

INVOLVING CUSTOMERS IN (NEW) SERVICE DEVELOPMENT IN TOURISM

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Abstract

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This paper presents the findings of a set of studies, the aim of which has been to assess the opportunities for co-creation in tourism by studying the applicability of different methods of data collection and customer involvement at different stages and/or for different purposes of service development. Following the perspective of Russo-Spena and Mele (2012) in this study co-creation refers to the interaction and collaboration of organizations, groups and individuals in order to jointly generate solutions and to create value. Developing services and involving customers in service development refers to the constant development of both new and existing services (Andersson, Gustafsson, Kristensson, Mangnusson & Matthing, 2006) as researchers using especially the terms co-creation and value co-creation apparently mean.

Even though a few researchers have recently studied co-creation and customer involvement in service development in tourism (e.g. Prebensen and Foss, 2010; Prebensen et al., 2013; Shaw et al., 2011) there is only limited systematic and comparable empirical evidence of the level of innovative activities in tourism and hospitality industries (Hjalager, 2010). Hoyer et al. (2010) also call for more research on methods where especially consumers are involved in new service development processes. This study aims to fill this gap in research by testing different types of customer involvement in tourism service development.

The case studies are analyzed within the framework with four key elements for describing types of customer involvement presented by Alam (2002). The first element is the purpose of customer involvement, which may be to gain new service ideas or to improve the existing service. Second, the stage of involvement refers to where in the service development process the customer information is obtained. The third element is the intensity of customer involvement, which may vary from passive listening to extremely intense participation, where the customer is taken as a member of a development team (Alam, 2002). Fourth, the mode of involvement refers to how the input and information is obtained from the customers (Alam, 2002).

Edvardsson et al. (2012) pay attention to the situation of the customer when participating in the service development. They present a framework with four modes of customer integration in which data is classified either as *in situ* (data captured in a customer's use situation) or *ex situ* (data captured outside the use situation) and as either in-context or ex-context. They define context as a resource constellation that is available for customers to enable value co-creation. Accordingly, in-context refers to methods in which the customer is in the actual context of use with access to various resources, while ex-context refers to a situation in which the customer is outside the context of use and therefore has no direct access to the resources (Edvardsson et al., 2012).

The data were collected in eight case studies in Finland by staff and students from the University of Eastern Finland and the Savonia University of Applied Sciences. Findings of

some of the case studies have been earlier presented e.g. in Snicker & Komppula 2013, Komppula & Tapio 2013, Komppula & Lassila 2014 and Konu 2015, and a few other articles are in progress.

Findings of this study show that the methods used in all cases managed to fulfill the objectives of each case, but several notions can be put forward on the basis of these findings. First, it is easy to agree with Edvardsson et al. (2012) and state that any method of involving customers in service development is better than no method at all. However, as Edvardsson et al. (2012) state, methods that permit users to identify their own needs and ideas, and which were elicited in the natural use context, provided most concrete and immediately applicable information regarding prerequisites for better value creation in service. On the other hand, the in-situation but outside the context methods such as drama and empathy based stories seemed to give the richest inputs in service concept idea generation. This is in accordance with the findings of Magnusson, Matthing and Kristensson (2003), who state that if customers are given the opportunity to deliberate at a location where user needs and information are sensible, new ideas and solutions that were unthinkable beforehand may evolve.

Successful utilisation of customer participation in NSD requires willingness, ability and commitment of all levels of the organisation to this approach. Usually service development interests of the companies focus just on the usability or functionality of the services and service encounters, and the ability to benefit of ideas for service concept development (the experience expectation) is low. Meaning and importance of customers' emotions is often neglected. Nevertheless, an ethnographic approach, and especially participant observation, enables service providers to get information about the emotions of the customers. Information gained by an ethnographic approach benefits several phases of NSD, such as idea generation phase and commercialization (Konu 2015).

The last notion of this study is connected to the fact that, except the methods used in Case 5 (survey) and Case 2 (theme interview), the methods used were far too demanding, expensive and laborious to be applied without the help and cooperation of the universities and the diverse projects. Hence, co-creation of value might in this sense mean not only involving the customers but also other stakeholders in the development of (new) services, which is in line with Ordanini and Parasuraman (2011) and Russo-Spena and Mele (2012).

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