012; Kristensson, Matthing, & Johansson, 2008; Prahalad & Ramaswamy, 2004).

Even though we know from research, with respect to customer integration is, that mutual co-creation is rarely visible today. If customer integration as a passive or reactive integration is enabled, this happens mainly in closed workshop settings with hand-selected customers fulfilling specific predetermined characteristics (Alam & Perry, 2002; Jonas, Moeslein, & Roth, 2013; Schulteß, Wegener, Neus, & Satzger, 2010). Whilst mutual co-creation of innovation for products is establishing and maturing in the online world, service industries are still lacking an open space for transparent, interactive value creation with customers and other potential future users, non-users and ordinary people. But these and other potential future users, non-users and ordinary people could contribute easily by sharing simple needs, being given the right media to express them (Mattsson, 2010; Piller, 2006). As service experiences are rich and service design mechanisms manifold, online environments often cannot provide the adequate relational depth and variety of experiences and emotions needed for a fruitful co-creation process. We therefore suggest to experiment in offline spaces and to develop the necessary online-offline interactions that allow for rich co-creation processes with real customers, users or non-users. Our suggested solution is a so called service manufactory, an open shop, serving as a platform for co-creative, interactive service innovation between service developing companies and voluntary co-creators.

The Service Manufactory Workshop

What is a service manufactory and what can be done there? This is what this workshop is about. To create a common ground of understanding, the theoretical foundation is presented in the introduction of the workshop by the workshop chair. The need for an open service co-creation space is explained. In a second step, the service manufactory experiment will be described in more detail. In the following, the different interest groups of the service manufactory and the opportunities gained through this experimental space are being spotlighted: Customers are given the possibility to form the future of service offerings as so called prosumers, they can engage in service innovation, learn about innovation processes and experience this new concept with a coffee bar, an event and training location and the interactive co-creation platform. Motivated firms are being guided along the process of co-creation in the manufactory – creating their way to practice of opening up their organisational boundaries and processes to an open unknown space. With this low risk possibility of a service manufactory, they are able to try out new things, to develop, prototype and test new service concepts and business models, to educate employees, get in touch with other service innovators and learn about customer needs in direct exchange. Additionally, manufacturers undergoing a so called “servitization” process from a goods- to a service-product solution logic can experience service processes and direct customer contact in the safe environment for innovation. Researchers are able to explore how the understanding of co-creation can be realized in the real, offline world. The interaction of customers with the companies, their emotions and footprints, but also different ways to attract customers to interact and co-create with service providing companies offer a field of research. After exploring the interaction possibilities for these stakeholder groups, the proposed workshop focuses on the potential of an open service co-creation space for service design experts. In an interactive session of about 60 minutes, workshop participants will create ideas and develop an understanding on the interests, motives and opportunities that service design experts see in the concept of the service manufactory. The session will invite

participants to come up with ways to utilize the concept as a platform for the development of the service design discipline. The results of this interactive workshop will be presented and discussed in the group, challenges and potentials derived.

Workshop agenda

1. Presentation of the service manufactory concept (30 Minutes)
 - a. Theoretical foundation
 - b. The service manufactory “JOSEPHS®”, a prototype of an open space for co-creation
 - c. Stakeholder groups and what the service manufactory can offer to these groups
2. Interactive session:
 - a. Placing the question for discussion: How can service design experts make use of the provided platform for the development of service design? (5 Minutes)
 - b. Group work with provided paper canvases and topic cards as an inspiration to start conversations in the work groups (20 Minutes)
 - c. Presentation of ideas in these groups (20 Minutes)
 - d. Discussion and summary (15 Minutes)

Workshop outcome

In this workshop, we want to inform about the concept of the service manufactory to open up a discussion on the possibilities of service design with respect to the tension points online/offline and closed/open customer co-creation in service innovation. Workshop participants are engaged to develop their perspective as experts in service design on open co-creation of service innovation. In our group works and discussion, we invite to build ideas for the further development of service design thinking and discuss different ways for the adaption and implementation of service design in the service manufactory as a new and challenging environment for the co-creation of service innovation.

People will take home new thoughts and ideas about how service design might work in an open space – or not – and get inspiration about the customer integration as mutual co-creators in their business, consultancy or research setting.

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