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Service Spotlights

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Underpinnings of User Participation in Service Provider–Hosted Online Communities (p. 249)

The recent emergence of social media-based brand communities is seen as an effective channel for practicing user-centric service innovation. However, user participation is the major hurdle in their sustainability. Despite the growing popularity of these brand communities, there has been only limited research examining the factors affecting user intention to continue using these communities. Teenagers represent an important demographic group, not only as the dominant users, but also in their value and potential in contributing toward successful business. To date, no previous research has investigated the participation behaviour of teenagers in these communities. To address this research gap, the present study has examined the factors affecting teenagers' intention to continue participating in Facebook-based brand communities. The roles of social and individual factors in the formulation of their attitudes to participation was examined. The relationship between users' attitudes, activity levels, and continuation intentions are explored. The study findings suggest that self-efficacy, hedonic motivation, reciprocal benefit, and social influence have a positive impact on user attitude. Among these, self-efficacy has the strongest influence. Furthermore, attitude, continuation intention, and activity levels are significantly related. The findings have implications for organisations intending to use social media-based brand communities to practice user-centric service innovation.

The Role of Collaboration in Service Innovation Across Manufacturing and Service Sectors (p. 263)

Service innovation is becoming increasingly important for service industries as well as for manufacturing industries. Using data from the Mannheim Innovation Panel (MIP) provided by the Centre for European Economic Research, this research attempts to answer the following questions: (1) What is the impact of service innovation on firm's innovation performance? (2) Is this impact different for manufacturing *and* service firms? (3) What kind of collaborations foster service innovation? The empirical results show that service innovation is important for a firm's innovation performance and that this impact is larger for service firms. The results also show that a significant relationship between propensity for service innovation and three types of collaboration (vertical, horizontal, and third-party collaboration), with vertical and third-party collaborations more beneficial than horizontal collaboration for service firms. The results offer strong justification for examining and fostering innovation generation in service industries, and highlight the desirability of tighter collaborations with channel members (whose interests are aligned with the firm) and neutral entities (whose interests are not in conflict with the firm) than with competitors (whose interests are likely not aligned with the firm).

Triadic Value Propositions: When It Takes More Than Two to Tango (p. 282)

Developing a value proposition is a critical strategic issue for marketing managers. Even as competitive advantage increasingly appears in networked business models though, the concept of the value proposition has yet to be extended to multilateral settings. For example, studies of service-led growth in industrial contexts often focus on the manufacturer and customer but omit service partners as critical actors. The authors therefore suggest a triadic value proposition and analyze how such value propositions might evolve over time in an industrial context, a setting in which service partners' performance often is a foundation for manufacturer success. Substantial adjustments to the arrangement between two parties likely influence what can be proposed to the third, which makes collaboration with all parties necessary to initiate any discontinuous change at the network level. To make this concept more actionable, the authors also illustrate how managers might approach the task of crafting triadic value propositions. The insight for management is straightforward: by adopting a triadic perspective while developing the value proposition, companies can increase the viability of their service system and provide a more compelling market offering.

Interactional Service Innovation with Social Media Users (p. 300)

The pervasive availability of social media is changing user interaction in service innovation. Although, cooperation with users is imperative in services, the persisting question is still the following: How can companies control interaction with social media users given extensive integration of experiences with social media? Simply put, companies lack information on how to leverage interactional service innovation with the social media users. The authors evaluate such interactions within the framework of an interactional model and analysis of five different companies. Results suggest that companies are not just creating value but also destroying value with social media users. Accordingly, the authors provide insight into how companies can innovate in services with social media users sustainably, as organization interaction with social media users may improve innovation, organizational details matter. Sustainable social media innovation is dependent on a company's organizational capabilities. Managerial insight is as follows: companies can apply the provided model to organize interactional service innovation with social media users, going beyond the typical organization of innovation and reduce the costs and constraints of the innovation process.

Stakeholder Integration for Service Innovation in German Medium-Sized Enterprises (p. 320)

Which stakeholders of a company should be integrated in service innovation—and when and how should they be integrated? Medium-sized companies in particular ask these questions when trying to integrate stakeholders, such as partners or users, in sensitive internal processes. Given that service innovation is a means for achieving competitive advantage for medium-sized companies, it is worth exploring stakeholder integration as a multidimensional process in service systems. Broadening and contextualizing previous research, this paper provides an empirical, multiple case study that derives which internal and external stakeholders are commonly integrated in service innovation (and in which stage and in which mode) in the context of medium-sized information technology and manufacturing firms. The results suggest that external stakeholder integration is often implemented reactively, whereas mutual cocreation is often done with internal stakeholders only. The insight for management is that companies might benefit from direct exchange and integration with all stakeholders and proactively manage interdependencies between different modes of integration.

Institutional Complexity as a Driver for Innovation in Service Ecosystems (p. 333)

The conceptualization of innovation in service ecosystems is challenged by the following paradoxical question: How are actors able to innovate the very institutional arrangements that guide and constrain them? In this paper, the authors propose that the emergence of novel solutions is driven by institutional complexity, defined as the institutional arrangements confronting actors with conflicting prescriptions for action. Institutional arrangements are sets of interrelated institutions comprising human-devised rules, norms, and beliefs that enable and constrain action and make social life predictable and meaningful. For example, expanding business into a new country with different laws, norms, and cultural assumptions may render some aspects of existing business unviable and force the firm to develop alternative solutions. Hence, institutional complexity reduces the influence of prevalent institutions by activating conscious and reflective problem solving among actors. The insight for management is that innovation can be fostered within an organization by increasing the diversity of personnel, for example, by hiring people with different professional and cultural backgrounds, and by creating "protected spaces" for negotiating conflicts and experimenting with new solutions.

Using Platforms to Pursue Strategic Opportunities in Service-Driven Manufacturing (p. 344)

Challenged by commoditization of goods-based business, companies in the manufacturing industry seek new strategic possibilities from service. Simultaneously, disruptive digitalization provides firms with many new opportunities, but it can also radically escalate competition and market turbulence. Only very few companies master this alone, and so firms must collaborate in extensive service networks. The research reported in this article explores how manufacturers can use technology platforms and platform organizations to pursue strategic opportunities in their service networks. Rather than focusing on creating customer solutions, the companies aim for a systemic perspective on the service business. The results show how platforms have the potential to align interests and operations among collaborating organizations, leading to the discovery of mutual benefits. In particular, it is found that companies are interested in expanding their existing physical products by integrating them into the virtual world, shared among companies throughout the product life cycle. This is seen to create totally new use scenarios for products, as well as to reveal value potentials that currently remain hidden. The insight for management—combining technology and organization perspectives of platforms—enables the creation of service offerings no company alone could innovate or provide.