

A PRACTICAL GUIDE TO COMBINING PRODUCTS AND SERVICES*

Venkatesh Shankar, Texas A&M University

Leonard L. Berry, Texas A&M University

Thomas Dotzel, McGill University

Hybrid solutions – goods and services combined into innovative offerings – can help firms attract new customers and increase demand from existing customers. This article presents four potential hybrid combinations with guidelines for determining which is most appropriate and most likely to be successful.

Research Category: Service Innovation

*This paper appeared in *Harvard Business Review*, November 2009, 94-99.

AN ORGANIZATIONAL LEARNING AND ROUTINES THEORY OF SERVICE INNOVATION*

Andrew S. Gallan, Case Western Reserve University

In an attempt to better understand and explain dynamic service innovation, we expand theory on ostensive and performative organizational routines (Feldman and Pentland 2003) and pragmatic learning theory (cf. Jayanti and Singh 2010) to evaluate the effects of organizational change and customer needs heterogeneity on quality of care and service productivity. In a setting where a new intermediate stroke care unit challenges healthcare providers to simultaneously enhance patient outcomes and increase patient throughput, we longitudinally study a service innovation through a mixture of embedded observation, semi-structured interviews and monthly surveys.

Thus far, we find that significant interactions and tensions between ostensive routines (structures) and performative routines (processes and behaviors) have to take place in order for service providers to meet both customer expectations and organizational requirements. It appears that organizational routines interact through the effort of learning communities; the exchange of information and ongoing development of new ostensive routines may provide a company with strategic dynamic capabilities.

Research Category: Service Innovation

* This working paper is based on work at the department of neurology, Case Western Reserve School of Medicine, where the first author has a secondary appointment, with the sponsorship of University Hospitals.

SERVICE INNOVATION IS DIFFERENT

Steve Markham, North Carolina State University
Thomas Hollmann, North Carolina State University

The differences between goods and services are well known. A substantial body of knowledge exists about how goods are developed, however, we know very little about the practice of service development. Drawing on the Best Practices data from the Product Development and Management Association this research project compares and contrasts different development methods, processes, tools, organizational structures and managerial practices used to develop goods and services. We find that services innovation practices differ in fundamental ways from goods innovation, such that service innovators focus more strongly on the front-end and back-end of innovation while goods innovators focus predominantly on the middle phase in the stage gate process. The contrast in product development techniques leads to management tools to help innovation managers apply the appropriate tools and techniques to services development. In addition, a number of service practices are applicable to goods development with a significant reduction on development time and costs.

A THEORY FOR ENGAGING STRANGERS IN REQUIREMENTS ENGINEERING

Tuure Tuunanen, University of Auckland
Ken Peffers, University of Nevada
Charles Gengler, City University of New York

This paper motivates the need for a theory for engaging strangers in requirements engineering (RE), reviews four literatures that speak to the information requirements of the RE process, uses elements from the four literatures to design a theory, demonstrates use of the theory in a major system development project, and evaluates that use. Strangers are people, including organizational outsiders, those who are remote from RE activities, culturally distant participants, and the disabled, for whom engagement in RE activities require special consideration. We develop an applicable theory to address the problem that can serve as the basis for designed RE methods, using existing or designed techniques, to accommodate particular target RE participant populations that include strangers. The paper demonstrates and evaluates the use of the new theory, in a major RE effort done with Helsingin Sanomat, one of the biggest daily newspapers in Scandinavia.

OPPORTUNITIES FOR INNOVATION IN THE DELIVERY OF RETAIL INTERACTIVE SERVICES

Leonard L. Berry, Texas A&M University
Ruth N. Bolton, Marketing Science Institute
Cheryl H. Bridges, Texas A&M University
Jeffrey Meyer, Bowling Green State University
A. Parasuraman, University of Miami
Kathleen Seiders, Boston College

In today's volatile economy, innovation in providing interactive services to consumers through a variety of channels is critical in retailing. Interactive service innovations offer opportunities for retailers by creating new markets or offering new benefits in existing markets. They also pose threats as existing customers encounter new alternatives offered by competitors. This article explores some of the most promising opportunities in interactive retail services; namely, the increasing power of consumers, channel synergies, pre- and post-transaction service, optimal use of resources, and consumer heterogeneity. In discussing these areas of opportunity we identify knowledge gaps and suggest research questions relevant to these gaps that warrant attention. Collectively, these questions offer a research agenda for the topic of interactive retail service innovation.

Research Category: Service Innovation

*This paper is published in Journal of Interactive Marketing, May 2010, pp. 155-167.