Understanding the need to explore BoP activities is fundamental to working with a huge segment of society, not only as passive consumers, but also as genuine entrepreneurs capable of creating and managing “inclusive” innovations. The article aims to combine research priorities in the service domain with the emerging topic of service management for the base of the pyramid (BoP). This combination allows us to construct an agenda for service research at the BoP. This agenda can guide service researchers in the selection of feasible empirical fields, support them in finding appropriate research designs, and finally, help them to develop suitable theoretical perspectives.

Research category: Service Innovation / Transformative Service and Quality of Life


(Heiko Gebauer, Javier Reynoso)
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


(Venkatesh Shankar, Leonard L. Berry, Thomas Dotzel)
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.

Research Category: Service Innovation
CUSTOMER-TO-CUSTOMER INTERACTIONS: BROADENING THE SCOPE OF WORD OF MOUTH RESEARCH

Ruth Bolton
Marnix S. Bugel
Oliver Gotz
Barak Libai
Hans Riselada
Ko de Ruyter
Andrew T. Stephen

The increasing emphasis on understanding the antecedents and consequences of customer-to-customer (C2C) interactions is one of the essential developments of customer management in recent years. This interest is driven much by new online environments that enable customers to be connected in numerous new ways, and also supply researchers’ access to rich C2C data. These developments present an opportunity and a challenge for firms and researchers who need to identify the aspects of C2C research on which to focus, as well as develop research methods that take advantage of these new data. Our aim here is to take a broad view of C2C interactions and their effects, and to highlight areas of significant research interest in this domain. We look at four main areas: The different dimensions of C2C interactions, social system issues related to individuals and to online communities, C2C context issues including product, channel, relational and market characteristics; and the identification, modeling and assessing the business outcomes of C2C interactions.

Research Category: Service Innovation

*This paper is published in Journal of Service Research, 13 (3), 2010, 267-82.

(RUTH BOLTON, MARNIX S. BUGEL, OLIVER GOTZ, BARAK LIBAI, HANS RISELADA, KO DE RUYTER, ANDREW T. STEPHEN)
This article illustrates research pertaining to India, Latin America, and China to show peculiar characteristics and existing challenges in emerging economies and thereby increase understanding of the progress made and the challenges that remain for managing both informal and formal service activities. This study emphasizes the relevance of indigenous, solution-based models as the basis for inclusive innovations, with a particular emphasis on the role of culture and technology.
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.

(Leonard L. Berry, Ruth N. Bolton, Cheryl H. Bridges, Jeffrey Meyer, A. Parasuraman, Kathleen Seiders)
Almost all IT enabled service systems such as Google, Facebook, Apple, Microsoft, Skype are facing criticisms on their use of customer data and their failure to protect customer privacy. These service companies rely on customers to participate actively in the co-creation of value by providing personal information, data and preferences. Such important resources and assets, if mishandled by companies, can cause harm to customers. Misuse and poor privacy protection for customer information can create ethical, legal, and business consequences, diminish trust and inhibit relationship building between customers and service providers, and affect future value co-creation. This paper identifies the different facets of privacy, explores the intersection of privacy and co-creation of value, and offers suggestions for future research regarding how businesses and customers can benefit from the service while ensuring privacy is protected.

Research Category: **Service Innovation**

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*(ELLEN CHAN, ROBERT R. HARMON, HALUK DEMIRKAN)*
We offer a broadened view of service innovation—one grounded in service-dominant logic—that transcends the tangible–intangible and producer–consumer divides that have plagued extant research in this area. Such a broadened conceptualization of service innovation emphasizes (1) innovation as a collaborative process occurring in an actor-to-actor (A2A) network, (2) service as the application of specialized competences for the benefit of another actor or the self and as the basis of all exchange, (3) the generativity unleashed by increasing resource liquefaction and resource density, and (4) resource integration as the fundamental way to innovate. Building on these core themes, we offer a tripartite framework of service innovation: (1) service ecosystems, as emergent A2A structures actors create and recreate through their effectual actions and which offer an organizing logic for the actors to exchange service and co-create value; (2) service platforms, which enhance the efficiency and effectiveness of service exchange by liquefying resources and increasing resource density (facilitating easy access to appropriate resource bundles) and thereby serve as the venue for innovation; and (3) value co-creation, which views value as co-created by the service offer(er) and the service beneficiary (e.g., customer) through resource integration and indicate the need for mechanisms to support the underlying roles and processes.

Research Category: **Service Innovation**

Forthcoming in *MIS Quarterly*.

*(Robert F. Lusch, Satish Nambisan)*
This international research project examines customer-focused service innovation and customer co-creation processes in the healthcare industry in three different countries: US, Italy, and China. We seek to understand different styles and processes of co-creation and innovation, looking at leading and innovative hospitals across these three country contexts. To explore the phenomenon, we have used interpretive methodologies to gain an in-depth and holistic understanding of co-creation and customer-focused innovation styles, processes and meanings. We have conducted interviews with CEOs and other high-level hospital executives to explore processes, metaphors, and critical incidents in service co-creation and innovation. Our major contribution will be to better understand the theoretical and managerial development of service innovations specifically through the identification of co-creation processes and styles, cultural differences and similarities, and leader vs. innovator differences and similarities in processes/styles. We will also reveal the negotiated meaning of co-created and customer-focused service innovation within the healthcare industry.

Research Categories: Service Innovation, Service Experience and Co-Creation

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(LAUREL ANDERSON, ANDREA ORDANINI, MARY JO BITNER, ANTONELLA CARU, EMMA QIU, ANDREW S. GALLAN)
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.
The complex field of service innovation represents a cross-roads for various research interests from different academic disciplines that explore multiple dimensions, follow unique approaches, build varied conceptual and analytical frameworks, and adopt distinct perspectives. This complexity continues to produce new trends, such that service innovation is no longer relevant only for service organizations. This article contains guidelines and real-world examples to help practitioners and policy makers develop service innovation strategies through the consideration of different levels, organizations, and perspectives.

Research Category: Service Innovation


(Luis Rubalcaba, Stefan Michel, Jon Sundbo, Stephen W. Brown, Javier Reynoso)
Emerging from the rapid growth of information technology in a digital world is the explosion and rapid ascendance of information technology–related service innovation occurring around the globe. All successful service innovation in a digital world consists of two main abstract domains: signs, because only signs can be digitized, and practices. Signs are perceivable, but practices are not. Signs are commonly understood as resources in the digital world, while practices are understood as providing context, not as resources. This article proposes a change in this perspective: According to service-dominant logic, both signs and practices can become resources for service and value cocreation. They become resources if they are integrated in a service offering. The authors illustrate how recent digital service innovations can be explained with this perspective and how it can be used to distinguish incremental from radical innovation. It also suggests, using this perspective, that marketers and innovation specialists can productively develop ideas and concepts, for future service innovation. From the practices framework presented, directions for further research are discussed.

Research Category: Service Innovation

Forthcoming in MIS Quarterly

(Helge Lobler, Robert Lusch)