

Perspectives on Service Innovation Research

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SERVICE RESEARCH CENTER
CTF | CENTRUM FÖR TJÄNSTEFORSKNING





**CTF – Service Research Center
Karlstad University**

Value creation through service

**80 researchers and
PhD students**



Challenges in Service driven economies

- **Digitalization**
- **Automation (Robots)**
- **Individualisation**
- **Experience focus**
- **Innovation and service ecosystems**



The Service Concept

Service as market offerings with specific characteristics such as being intangible, relational and interactive in nature or **service as a perspective on value creation.**

The latter is referred to as service logic or service-dominant logic (S-D logic).



... a service logic is becoming dominant!

- Focus on understanding, and providing opportunities for, value creation!
- Value is always co-created
- Value is contextual and experiential





**Zooming out from a
narrow focus on
offerings**

**Zooming in on dynamic
service ecosystems**



Edvardsson and Tronvoll (2015)

define service innovation **as institutionalized change in service systems** due to a new configuration of actors, resources and schemas, resulting in new practices that are valuable enough for the involved actors to make it sustainable.

Key concepts in Service Innovation Research

1. **V**ALUE PROPOSITIONS,
2. **A**CTORS,
3. **R**ESOURCES and
4. **I**NSTITUTIONS and institutional arrangements

The VARI framework

Source: Edvardsson, Tronvoll and Witel 2016

Value proposition

Through the lens of service-dominant logic (SDL), companies' innovation efforts focus on creating **attractive value propositions for the involved actors** (Vargo and Lusch 2008).

Skålén et al (2014) have developed a model describing the anatomy of VPs built on three aggregates of practices; Provision, Representational and Management & organizational practices.

One actor's value proposition must resonate with other involved actors' intentions.

Actors

- The actor – firm, customer, employee or partner - is the engine in every service innovation.
- Actors are resource integrators and resource integration requires Institutions (platforms, structures, resources, processes for effective collaboration and use).
- Actors' resource integration, value co-creation and assessment of value in use/context take place in service and social systems (Edvardsson et al 2011).

Resources

- **Resources have potential value** and can serve as a source of power for actors when co-creating value
- The realized value depends on how resources are integrated and operated on, in specific contexts with specific intentions (Edvardsson and Tronvoll 2013).
- Zimmermann ([1951](#)) pointed out more than sixty years ago that resources *are not*; rather, they *become*.

Institutional arrangements

- Institutional arrangements provide rules of the game such as norms, rules, conventions, practices that enable social coordination
- Vargo, Wieland and Akaka (2014) argue that institutionalization and the disruption and change of institutions is a central process of service innovation.
- Institutions influence actors' behavior and actors behaviors also can change institutionalized norms, rules and habits.

KidZania

The Concept

- **An Experiential and Participative learning facility**
- **More than 100 role play activities**
- **Introduces Children to the real world**
- **Invites them to experience work, discipline and relations with others**
- **Promotes the practice of worthy values and attitudes**
- **Stimulate creativity and socialization**
- **Combines learning and playing in a fun and interactive manner**

KidZania

Vision: “To ignite the hearts and minds of kids everywhere by empowering them to make the world a better place”

Visitors: 2015: 15.8 milion

Focus: Learning through experiences and Social Responsibility

Own currency: “kidZo”, Children open bank accounts, save and withdraw “kidZos”

A world-class themed attraction which has won multiple international awards

- **Best New Theme Park (Themed Entertainment Association) 2006**
- **Top Family Entertainment Centre (IAAPA KidZania Monterrey) 2007**
- **Good Design Award (Japanese Industrial Design Promotion Organization) 2009**
- **Global Leisure Operator Award (Retail & Leisure International) 2009**
- **Best Concept Award (MAPIC) 2010**
- **Entrepreneur of the Year Mexico (Ernst & Young, Media Category) 2011**
- **New Outstanding Product (Korean Management Association Consulting) 2011**
- **Most Innovative Leisure Concept Award (Global RLI) 2013**
- **Best Experience for Kids Category (Best of Malaysia Awards) 2013**



Eataly is an innovative company (service ecosystem) providing customers an holistic experience that includes high quality products, food services and education activities related to the Italian culinary art and culture.

EAT



BUY



LEARN



Thank you!!!



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