

Service Dominant Logic. Changing perspective, revising the toolbox

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Abstract

This paper analyses the perspective shift that has happened in service design practice with the introduction of the Service Dominant Logic. Three different levels of design action are presented with their methodological implications. In the fluid context where diffuse design, expert design and strategic design take place, relevant case studies are shortly presented in order to describe the designers' role in the value-creation process and the consequent necessary revision of his own toolbox.

KEYWORDS: Service Dominant Logic, infrastructuring, service design toolbox, prototyping

Introduction

The last decades have seen a substantial perspective shift in the design of services. This shift has changed the paradigm that frames the activity of designers. The early design studies were characterising services as *what is not a product*, therefore defining services through the properties of intangibility, heterogeneity, inseparability, perishability: the IHIP paradigm.

Since the early contributions to the debate on service design (Shostack 1984, Ramaswamy 1996) this paradigm was used to define a methodological approach and a set of tools for service designers, including blueprint (Shostack 1984), use cases (Morelli 2002) and service management tools (Normann 1991, Hollins 1993, Ramaswamy 1996).

The initial perspective that assumed services as the *product* of a design activity was however progressively changing, with studies focusing on the value co-production process (Normann and Ramirez 1994, Ramirez 1999), on interaction aspects (Pacenti 1998, Sangiorgi 2004, Parker and Heapy 2006) and on social aspects that could define services as a socially constructed activity (Morelli and Loi 2001, Morelli 2002).

The new dominant logic introduced by Vargo and Lusch (2004) was the definitive statement of a shift from a product-centric perspective to a perspective that focuses on the interaction

between the consumer and the service context, in which *value is defined by and co-created with the consumer, rather than embedded in output* (Ibid., p.6). This shift implies that the activity of design referred to services focuses on *Channels*, i.e. the environments in which services take place, *Objects*, i.e. the evidences of the services, *Processes*, the services' procedures, and *People* involved in the service, including their skills, roles and responsibilities (Koivisto 2009, Blomkvist 2014).

The fundamental change in the approach to service is illustrated by the Vargo and Lusch statement that *the enterprise cannot deliver value, but only offer value propositions*, that means that it *cannot create and/or deliver value independently* (Vargo and Lusch 2008), which implies that the enterprise, and the designers working with them, do not have on service the same level of control they had on products. They can propose the interface or the environmental conditions for the service interaction to happen, and design the infrastructure, i.e. the processes supporting the interaction (Secomandi and Snelders 2011), but they cannot exactly predict the outcome of the interaction happening through the service.

For this reason several contributions (Kimbell 2011, Meroni and Sangiorgi 2011, Wetter-Edman 2014) have stressed the difference between service design (or the design *of* services) and design *for* services.

The perspective shift is parallel to the deep transformation of economic systems. Here the big transformation has been emphasised, from an economy based on ownership of products to an economy focused on access to services (Rifkin 2000), or towards different forms of organisation that address the need for ecological efficiency, the need for new forms of social cohesion and the opportunities offered by a networked society, which promises new and unprecedented sources of social organisation. (IDA 2010). New services are emerging in this context that should support the new economic and social forms of organisation.

The new services are often originated by initiatives in the public sector because of the high demand to address urgent social or environmental emergencies, or because of an unprecedentedly pressing need in this sector to optimise the use of human, economic and environmental resources.

Public authorities are increasingly interested in a new approach that raises the efficiency of existing services or generates innovative services by activating citizens and involving them in a value co-creation process (Bason 2010).

This paper will explore such a shift with the aim of emphasising the changes in the designers' role and competences, and in the methodological toolbox they are supposed to use.

What is the SD logic changing?

The IHIP paradigm was qualifying services as a defined output of a production process, therefore it assumed a certain level of control by the service provider, which could use *prescriptive* strategies to lead users through the service journey. This approach is very effective in several service cases, because it helps organising services that clearly define a production process and an utilisation time. Services like shops, banks fast food restaurants flight services or hospitals have a quite rigid procedure that has to abide to strict regulations about hygiene, health safety or security. The description of such services uses *prescriptive* techniques that are providing precise instruction on how the stakeholders should behave in the various phases of the service journey. For this purposes blueprints, use cases and touch point maps are used

to make sure that the interaction between the user and the service meets the desired quality standards.

In those cases the users are *served* by the service personnel, which is fully in charge of the service quality. The responsibility for the design and the value creation process of such service is mostly, if not entirely in the hands of the service provider. Service design in those case is an activity for experts (managers, IT programmers, technical personnel, cooks, pilots, etc.), which work as *problem solvers* (Kimbell 2011) or *solution holders*, whereas users, the *problem holders*, are not supposed to contribute to the value creation process with their work or their knowledge.

The effectiveness of the new service logic grows with the increasing relevance of users in the value creation process and in cases in which the control of value creation is progressively shifting from producers to users or to communities of users, as shown in Figure 1.

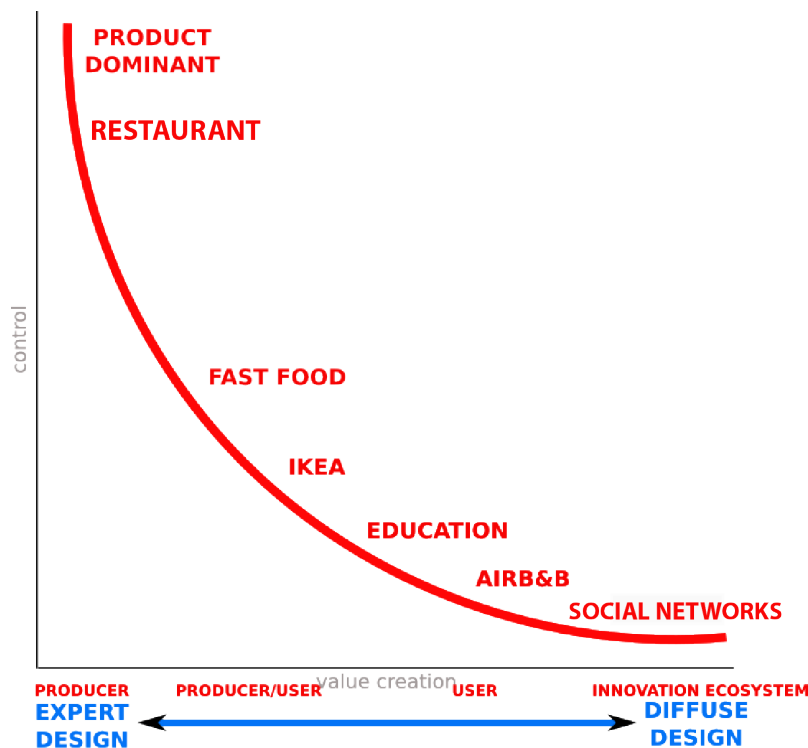


Figure 1 Services between product dominant logic and innovation ecosystems

Normann and Ramirez (1994) moved the focus of the value creation activity from the production phase to the use phase. The co-production of value is manifested in *offering to which several actors contribute by performing specific activities*, therefore offerings are *the result of myriad activities performed by many people dispersed in time and space*. Assets and resources (material objects, technologies, knowledge) available in offerings *have been combined in a systematic way in the end ensuring access to them for users*. Thus, in the final analysis, *whether customers buy a product or a 'service' they really buy access to resources*. (Ibid. p.48). They used the case of IKEA, to explain the way users can be considered as an active and crucial part of the value production process.

A relevant contribution to the shift towards a new perspective for service design comes from a number of initiatives in the public sector or for supporting social innovation that are based on social networking and a participatory approach to innovation. Innovation generated in certain social dynamics are often not the result of a planned action, but rather an emergence of the interaction between different actors and different forms of rationality. However,

Manzini and Rizzo (2011) discuss the way the action of designers can trigger or support innovation in such contexts by generating *tools for conversation*, or *framework projects* or even actions aiming at *large scale transformations*. Their aim is to explore ways in which designers can contribute to processes of innovation where the output of the design activity is a set of *design devices* (prototypes, mock-ups, design games, models, sketches). Such devices support the aggregation of a *socio-material assembly* (Björgvinsson, Ehn et al. 2010) in which innovation process at the social level are generated.

Levels of design action and methodological implications

When moving towards innovation ecosystem services become less prescriptive. They become the interface among users rather than being an interface between a producer and a user. Instead of providing specific outcomes they provide *relational qualities* (Hillgren, Seravalli et al. 2011) or *collaborative opportunities* (Cipolla 2012). Following the suggestion of Manzini (2015) we could talk about *diffuse design* when looking at the interaction among the actors in value process of value creation *in use*, whereas we should talk about *expert design* at the level of definition of the infrastructure to support the co-creation processes.

This calls for some reflections upon the possible methodological implication of such perspective shift. Does the Service Dominant logic imply the use of new methods in respect to the previous project-based approach? Are some methods more efficient than others in this perspective?

In order to understand the methodological implications of the perspective change three level could be defined, that describe the designers' role in the value-creation process: the level of interaction, or value-in-use, the level of infrastructures and support and the level of governance (Figure 2).

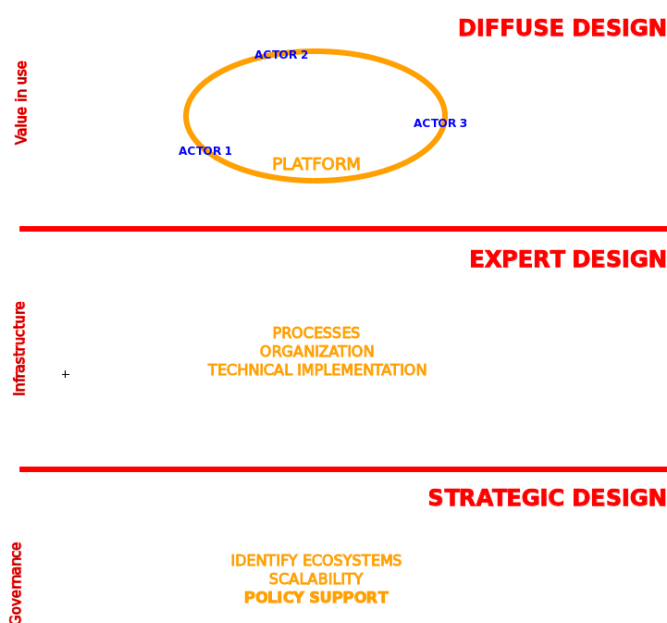


Figure 2 Levels of design action

Value co-creation/diffuse design/Value in use

As mentioned above, service providers can only offer value proposition, they cannot create value independently. How can enterprises and service designers shape the value propositions that will support the value creation in use? Hillgren, Seravalli et al. (2011) stress the idea that prototypes could be used to support participation, highlighting opportunities and dilemmas. They suggest prototyping as a part of a continuous process of building relations with diverse actors, within an open-ended design structure. Prototyping, seen as an open ended design tool to test and explore ideas and to support participation has also been a critical part of design strategies in several projects in UK (NESTA 2011, Thinkpublic 2013). This tool is not new to design and engineering and is also widely used in software and websites engineering. When applied in service design this tool is believed to generate more upfront activities than traditional service development processes.

Circle

Circle was an open-ended project developed by the UK consultancy Participle, together with 250 older people and their families in Southwark, South London, in 2007. The aim of the project was to improve social connection of elderly people, in order to make them more independent. The core services offered by Circle were: a rich, ever changing social calendar and on demand practical support, provided both by members themselves and paid helpers. The project has been developed through *experience prototypes*, in which the design team made ‘neighbourhoods helpers’ available on demand for the elderly community¹. (Winhall 2011). This activity created connections and encouraged participants to share interests and skills. The use of the prototype helped sharing the service according to the participants’ need for help or social interaction. By staging the potential experience of using or participating in the service, the team and the community of participants could work out what and whom the service is for, facilitate effective system change, understand and integrate the perspective of different participants, The prototype also supported the definition of a business model that allowed the service to be successfully replicated.

Prototyping is a sort of *colloquial* or *narrative* tools that provoke – *provotypes* as defined by Sabroe and Schulze (2016) – highlight opportunities, facilitate discussions and/or emphasise challenges and conflicts with existing cultures or attitudes. Prototypes can also consist of simple and well known design tools, such as storyboards, flowcharts or service journeys, that can be use to support the dialogue or test ideas with relevant actors. (Parker and Heapy 2006, MindLab 2015).

Infrastructure

The narrative, colloquial or provoking tools described in the previous session, are part of an activity of mediation, interpretation and articulation, that represent what Björgvinsson, Ehn et al. (2010) define as infrastructuring. But infrastructuring is also including “a priori” infrastructure activities (selection, design, development and deployment) that generate the ground on which value creation rests. Such ground may consist of digital platforms, physical

¹ The quality of the interaction in the prototype is clearly illustrated in a video available at <https://vimeo.com/142485730> (accessed 2.10.2015).

spaces, public innovation spaces, information and logistic services (Manzini 2015) that support an on-going alignment between contexts, cultures, attitudes and routines.

While the activity in the value-creation phase aims at facilitating or supporting interaction, the activity of expert designers, that create the ground for the interaction is often based on a more “traditional” planning activity, that include the analysis of the context, the definition of blueprints, the coordination of time sequences.

The Service Dominant logic does not necessarily changes the toolbox of expert designers, but requires necessary adaptation to the existing tools. If blueprints or service architecture were created for the service provider to control the value creation process, the new logic imposes that this control is now placed in the interaction between the service’s relevant stakeholders and the tools should consequently be adapted to this shift.

Bike in Copenhagen, a student project:

The service developed in this project, called Bike, is a peer-to-peer bike sharing service aiming to empower local Copenhageners to share their bikes as well as their knowledge with visitors, in order to give visitors an engaging and authentic experience of the local culture, and to monetise and create value with otherwise under-utilised resources. The designers developed a platform to allow the users to get in contact and actually mutually provide the service itself. The service provider, as in better known examples (AirB&B), can be seen in this case as an interaction facilitator, not in full control of the outcome of the service. We could argue that the expert design approach is here the one that concern the technical development of the IT interface/platform which envision the possible interactions among users and with the service. However, the outcome of the interaction depends on a diffuse participation, the value is created through user interaction and, on a wider perspective, it is an emergence of the whole service ecosystem. In the blueprint of Figure 3 the interaction level is emphasized by the unusual disposition of the back and front office that are doubled. This representation is more efficient than the most used back/front office blueprint representation and it emphasises how the control of the interaction shifts from one user to the other, with the support of the service infrastructure.

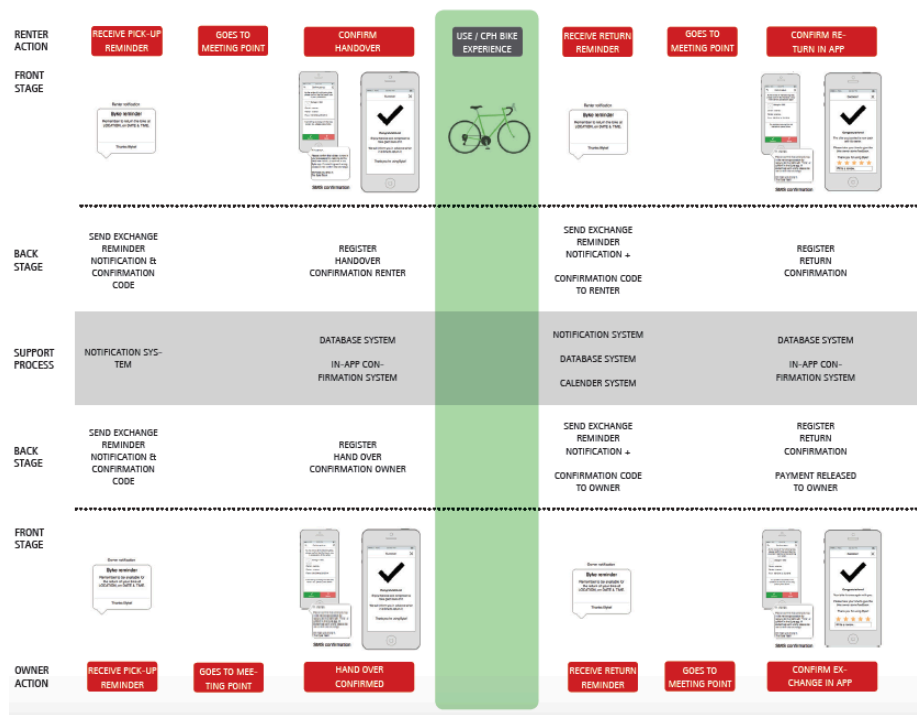


Figure 3: Blueprint of the Bike sharing service (courtesy of Andreas Jonsson, Bánk Horváth, Christian Brandstrup Jensen, Jonas Wenke, Marianne Have Petersen)

The level of governance

One of the most common challenges in designing services has been to extend and scale up innovative solutions from an isolated development context, such as a user group, a specific service location, to a larger context. While expert design contribution to the quality of interaction in a service may reveal new opportunities for innovation, this may not be sufficient to replicate innovative solutions to different geographical or social contexts, or simply to expand the existing users' base. This is particularly relevant when the focus of design action is strongly based on participation, with the aim of generating scalable solutions and wider social transformation. (Shulman 2010).

At this level designers should move beyond the isolated cases and contribute to the definition of future roles and resource flows in public systems in order to build capacities (Hillgren, Seravalli et al. 2011) and to identify structures and competences that would support a service ecosystem (Morelli 2015).

Building platforms for social interaction: Life 2.0 and My Neighbourhood

Social networking is increasing the communities' capability to produce new solutions. Thanks to spontaneously organised social initiatives new solutions are emerging that address urgent and crucial problems using new logics and a new approach.

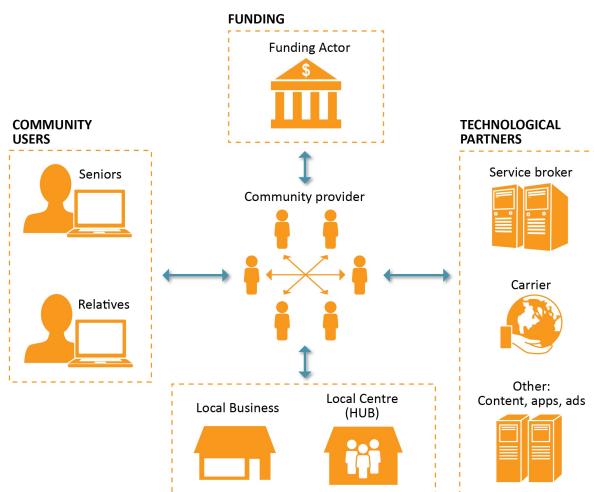
Public authorities are seizing this opportunity to explore the possibilities to find unprecedented solutions to emerging problems in some crucial areas, such as healthcare, social integration of minorities and immigrants or elderly care. Two projects have been recently presented: Life 2.0 and My Neighbourhood. (Morelli 2015). They explore such opportunities from the a strategic design perspective. Both the project aimed at building online community based on existing physical

communities: Life 2.0 worked on elderly communities in four pilot locations and My Neighbourhood focused on community building in four geographical areas².

These were two EU-funded research projects with a structured approach based on ethnographical analysis, which aimed at involving users in the design of an online platform. The early stages of the projects were developed as many other project-based design processes, in which ethnographical research and direct involvement of citizens generated requirements for the design of the platform to support social interaction. A large part of the projects, though, was developed around fully functional prototypes that citizens (elderly people in Life 2.0 and members of local communities in My Neighbourhood) tested and actively contributed to develop. According to the suggestion of Hillgren, Seravalli et al. (2011) the major development of the project consisted on *slow prototyping*, that consists in the development of an idea through extensive user testing. The authors believe that slow prototyping can also accommodate gradual scaling-up, that could adapt the final version to the specificity of local areas or communities.

It is worth stressing that this *slow prototyping* process along with the capability to map the actors in the ecosystem and into their mutual interaction, makes it possible to identify actors' rules and competences and to develop the capacities that can consolidate an ecosystem, thus achieving the goals of reproducibility and scalability. In particular these projects:

- identified specific capacities, such as aggregative capacities for community providers,
- identified the contribution of different participants to the value creation process in the ecosystem; and
- defined the conditions that linked the development and scalability of the ecosystems to the local contexts (Figure 4 and Table 1).



² Both the projects have been developed in the perspective of scalability, although at the end of the funding period only My Neighbourhood reached an early scale-up phase, from the original four pilot locations to circa 28 new neighbourhoods.

Figure 4 the Life 2.0 Ecosystem. (Morelli 2015)

Actor	Type of Knowledge	Value added
User	Persona/tacit	Attention/Relevant content
Community Provider	Social/Aggregative	Aggregation
Associations	Content related	Events/Relevant content
Technical Broker	Technical	Technical solutions
Local Businesses	Service/Market related	Personal/Locally relevant/Market offers/financial support
Funder	Connective	Financial Support

Table 1 Life 2.0 actors, knowledge and value added

In this sense designers should cover the strategic role to visualise and clarify the elements of the innovation ecosystem for services. Such elements make it possible to address questions such as relevance of the system for participants, mutual trust and financial support, that are the essential for the financial and social sustainability of innovative solutions.

Conclusive remarks

The polarity between the more common project-based approach to services and the open ended approach suggested by the Service-Dominant Logic is useful to emphasise a new perspective, but in fact it considers the project-based approach as a well defined and rigid methodological approach. Actually, the proliferation of methodological contributions on websites ("Service design tools" , "Service Design Toolkit") and texts (Stickdorn and Schneider 2011, Curedale 2013, Kimbell 2013, Polaine and Løvlie 2013) reveal that service design is still consolidating its methodological approach and is still open to changes and adaptation to methods according to a very fluid contextual condition. Furthermore the widely accepted focus of service design activities on users has oriented the methodological approach towards the development of colloquial, narrative and interactive tools, often adapted from other disciplines, that support the value-creation in use.

The perspective shift re-shapes the role of expert designers and service providers in contemporary innovation processes, especially in cases of diffused innovation processes based on a participatory approach. This however does not represent a real discontinuity in the use of methods and tools that were previously used: some existing methods, such as prototyping or narrative techniques become more relevant, because they support interaction, highlight dilemmas and support value co-creation in use. Other methods, such as service blueprinting or journeys, that were possibly used with a more prescriptive aim are still adequate to support the phases of creation of the infrastructure for the interaction.

From the methodological point of view the Service-Dominant Logic is an opportunity to re-define the way designers' toolbox is used, rather than reshaping or changing it for a new toolbox.

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