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Service Experience in an Innovation Context

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Service Experience in an Innovation Context

Key words: Service experience, Service Innovation, Perceived Value, Phenomenological Approach, Narrative Inquiry Technique

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CONTENTS

1	INTRODUCTION.....	1
1.1.	Background	3
1.2.	Positioning of the study	5
1.2.1.	The phenomenological approach in the thesis.....	6
1.2.2.	Service marketing and management	9
1.2.3.	S-D logic	10
1.3.	Purpose of the thesis and research questions.....	13
1.4.	Research process and cases	15
1.5.	Service experiences of different types of innovations	18
1.5.1.	Web 2.0 and public service	19
2	SERVICE EXPERIENCE AS A RESEARCH AREA	21
2.1.	A brief history of service experience	21
2.2.	A literature review	22
2.3.	Research gaps.....	23
2.3.1.	Phenomenological service experience	25
2.3.2.	Process-based service experience	28
2.3.3.	Outcome-based service experience.....	30
2.4.	The focus of the thesis: the phenomenological service experience.....	31
3	SERVICE INNOVATION AND DEVELOPMENT AS A CONTEXT.....	34
3.1.	Service innovation in three main streams of service marketing literature.....	35
3.2.	Service innovation and S-D logic	36
3.3.	Service innovation and New Service Development (NSD).....	37
3.4.	Service innovation and service marketing and management	38
3.5.	A new framework: Service innovation based on the phenomenological approach.....	38
4	EVENT-BASED NARRATIVE INQUIRY TECHNIQUE (EBNIT)	42
4.1.	Summary of the methodology used in the Essays	42
4.2.	EBNIT combines narratives, critical events and metaphors.....	44
4.2.1.	Phenomenological approach in EBNIT	44
4.2.2.	Narrative approach in EBNIT	46
4.2.3.	Critical events in EBNIT	48
4.2.4.	Metaphors in EBNIT	49

4.3.	Data sources in the studies of the thesis using EBNIT	50
4.4.	Data collection with EBNIT	51
4.5.	Analysing the narratives with EBNIT	53
4.5.1.	The structure of the EBNIT analysis	53
4.5.2.	Language and constructs used to describe service experiences	55
4.6.	An evaluation of the study	56
4.6.1.	Limitations of the studies	61
4.6.2.	Self-evaluation.....	63
5	FINDINGS AND IMPLICATIONS OF THE ESSAYS	67
5.1.	Essay 1: Characterising the concept of service experience.....	67
5.1.1.	Findings	68
5.2.	Essay 2: Narratives and metaphors in service development.....	69
5.2.1.	Findings and implications for service innovation.....	69
5.3.	Essay 3: Characterising managerial service experience	71
5.3.1.	Findings and implications for service innovation.....	72
5.4.	Essay 4: Circularity of customer service experience and customer perceived value	75
5.4.1.	Findings and implications for service innovation.....	76
6	CONTRIBUTION AND IMPLICATIONS.....	79
6.1.	Summary of the findings	79
6.2.	Summary of the contribution	82
6.3.	Contribution and implications for S-D logic.....	83
6.3.1.	Characterising the phenomenological service experience.....	83
6.3.2.	Service experience in relation to value experiences.....	86
6.4.	Contribution and implications for methodology	88
6.5.	Contribution and implications for service innovation	90
6.6.	Managerial implications	92
6.7.	Further research	95
	REFERENCES	97
APPENDICES		
Appendix 1	A complex social network of individuals	115
Appendix 2	Essays.....	116

TABLES

Table 1	Summary of the foundations of research in relation to ontology, epistemology and methods used (Tuomi and Sarajärvi, 2003, p. 65)	8
Table 2	The theoretical and methodological purpose of the thesis.....	14
Table 3	The empirical part of the thesis presents eight cases	16
Table 4	The different types of service studied in each essay.	18
Table 5	Comparison of the different approaches in characterising the concept of service experience	23
Table 6	The gaps found in research.....	25
Table 7	Conceptual articles, which characterise the phenomenological service experience	26
Table 8	Methods used in studies, which characterise the concept of service experience as a process	28
Table 9	Empirical articles, which characterise service experience outcome-based ...	30
Table 10	Comparison of NSD, service marketing and management and S-D logic	35
Table 11	The methods used in the thesis	43
Table 12	Qualities of different research methods (amended from Webster and Mertova, 2007, p. 115). The Critical Incident Technique (cf. Flanagan, 1954) has been added.....	48
Table 13	How metaphors and consumer preferences might have been used to create many of today's service offerings (adapted from Durgee and Chen, 2006, p. 295).....	50
Table 14	Data sources and purpose.....	50
Table 15	Steps in EBNIT data collection.....	52
Table 16	Characterisation of the terms <i>lived critical event</i> , <i>other lived event</i> and <i>imaginary event</i> in Event-Based Narrative Inquiry Technique (EBNIT).....	54
Table 17	The EBNIT steps in collecting and analysing narratives.....	55

Table 18	Validity and reliability in narrative inquiry technique as opposed to objectivist characterisation of research. Based on Webster and Mertova (2007)	57
Table 19	General validity and reliability in the narrative inquiry technique (based on Webster and Mertova, 2007) and in the presented EBNIT studies.....	61
Table 20	The 1 st phase of data collection for the literature review	67
Table 21	The 2nd phase of data collection for the literature review	68
Table 22	Summary of the multi case study in Essay 2.....	70
Table 23	Cases, where service managers experienced developing and co-creating a service innovation	72
Table 24	Description of the multi-case study in Essay 4	75
Table 25	Summary of the contribution of the thesis to S-D logic, service innovation and methodology	83
Table 26	Characteristics of the phenomenological service experience based on the findings of the study	84
Table 27	Characteristics and aspects of service experience and the phenomenological service innovation experiences	90

FIGURES

Figure 1	The structure of the summary	3
Figure 2	Interpretation with the hermeneutic spiral (amended from Routio, 2004) ...	9
Figure 3	Streams of literature related to characterising service experience based on the phenomenological approach in an innovation context. (The spiral figure: Routio, 2004.)	13
Figure 4	The process of the research, including the summary and essays.....	16
Figure 5	Types of service, where service experiences with innovations took place	18
Figure 6	Individual service innovation experiences within a social network.....	40

Figure 7	The process of reviewing and characterising service experience	69
Figure 8	Sources for service managers' service experience. Adapted from Gummesson (2000, p. 71).	73
Figure 9	Circularity of customer service experience and customer perceived value ...	77
Figure 10	Sense-making based on individual subjective and context specific service experience as justified data	81

LIST OF ESSAYS INCLUDED IN THE THESIS

ESSAY 1:

Helkkula, A., “Characterising the concept of service experience”. This paper is in the 3rd review of the Journal of Service Management. The paper is an extended version of the conference paper presented in the 2008 Logic and Science of Service Conference, University of Hawaii. The paper was awarded a scholarship from the Shidler College of Business at the University of Hawaii. Individual work.

ESSAY 2:

Helkkula, A. and Pihlström, M. (forthcoming), “Narratives and metaphors in service development”, Qualitative Market Research, an International Journal. © Emerald Group Publishing Limited. The paper is an extended version of the conference paper presented in the ANZMAC Australian & New Zealand Marketing Academy, 2008 in Sydney. Each author contributed half of the essay.

ESSAY 3:

Helkkula, A., “Characterising managerial service experience”. The paper is an extended version presented in the SEM Service Engineering and Management Summer School 2008 at the Helsinki University of Technology. Individual work.

ESSAY 4:

Helkkula, A. and Kelleher, C. (2010), “Circularity of customer service experience and customer perceived value”. Journal of Customer Behaviour, Vol. 9; No. 1, pp. 37-53. © Westburn Publishers Ltd. This paper is an extended version of the conference paper presented in the 22nd Services Conference and Workshop, Academy of Marketing, University of Westminster, London and won the good paper award. Each author contributed half of the essay.

1 INTRODUCTION

The enthusiasm for this study initiates from my practical working experience with different companies and municipalities in the context of service innovation and development. In addition to the gaps in research, the motivation for the research is personal. The initiative for my research started as I was working together with service managers of the city of Vantaa in Finland coordinating their training programme in developing the municipal service. In addition to that, I was working with several international Finnish companies in service innovation, development and training. Altogether, I have worked 20 years in service development and management and have personally experienced that even if the rational models are good in allocating resources and managing the service, something is missing in them that exists in the phenomenon of service and its innovation and development. This preunderstanding (cf. Gummesson, 2000) blazed the trail for me to adopt a multidimensional approach, in which individuals experience the phenomenon of service experience in different ways.

My research path has been a journey to the phenomenon of *service experience*. The phenomenon incorporates all the pieces of service experience and how to analyse them. In addition, the thesis has resulted in practical implications in the service innovation context. I have made the journey individually and with the international research society, with representatives of service providers from business and from the public service sector in Finland. In fact, I have been immersed with service experiences and they have changed the way I look at research. During the research process, I gained a deeper understanding in the experiential regime of research and business solutions. The following statement describes the phenomenological foundation of the study:

Descartes has famously put it “I think, therefore I am”. The thesis adapts the Husserlian form of departure “I experience, therefore I am”

(cf. Crossley, 2006b, p. 428-429)

In this paper phenomenology relates to a philosophical tradition studying phenomena as they appear in our experience or to our consciousness (Woodruff Smith, 2008). The thesis relies on the Husserlian phenomenology, which will be discussed further in the section The Phenomenological Approach in the Thesis.

The focus of the thesis is an individual’s experience of service, in this thesis put forward as *service experience*. The literature review took many years and revealed interesting gaps in the existing research. The gaps will be discussed in the chapter “Service experience as a research area”. Based on the gaps in research, *the theoretical purpose of the thesis is to characterise service experience based on the phenomenological approach* and thus contribute to S-D logic. In this paper the term ‘characterise’ means to describe, elaborate, and illustrate. As the existing methodology in service marketing

and management does not depict the phenomenological approach, an additional *methodological purpose was formulated: To find a suitable methodology for analysing service experience based on the phenomenological approach*. The purpose will be elaborated on further in this chapter.

The thesis focuses on customers' and service managers' service experience that they experience individually and socially in their lifeworld. In the thesis, customer experience of service is presented as *customer service experience*. Service managers' experience of service they innovate and develop is presented as *managerial service experience*. The thesis analyses front-line managers, who have a close working-relationship with their customers and thus are able to interpret front-line customer experience (Bitrain and Pedrosa, 1998).

In line with the phenomenological and narrative approach, the thesis understands context as being event specific and justified by the individual in the individual's lifeworld, which is always a social context as people do not live in isolation (cf. Webster and Mertova, 2007, p. 96; Porter, 1995). The concept emphasises a state of affairs in which the world is experienced and lived in the Husserlian phenomenological tradition (Woodruff Smith, 2007). The concept of the lifeworld (German: 'Lebenswelt') originates in the phenomenological philosophy of Edmund Husserl and identifies the world as lived in comparison to the world as construed by science (Crossley, 2006b).

The thesis consists of this summary and four essays presenting eight case studies that deploy the narrative approach. In the case studies customers and service managers experience service in an innovation context. The service managers worked in service innovation and development projects. The thesis contributes to service-dominant (S-D) logic and service innovation by characterising service experience based on the phenomenological approach in an innovation context. The concept of service experience will be thoroughly discussed in the chapter 'Service experience as a research area' and characterised in the "Contribution and implications".

The summary is structured in the following way: Chapter 1 grounds the starting points of the study and presents the research positioning and setting including the phenomenological research approach. Chapter 2 presents service experience as a research area. Chapter 3 discusses service innovation as the context in the case studies. Chapter 4 presents the Event-Based Narrative Inquiry Technique (EBNIT), which is a new combined technique put forward in the thesis. In addition, the chapter presents an evaluation of the study and discusses the generalisability of the study. Chapter 5 summarises the Essays from 1 to 4. Essay 1 is a literature review, whilst Essays 2 to 4 present the phenomenon of service experience through empirical cases in service innovation and development. The key findings of the empirical studies and implications for service innovation are discussed. Chapter 6 is the concluding discussion and points out the key findings of the whole thesis, and evaluates the theoretical contribution and implications for S-D logic, methodology and service innovation as well as managerial implications. In addition, the chapter discusses the suggestions for further research.

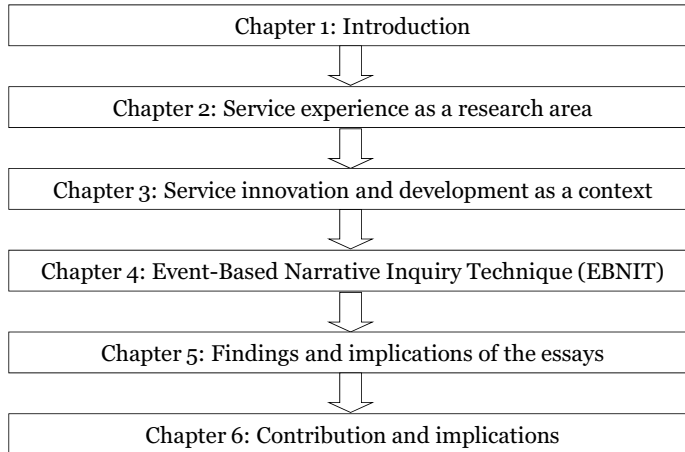


Figure 1 The structure of the summary

Service experience is topical in practice as well as in research. The section “Background” discusses the motivation for the thesis.

1.1. Background

The thesis focuses on the concept of service experience. Before service experience is reviewed, it is important to briefly discuss the concept of service itself.

In Finland, the share of the GNP of different types of service is nearly 70 % (Tilastokeskus, 2009). In addition, companies that traditionally have been in the non-service industries like manufacturing and information and communication technologies (ICT) have integrated service into their offerings. International Finnish companies, such as Nokia and Kone, have positioned themselves as service organisations. Products are only value support and the platform for services (Grönroos, 2006; Edvardsson, Gustafsson and Roos, 2005).

Service as a marketing construct has long traditions. Although there is widespread agreement on the importance of service in marketing, there are divergent views on its meaning. Traditionally in marketing, service has been understood as the output, and moreover as an intangible product (Lusch and Vargo, 2006). The IHIP characteristics, inseparability, heterogeneity, intangibility, and perishability were ratified in a literature review by Zeithaml, Parasuraman and Berry in 1985 and emphasised during the 80s and 90s. After the turn of the century, Grove, Fisk and Joby (2003) noted that the boundaries and scope of service have become unclear in the Internet age as most service marketing and management studies derive from face-to-face or telephone encounters. Thereafter, Lovelock and Gummesson (2004) have questioned the applicability of the IHIP in describing the essence of service. In addition, Edvardsson, Gustafsson and Roos (2005) indicated that the IHIP focuses on service delivery.

To give a brief overview of the different ways of understanding the concept of service, the thesis refers to Edvardsson, Gustafsson and Roos (2005), who have examined how

prominent service marketing scholars characterise service. Edvardsson, Gustafsson and Roos (2005, p. 108) refer to Solomon, Surprenant, Czepiel and Gutman (1985), Lovelock (1991), Zeithaml and Bitner (2003), and Vargo and Lusch (2004b) and conclude that “most scholars consider services to be activities, deeds or processes, and interactions”. In their article, Edvardsson, Gustafsson and Roos (2005, p. 111) identify three ways to characterise service: performances, processes, and deeds. In addition, one scholar out of eleven indicated that service is “the experience created for the customer”.

A distinction can be made between ‘service’ and ‘services’. Nordic School of Marketing prefers ‘service’ (Grönroos, 2004). In the thesis, the Nordic School of Marketing relates to the research approach originated by Christian Grönroos and Evert Gummesson, which Grönroos (2007) refers to in his book “In Search of a New Logic for Marketing”. Edvardsson, Gustafsson and Roos (2005, p. 111) emphasise that “there is a fundamental difference between offering ‘service’ compared to ‘services’. ‘Service’ involves the whole organisation’s performance in providing the customer with a good experience, while ‘services’ implies that services are something that can be offered to the customer.” S-D logic prefers the concept ‘service’ and indicates that ‘services’ is used to highlight specific types of services (Vargo and Lusch, 2008b, p. 28). In the USA, where mainstream marketing has been emphasised, service marketing scholars have developed the discipline as ‘services marketing’ (Fisk, Brown and Bitner, 1993).

The thesis uses the concept of ‘service’; understanding it as a holistic phenomenon, where different actors experience service. In the thesis the concept of service is understood broadly, both conceptually and temporally and does not only relate to service encounter. The approach is based on the phenomenological approach, which will be further discussed in the section ‘Positioning of the study’.

To date, there is widespread agreement on the importance of experiences in service marketing in research as well as among practitioners. Pine and Gilmore (1999) argue that experiences are the foundation for future economic growth and service is the stage for experiences. Lusch and Vargo (2006) note that service as an experience is the locus of business. Ever since the opening article in 2004, many prominent researchers have actively developed S-D logic and multiple articles have been published in the main journals. However, the phenomenon of service experience has so far not been properly characterised. Moreover, the concept of service experience has not only been claimed for many and versatile characterisations but it has also been criticised for referring dominantly to extraordinary and hedonic consumption and the ‘Disneyworld effect’ (Vargo and Lusch, 2008a).

The term service experience has been used with different meanings. In addition to analysing customer service experience as a phenomenon, researchers in service marketing and management examine how to design, develop and manage customer service experience. According to Wiley (2009, p. 62) “experience design is the new buzz phrase in marketing - creating an overall "experience" for all interactions that your customer has with your organisation, digital or not. Researchers have mostly focused on designing digital customer experience, such as how to build websites, training systems and software design (e.g. King, 2008; Raybourn, 2007; McLellan, 2000; Diaz-Pace and Campo, 2008). Pullman and Gross (2004) and Long (2004) examine experience design and customer loyalty.

Service experience design is also topical among practitioners. Experiential marketing has been used by practitioners as an overall term applied to marketing of events of a specific kind, such as trade shows and advertising campaigns. Canadian Marketing

Association (CMA, 2008) relates experiential marketing as a new marketing approach to consumer brand experiences beyond traditional advertising. Experiential marketing has also been used in the hospitality and tourism industry though the use of experiential marketing is not well documented (Yuan and Wu, 2008). The focus on experiential marketing can be seen in titles of practitioners. A simply search on the Internet shows a variety of consultants offering training and advice in experience design. Accordingly, interest in service experience has affected titles in organisations. The metamorphosis of product managers into brand managers and recently into customer experience managers can be observed in job application ads.

The above mentioned indicates that studying the phenomenon of service experience is a meaningful research venture both theoretically and practically. Today, little is known about how different individuals (i.e. actors or beneficiaries) actually experience service. The identification of the gaps in research relies on a literature review, which will be presented in Chapter 2, 'Service experience as a research area'. The thesis aims to narrow the following gaps:

- The phenomenon of service experience is not well characterised in recent research of service marketing. In the studies, which deploy the concept of service experience, the approach of the study is mainly inadequately discussed or not discussed at all.
- There is lack of empirical studies in S-D logic to characterise the phenomenological service experience.
- Service experience is mostly considered as customers' experiences. Service experiences of other beneficiaries (actors) have not been focused on in research.
- Based on the phenomenological approach, both service experience and customer perceived value belong to the concepts, which have been characterised in many and variable ways. Hence, clarity is needed to differentiate these concepts.

The motivation for well-characterised concepts becomes relevant when developing existing theory. The concept of service experience is an essential part of service-dominant thinking (Lusch and Vargo, 2006; Vargo and Lusch, 2008b; Pine and Gilmore, 1999). MacKenzie (2003) argues that without well-developed construct conceptualisation, it would be impossible to develop a coherent theory. In case the phenomenon of service experience is not characterised, it would be difficult to analyse it or measure it. Moreover, it would be a challenge for the reader to judge the credibility of such measures. Personally, I noticed during my research process that the ill-characterised concept of the phenomenon of service experience was a hindrance to theoretical research and practical development.

1.2. Positioning of the study

The thesis is based on the phenomenological approach, and focuses on the following streams of research: S-D logic, service innovation and service marketing and management.

1.2.1. The phenomenological approach in the thesis

Skålen, Fougère and Felleson (2008) indicate that marketing has not actively discussed its approach to research or the ontological and epistemological foundation of its concepts. Therefore, the lack of discussion of the foundation of the concepts is a hindering to the development of marketing as a stream of research. This thesis contributes to S-D logic and service marketing and management in general by characterising service experience with the phenomenological approach. The thesis understands service experience as a holistic phenomenon, which is subjective, event specific, personal, and individually and socially constructed (cf. Lusch and Vargo, 2006; Schembri, 2006).

In this thesis, phenomenology is understood in its wider meaning as a philosophical tradition studying phenomena as they appear in our experience or to our consciousness. In its wider sense, phenomenology addresses the meanings that things have in our experience as opposed to just being restricted to the characterisation of e.g. seeing and hearing. (Woodruff Smith, 2008.) Ontologically, I understand experience as the basis of existence. Accordingly, the focus of my research is an individual's experience of service, which in this thesis is called service experience. Customers and service provider representatives are primarily understood as individuals and as such, the thesis adapts the traditional phenomenological approach in examining service as an experience.

In the thesis, the context is understood as the lifeworld as in the phenomenological philosophy, the empirical world is also called lifeworld. The concept of the lifeworld (German: 'Lebenswelt') originates from Husserl and relates 'to be in the world' individually (In-der-Welt-sein) and socially (Mit-Sein) (Jacoby and Braun, 2006 p. 261). It denotes the world as lived in as opposed to the world construed by scientists (e.g. a body of physiological mechanisms versus a body as experienced by an individual). The lifeworld is always socially constructed. Especially Schutz developed the aspect of socially constructed lifeworld. (Crossley, 2006b.) The lifeworld has been analysed from different perspectives. Habermas (1987) has focused on everyday life, where identities, norms, culture and knowledge are construed.

Traditional phenomenology was put forward by the Founding Father of phenomenology, Edmund Husserl (1859-1938) and his student Martin Heidegger (1889-1976). In France, Jean-Paul Sartre (1905-1980) and Maurice Merleau-Ponty (1908-1961) based their philosophical thinking on Husserl's and Heidegger's ideas. Phenomenologist Alfred Schutz (1899-1959) has further related Husserl's thoughts to the social world and the social sciences. Schutz has been influential in ethnomethodology and conversation analysis. In the USA, Peter L. Berger's and Thomas Luckmann's book 'The Social Construction of Reality' (1967) made social constructionism prominent. The authors claim that all knowledge, even common sense knowledge, derives and is maintained by social interactions. Social constructionism has its roots in phenomenology and relates to Heidegger and Husserl. In fact, Alfred Schutz advised Berger with his PhD. Social constructionism considers knowledge to be created in social contexts. (Abels, 2007.) In Husserl's time, the term construction was not actively used, Husserl rather focused on investigating "the structures of consciousness that make it possible to apprehend an empirical world." (Holstein and Gubrium, 2005, p. 485). Phenomenology and social constructionism examine the ways in which people construct meanings (Marshall, 1998). Berger and Luckman (1967) characterised social constructionism in "The Social Construction of Reality", where they drew upon Schutz's phenomenology (Jackson, 2006). Already Husserl acknowledged that the existence of

experience is not only individual but also social (Jacoby and Braun, 2006). Despite the social aspect of experiences included in traditional phenomenology, in later research the social aspect has not always been emphasised. Askegaard and Linnet (2009) suggest that a more socially contextualised perspective should be emphasised in order to counterbalance the individual life narratives that are dominant in interpretative consumer research and Consumer Culture Theory (CCT).

The research stream of phenomenology has been characterised by its different philosophers and the exact characterisation of phenomenology varies depending on the researcher and perspective. (Jacoby and Braun, 2006.) Lincoln and Guba (2000) indicate that paradigms and perspectives are in transition and loosely characterise their own position as being in the constructionist camp, and have reconstructed their own views to include the co-operative paradigm (Lincoln and Guba, 2000, pp. 170-173). From the epistemological point of view, I position myself in the traditional phenomenologist camp and loosely in the social constructionist camp. Accordingly, I accept individual and social co-construction as an essential part of knowledge. Different streams of social constructionism take stronger or weaker views on the social aspect (Schwandt, 2003).

This thesis, in line with phenomenology and social constructionism, understands the knowledge of service experiences to be co-created and socially constructed in a multi-stake service phenomenon. Individuals have experiences individually and with their social networks. These lifeworld experiences intertwine with experiences relating to different types of events and service. Rather than being a dyad relationship with the service provider and the customer, service organisations and their representatives are intertwined with all other social networks.

The thesis does not analyse the differences between phenomenological streams of research, and turns to Schwandt (2003, p. 292), who cites Bernstein (1986) as follows:

Labels in philosophy and cultural discourse have the character that Derrida ascribes to Plato's pharmakon: they can poison and kill, and they can remedy and cure. We need them to help identify a style, a temperament, a set of common concerns and emphases, or a vision that has determinate shape. But we must also be wary of the ways in which they can blind us or can reify what is fluid and changing.

Woodruff Smith (2007) characterises various types of first-person experience including e.g. perception, imagination, thought, emotion, desire, volition, and action. As such, they provide the range of access to service experiences. The classical phenomenologists, such as Husserl and Merleau-Ponty, describe different types of methods to study experience: 1. to describe one's own lived experience 2. to interpret an experience by relating it to its context (hermeneutics) and 3. to analyse the form of a type of experience. These methods create the foundation for the narrative inquiry technique that has been used in the thesis. (Woodruff Smith, 2007.)

I relate my epistemology to narrative inquiry technique as positioned e.g. by Czarniawska (2004) and Webster and Mertova (2007) and understand that what people interpret in their narratives is not to be treated as documents on what has really happened. Stories are interpretations of storytellers' experiences in a specific situation and context. In addition, I understand that storytellers bring their past life experiences to a situation (Webster and Mertova, 2007). This links my epistemological understanding to the roots of Husserlian phenomenology, where experience is lived, imaginary or performed through subjective, practical and social conditions (Woodruff Smith, 2007).

An essential question of epistemology is what criteria should be used to judge something as being knowledge (Potter, 2000, p. 234). Stories are not to be treated as documents on what has really happened. Stories convey storytellers' experiences and understanding of learning (Webster and Mertova, 2007). What people present as stories is the result of their perception and interpretation of the world. (Czarniawska, 2004, p. 49.) The phenomenological approach has the subjective experience-in-context as the focus of research as opposed to the approach by Descartes (Husserl, 1960), where people's experiences cannot be trustworthy sources of data. With the phenomenological approach, ontology justifies epistemology and subjective experience is justified as data (Tuomi and Sarajärvi, 2003; Goulding, 2005). People organise their world, knowledge and emotions in a narrative form. A story is always shared and created socially, even if people construct stories in an individualistic way. Pace (2008, p. 214) writes: "completely personal meanings could be considered as close to madness, that is, a monologue not understandable by society". Carson (1996) suggests that truth and knowledge form a constructed reality from a postmodern perspective. Each person brings his or her own past life experiences to a situation (Webster and Mertova, 2007).

Table 1 below presents the phenomenological research approach in comparison to other qualitative research traditions. In Table 1, (-) means 'not relevant', and (+) 'relevant', whilst (++) means 'very relevant'. Tuomi and Sarajärvi (2003) note that in phenomenology, ontology is primary in relation to epistemology as an individual's subjective experience justifies epistemology. In the American case research tradition, epistemology is primary. As such, ontology is not relevant as epistemology justifies ontology, i.e. the worldview. American case study relates to the type of case study approach that is popular in the U.S. universities. (Cf. Yin, 2003).

Table 1 **Summary of the foundations of research in relation to ontology, epistemology and methods used (Tuomi and Sarajärvi, 2003, p. 65)**

The tradition in qualitative research	METHODOLOGY		Method
	Ontology	Epistemology	
Aristotelic	+	+	- ("understanding")
Hermeneutic	++	++	Interpretative
Phenomenological - hermeneutic	Clearly primary	Ontology justifies epistemology	Phenomenological (illustration + interpretation)
Critical theory	+	The change is compulsory	Action research
American case study	-	Given and dominant	Predefined method
Postmodern research	Described in a credible way.		Described in a credible way.

The phenomenological approach is linked with the hermeneutic interpretation and hermeneutic spiral as a way of sense-making. In addition to sense-making, preunderstanding and the hermeneutic spiral are essential in epistemology (Varto, 1992). In research, the hermeneutic spiral is also called the hermeneutic circle, whilst

the spiral emphasises that alternation of the viewing points implies that an individual is not repeating but gaining deeper understanding or a new angle.

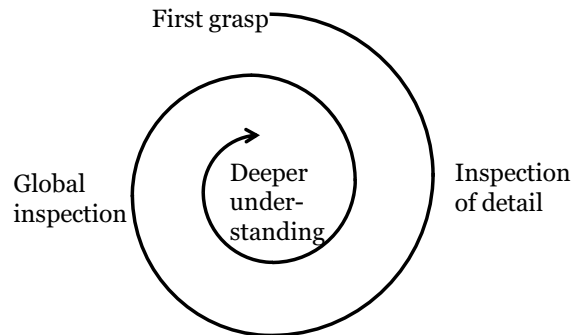


Figure 2 Interpretation with the hermeneutic spiral (amended from Routio, 2004)

A relevant factor is that in case the phenomenological ontology is chosen, the researcher understands the basis of existence to be the phenomenon of subjective, context specific experience (Tuomi and Sarajärvi, 2003). Accordingly, as the subjective way of knowing is characterised in ontology, epistemology cannot be objective. Therefore, phenomenological research is always subjective in its nature.

1.2.2. Service marketing and management

Mainstream marketing has considered marketing as an addition to products (Grönroos, 2007). However, already at the end of the 1970s, Grönroos and Gummesson initiated service marketing and in 1982 introduced it as the Nordic School of Marketing (Grönroos, 2007, pp. 1-5). The service marketing literature, as positioned in the Nordic School of Marketing, is relationship and customer focused, and has its foundation on customer behaviour, social psychology and consumer behaviour literature. Before the launch of S-D logic, Grönroos (2004, p. 16) indicated that the importance of service marketing stretches beyond the traditional service industries and the service sector and that service marketing and management will soon become the norm in marketing and management.

In the Nordic School of Marketing, the combination of service marketing and management emphasises that not only obtaining customers is important but keeping and growing customers is critical (Grönroos, 2004, p. viii). Service marketing implements service perspective (Grönroos, 2004) and emphasises the customer perspective in relation to service offerings or potential offerings. Such concepts as the customer perceived value and needs and wants of customers are familiar with this stream of research. In contrast, service management dominantly takes the service provider perspective and aims to manage customers' experiences. Service management has a strong link with strategic management and is based on resources and their optimal management (Storbacka, Korkman, Mattinen and Westerlund, 2001). Within the Nordic School of Marketing, service marketing and management has also been referred to as service logic (Grönroos, 2008; Edvardsson, Holmlund and Strandvik, 2008).

In the USA, where mainstream marketing has been emphasised, scholars in the field have developed the discipline by calling it services marketing. Fisk et al. (1993) have identified three stages in the development of services marketing. The first stage is crawling out (1953-79), when Shostack (1977) argued that the marketing-mix and the language of marketing derive from manufacturing physical goods. The second stage is scurrying about (1980 – 1985), and the third stage is walking erect (1986-), when services marketing has become published in prominent marketing journals. Services marketing has many focus areas, e.g. internal marketing (Berry, 1983), service encounter (Bitner, Booms and Tetreault, 1990), service quality (Parasuraman, Zeithaml and Berry, 1988), and experience (Pine and Gilmore, 1999). At present, services marketing is attempting to become the dominant marketing paradigm and as such is in the fourth stage. This stage could be labelled the paradigm stage.

To conclude, the central locus of service in business is one of the corner stones of the Nordic School of Marketing as well as of S-D logic (Lusch and Vargo, 2006; Vargo and Lusch, 2008b). Accordingly, S-D logic and service marketing, as positioned in the Nordic School of Marketing, overlap with each other. Nordic School researchers, such as Gummesson and Grönroos, have implemented service logic since the end of the 1970s and are active contributors in S-D logic. Currently, service marketing and management, whether put forward as S-D logic or service logic (Edvardsson et al., 2008; Grönroos, 2008), is under active debate and development, with various articles being published in academic journals. Next, S-D logic will be discussed.

1.2.3. S-D logic

Since 2004, the development of service marketing and management has been especially active within the research stream of service-dominant (S-D) logic. The argument by Lusch and Vargo (2006) is that there should not be separate marketing theories for goods and service; instead the whole economy is a service economy, where the foundation of all business is service experience (Lusch and Vargo, 2006). The omission of the final “s” indicates a change in ontological orientation. Vargo and Lusch (2008b, p. 28) argue that in S-D logic, ‘services’ becomes a goods-dominant (G-D) logic term as it is referred to as a type of intangible product. Accordingly, in S-D logic services is used to highlight specific types of services; but in general S-D logic refers to service as the foundation for all business and products are part of the phenomenon of service. Vargo (2007, p. 106) notes that the unifying paradigm with S-D logic is the co-existence of service and goods with a common purpose, i.e. service. The research orientation in the service-dominant view is different compared to the earlier product dominant view. Service orientation expresses itself in the experiential orientation instead of the positivist or resource-based orientation, which earlier dominated the discipline of marketing (Schembri, 2006). A revised version of the foundational premises was published in 2008 (Vargo and Lusch, 2008a). The revised premises are more phenomenological (i.e. experiential) in their research approach. Vargo and Lusch (2008a) state that they have used both phenomenological and experiential meaning the same with the prerequisite that experiential does not only refer to hedonic service, such as the Disney World experience. In S-D logic, this thesis mostly refers to the article published in 2008 in the *Journal of Academic Marketing Science* (Vargo and Lusch, 2008a) that presents the current version of the foundational premises of S-D logic.

The 2004 article “Evolving to a New Dominant Logic for Marketing” in the *Journal of Marketing* presents eight foundational premises. The article generated an active discussion among scholars and since that numerous articles and books have been

published discussing S-D logic. Seven commentaries by prominent scholars in the same *Journal of Marketing* issue started the dialogue. In their 2004 article, Vargo and Lusch call S-D logic ‘service-dominant (S-D) logic of marketing’. However, in the (2008a) article “Service-dominant logic: continuing the evolution” Vargo and Lusch call the approach ‘service dominant (S-D) logic’ and note that S-D logic is not only applicable to marketing. They further state that S-D logic of marketing is “a specific application of the logic” and that S-D logic “is a generalisable mindset from which a general theory of the market can be developed” (Vargo and Lusch, 2008a, p. 3). Vargo and Lusch (2008a) also highlight S-D logic being a potential framework for a non-profit marketing, such as public service in this thesis. An extension outside the field of marketing is co-operation with Vargo and Jim Spohrer, director of Almaden Services Research at IBM’s Almaden Research Centre that has resulted in a stream of research called service science (Young, 2007). SSME is the application of Service Science, Management, and Engineering that one organisation performs individually and with other organisations and stakeholders. SSME attempts to bridge education and research with the focus on service innovation and development (Hefley and Murphy, 2008.) S-D logic has also been referred to as service logic for marketing (Edvardsson et al., 2008; Grönroos 2008). Service experience is one of the focal constructs in S-D logic (Lusch and Vargo, 2006; Schembri, 2006; Vargo and Lusch, 2008a).

S-D logic has shown interest in value research and has moved from competences to resources and further to phenomenologically determined value. In their earlier 2006 version of the foundational premises, Vargo and Lusch (2006) emphasised the dominant role of a service provider in the ninth foundational premise: “organisations exist to integrate and transform microspecialised competences into complex services that are demanded in the marketplace” (Vargo and Lusch, 2008a, p. 7). The 2008 modified version of the ninth foundational premise emphasised the social level of value co-creation from a resource-based view “all social and economic actors are resource integrators” (Vargo and Lusch, 2008a, p. 9). The tenth foundational premise added to the 2008 version introduced the phenomenological approach. The phenomenological approach in research has been emphasised in Europe in interpretative consumer research and in the USA in the Consumer Culture Theory (CCT). Vargo and Lusch (2008a, pp. 4 and 7) refer to Arnould (2006) and Penaloza and Venkatesh (2006) and indicate that they have adopted a more phenomenological approach in their 10th foundational premise “Value is always uniquely and phenomenologically determined by the beneficiary”. Vargo and Lusch (2008b) posit that experienced value is uniquely determined by the beneficiary not just while using the service, but in his or her wider phenomenological context that extends beyond a specific service and service network. The phenomenological approach to value can be recognised in Vargo (2008) and Vargo and Lusch (2008b), who suggest that the term value-in-context as opposed to value-in-exchange describes service and its associated experience the best. Vargo (2008, p. 213) indicates that S-D logic has recently suggested the term value-in-context, whilst “the term value-in-use, although clearly an improvement over value-in-exchange, again represents, though rather subtly, a G-D logic influence.”

The link between CCT and S-D logic has been emphasised by Arnould (2006) as a natural alliance in an emerging paradigm as CCT emphasises research on consumers in a context. Both S-D logic and CCT adopt experiential and phenomenological approach. Though, as CCT focuses on consumers’ experiences, S-D logic puts forward that all beneficiaries experience the service and integrate resources (Belk and Sherry, 2007; Vargo and Lusch, 2008a).

S-D logic, at present, reflects conceptually the phenomenological approach especially in the newest, tenth foundational premise (Vargo and Lusch, 2008a, p. 7) and with the statement that service, understood as an experience, is the basis for all business and presented in the foundational premises (Lusch and Vargo, 2006; Vargo and Lusch, 2008a). An individual's experience of service, in this study put forward as service experience, has been conceptually introduced in S-D logic based on the phenomenological approach (Schembri, 2006; Lusch and Vargo, 2006; Vargo and Lusch, 2008a, Vargo, 2008). However, the concept of service experience has not been thoroughly characterised conceptually or with the support of empirical studies. Schembri (2006) has criticised S-D logic for being phenomenological in approach but mostly being supported by rational logic. O'Shaughnessy and Jackson O'Shaughnessy (2009) have criticised S-D logic for presenting a single, unitary perspective for marketing and argue that there is a need for multiple perspectives and methodological pluralism that it implies. At the same time, S-D logic has encouraged a co-creational aspect in development of its mindset (Gummesson, 2006). Multiple perspectives, in turn, could result in ambivalent constructs and findings in case the concepts are not explicit and discussed in articles and other academic writings. The brief history of value characterisation in S-D logic above indicates that S-D logic presents multiple perspectives instead of a single, unitary perspective. The thesis argues that the challenge is not the lack of different perspectives but rather the tradition in marketing not to conduct a thorough discussion about its main concepts (Skålen et al., 2008).

Vargo and Lusch (2008a) encourage open-source evolution in S-D logic, where S-D logic can be refined and developed through subsequent work by other scholars. In fact, since 2004, Vargo and Lusch together or separately have published ca. 30 articles or books with the S-D logic mindset. Researchers from different streams of research have presented their ideas in articles and book sections. S-D logic has its foundation based on previous research. One of the essential cornerstones of S-D logic is service marketing, as developed in the Nordic School of Marketing and services marketing as developed in the USA (Vargo and Lusch, 2008b). Nordic School of Marketing has emphasised the network nature of service that is also inherent in S-D logic (Vargo and Lusch, 2008b).

At this stage, it is important to note that the thesis relates to S-D logic, service innovation and service marketing and management based on the phenomenological approach and does not attempt to cover the entire streams of research included. S-D logic has emphasised its process orientation e.g. in the characterisation of 'service' (singular – a process) and distinction from 'services' (plural – output) (Vargo and Lusch 2004b; 2006; 2008a). The phenomenological approach becomes explicit in relation to value, which is experienced phenomenologically (Vargo and Lusch, 2008a). Figure 3 below presents the focus of the study and the different streams of research it relates to. This study addresses itself to service experiences and contributes to S-D logic and service innovation as a context. In Figure 3, S-D logic is highlighted as the thesis focuses on the phenomenological approach in S-D logic.

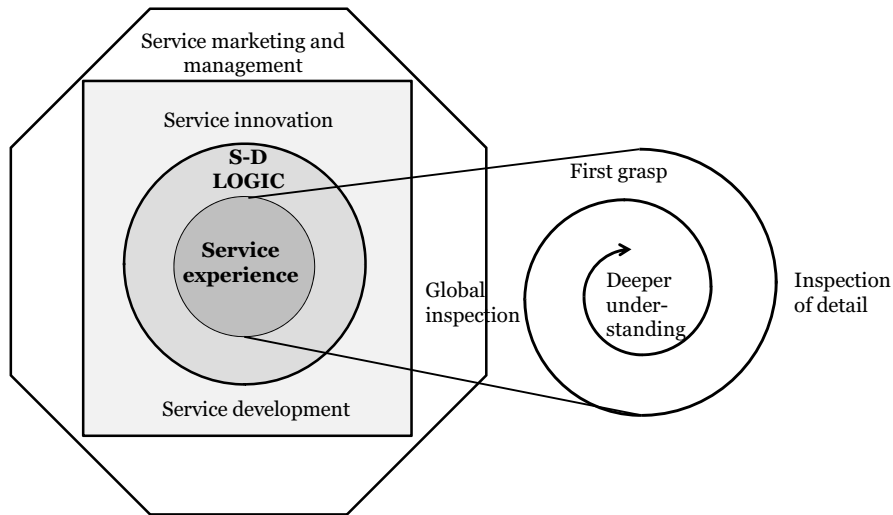


Figure 3 Streams of literature related to characterising service experience based on the phenomenological approach in an innovation context. (The spiral figure: Routio, 2004.)

To summarise the positioning of the study, an individual's experience of service, in this study put forward as service experience, has been conceptually introduced in S-D logic based on the phenomenological approach (Schembri, 2006; Lusch and Vargo, 2006; Vargo and Lusch, 2008a, Vargo, 2008). However, the concept of service experience has not been thoroughly characterised conceptually or with the support of empirical studies. In order to fill this gap, the thesis presents empirical studies, where the phenomenological approach of service experience is analysed in an innovation context and development. The wider framework for the study is service marketing and management. Service innovation and service marketing and management are used to support the contribution to S-D logic. The support from other streams is essential whilst S-D logic, so far, has mostly presented conceptual articles. The other streams of research are service marketing and management, as positioned in the Nordic School, and service innovation and development, which is the context in the empirical cases. Until now, studies within S-D logic have mostly been conceptual and there is a scarcity of empirical studies. This thesis aims to contribute to the empirical gap by presenting eight empirical case studies.

1.3. Purpose of the thesis and research questions

The research process started with a literature review.

Essay 1: The purpose of Essay 1 was to characterise the concept of service experience in relation to previous research. Essay 1 focused on the following research questions:

- How has the concept of service experience been characterised in the recent literature?

- How do these various characterisations of service experience relate to previous research?

In earlier service marketing research, the studies tended to take the service provider's perspective to service experience, even when it was claimed that they took the customer's perspective. Therefore, the service provider analyses service through the lens of the customer: what we, as the company, offer to the customer or how we interact with the customer. This will be discussed closer in Chapter 2, 'Service experience as a research area'.

As opposed to the service provider's perspective to customer's service experience, this thesis is interested in examining how individuals, in this thesis the customers and service provider representatives, experience service in their own lived and imaginary realm. In phenomenological terms, this thesis is interested in individuals' service experiences within their lifeworld. S-D logic has conceptually recognised the phenomenon of service experience. However, the phenomenon of service experience has not been properly characterised and there is a scarcity of empirical studies.

The thesis: Based on the gaps in research, *the theoretical purpose of the thesis is to characterise service experience based on the phenomenological approach* and thus contribute to S-D logic. In order to do so, an additional methodological purpose was formulated: *To find a suitable methodology for analysing service experience based on the phenomenological approach.*

Based on the emergent findings in the literature review, the following main research question was formulated for the whole thesis:

- **How can service experience be characterised based on the phenomenological approach?**

In order to answer the main research question, a suitable methodology was needed for the empirical studies. Therefore, an additional research question was formulated for methodological purposes:

- What is a suitable methodology for analysing service experience based on the phenomenological approach?

Table 2 **The theoretical and methodological purpose of the thesis**

	Purpose		Contribution	To
Theoretical purpose	To characterise service experience based on the phenomenological approach.	→	Characterisation of service experience based on the phenomenological approach.	S-D logic and service innovation
Methodological purpose	To find a suitable methodology for analysing service experience based on the phenomenological approach.	→	To present a new, combined project technique: Event-Based Narrative Inquiry Technique (EBNIT).	S-D logic and service innovation

Essays 2 to 4 contribute to the main research purpose and take either the individual customers' or individual service providers' perspective.

Essays 2 to 4: The essays together with the summary address the purpose of the whole thesis, which is to characterise service experience based on the phenomenological approach. The sub-purpose of Essays 2 to 4 is to characterise customers' and service managers' service experience based on the phenomenological approach. In addition, Essay 3 focuses on the methodological purpose and Essay 4 focuses on the nature of customer service experience and customer perceived value from the phenomenological approach.

In order to answer the main research questions, the following sub-questions were formulated:

- How can customers' service experience be characterised based on the phenomenological approach? (Essays 2 and 4)
- How can managerial service experience be characterised based on the phenomenological approach? (Essay 3)

The methodological purpose was to find a suitable methodology for analysing service experience based on the phenomenological approach. Essay 2 answers the methodological research question "What is a suitable methodology for analysing service experience based on the phenomenological approach?" by introducing the new, combined Event-Based Narrative Inquiry Technique (EBNIT). EBNIT is used in the empirical studies in Essays 2 to 4. The narrative inquiry technique is a type of case-centred research. The cases present how individuals have experienced service in different innovation contexts as customers or service managers, who are part of social groups, such as Web communities, organisations and public organisations. Accordingly, the context of service innovation and development is event specific and justified by an individual in the individual's lifeworld (cf. Webster and Mertova, 2007, p. 96; Porter, 1995).

In addition to contributing to S-D logic, the thesis contributes to service innovation by characterising service innovation based on the phenomenological approach. Phenomenology will be discussed more in the section 'Positioning of the study'. Von Hippel (2005) proclaims that innovative ideas tend to come from customers or such people, who interface with customers. Such middle-level managers and front-line managers, who have a close working-relationship with their customers and thus are able to interpret front-line customer experience, are interesting for service innovation researchers (Bitrain and Pedrosa, 1998). Kristensson, Magnusson and Matthing (2002) indicate that innovative ideas are the foundation for innovation.

With the recent development of the Internet and Web 2.0, the phenomenological approach in characterising service experience in the context of service innovation and development is topical. Tekes – the Finnish Funding Agency for Technology and Innovation has chosen the end user experience in service innovation as the theme for 2008. Tekes is the main public funding organisation for research, development and innovation in Finland. The research includes four essays, which pay attention to different aspects of the purpose of the research.

1.4. Research process and cases

The process of the research includes the summary and four essays. The essays will be summarised in the chapter "Findings and implications of the essays".

Essay 1 provides the conceptual framework in analysing the concept of service experience. The literature research in Essay 1 identified three categories of how to define the concept of service experience: phenomenological, process-based and outcome-based. These will be discussed in more depth in the chapter “Service experience as a research area”. From Essay 2 onwards, the thesis focuses on the phenomenological approach.

In Figure 4 below, the process of the research is presented.

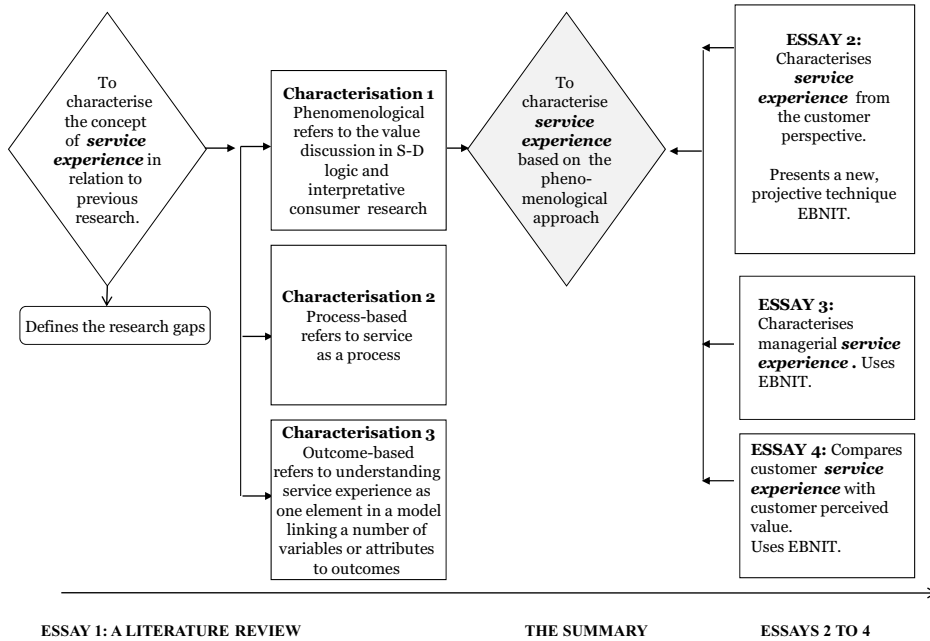


Figure 4 The process of the research, including the summary and essays

The early service innovation studies mostly focused on the dissemination of technological innovations in the service sector rather than on services as an arena for the creation of innovations (Gallouj and Weinstein, 1997). The broad view of innovation, which has gained ground since the end of the 1980s, has essentially contributed to the ‘discovery’ of service innovations. Along with this view, innovations emerging in the context of everyday business activities have come to the fore, and the focus has broadened from radical technological inventions to many types of renewals (Schienstock, 1999). To date the ‘discovery’ of service innovations in the public sector has gained limited attention. In order to offer a broader understanding of service experiences in an innovation context, this study covers private and public service providers, high and low-tech service innovations.

Table 3 The empirical part of the thesis presents eight cases

	Essay 2: customers' experiences	Types of narratives	Tekes funded
Case 1	Mobile service	Interviews	
Case 2	Location aware service	Interviews	x
Case 3	Web 2.0 service, linked to an event	Interviews	x
	Essay 3: service managers' experiences		
Case 4	Local kindergarten	Interviews, drawings and project reports	
Case 5	Local health centre	Interviews, drawings and project reports	
Case 6	Local kindergarten	Interviews, drawings and project reports	
Case 7	Cultural service of the city	Interviews, drawings and project reports	
	Essay 4: customers' experiences		
Case 8	iPhone service	Blog postings	

The narrative inquiry technique is in general a type of case centred research technique. Therefore EBNIT, as case studies in general, is interested in the study of the particular. Accordingly, the thesis examines individual service experiences, which are embedded in specific individual and social lifeworld contexts. Analytic methods in the narrative inquiry technique are suitable for interpreting many kinds of narratives, such as oral, written, and visual (Riessman, 2008, p. 11). The cases in this thesis include oral (Essays 2 and 3) and written narratives (Essays 3 and 4). The choice of cases has partly been based on empirical working experience (Essay 3), the research projects I have been involved in (Essay 2) and have partly been a conscious choice in collaborative research projects (Essay 4). An important criterion is to have access to the storytellers and be involved in the service setting. The customers are in different types of Web 2.0 service in Finland and in the UK. The service managers are customer interfacing service managers in the public service sector in Finland.

All cases contribute to the theoretical purpose of the thesis to characterise service experience based on the phenomenological approach in the context of service innovation. In addition, they all add to the methodological contribution of the thesis to present a new, combined projective technique, which is put forward as the Event-Based Narrative Inquiry Technique (EBNIT).

Service experiences of different types of innovations are presented in the essays: high-tech and low-tech, information and entertainment based, as well as private and public service innovations. Figure 5 discusses the cases in different essays in relation to experiences in the private versus public and high versus low-tech service sectors. The high-tech private sector presents customer service experiences with Web 2.0 and mobile service innovations. Public service is presented with managers' service experiences with the high-tech and low-tech service innovation. So far, focus on the public service sector has not been popular in innovation studies. Private service providers' service experiences in the low-tech service sector are discussed in Essay 1, which is a literature review. The often cited article by Arnould and Price (1993) about white water river-rafting experiences of customers and guides is one of the central references of the thesis and presents the service experiences of river-rafting guides in the low-tech sector.

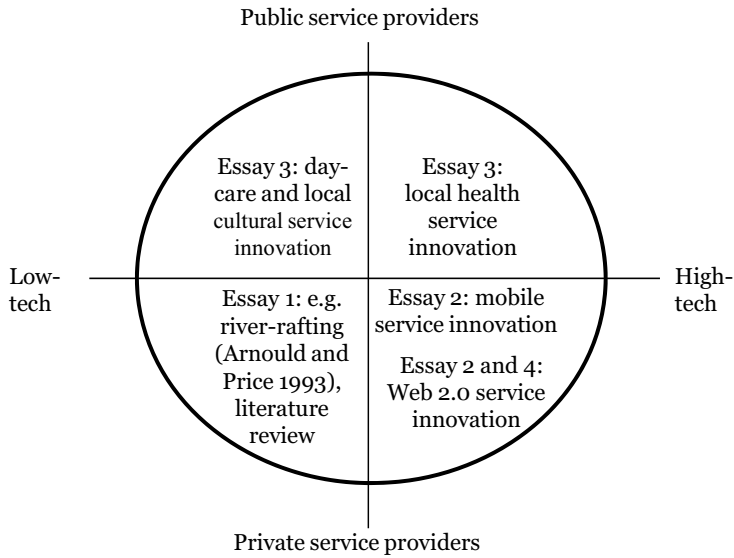


Figure 5 Types of service, where service experiences with innovations took place

1.5. Service experiences of different types of innovations

The research of service experiences has been criticised for its focus on specific types of service, such as hedonic service (Carù and Cova, 2003). However, the review of the use of the concept of service experience shows that service experiences cover the wide spectrum of different kinds of service and do not relate anymore to only hedonic service or traditional face-to-face service (Essay 1). In addition, the emergence of social networks operating in Web 2.0 based collaborative platforms have changed the service sector from being face-to-face oriented. Web 2.0 based social service systems are people-oriented but not face-to-face oriented in a physical way.

The essays involve examples from the Web 2.0 types of service as well as traditional healthcare and social services in the public sector. Even if they are considered very different types of service, they have in common the fact that people experience service individually and socially. The types of service analysed in this thesis are shown in the table below and described in the next chapters.

Table 4 The different types of service studied in each essay.

Essay	Type of service
1	All types
2	Web 2.0 service, including mobile service and location aware service
3	Public service in the municipal sector: day-care service for children, local cultural service, local health service

4	Web 2.0 service, iPhone mobile service
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Next, the nature of Web 2.0 based service, mobile service, location aware service and public service in the municipal sector will be discussed briefly.

1.5.1. Web 2.0 and public service

The application areas for the phenomenon of service experience include different types of service.

Web 2.0 based service

Web 2.0 describes the second-generation use of web applications, sites, companies and attached service that accents openness, community and interaction (Millard and Ross, 2006). The trend in the use of the web is to enhance creativity, information sharing between people and creating content together with others. In this thesis, the types of service analysed are location aware service and Web 2.0 service that are linked to different types of social events in Essay 2. The social online services involved in this thesis include those such as Facebook, LinkedIn, MySpace, IRC Gallery, photo sharing (Flickr, Picasa web) and video sharing (You Tube, Google video). The common feature is that they are all used to save and share user created content. These services are used increasingly in an event context to socialise and share experiences.

Mobile service

Mobile service can be understood from a narrower perspective as a form of service, which is operated through different types of cordless networks. In this thesis, mobile service is understood in its broader view as business, which is not limited to a specific geographical place or time. Mobile service content has rapidly developed from text-based content into multimedia solutions for different types of customer needs, such as games, point-of-interest and route guidance and mobile paying (Steinbock, 2005). In this thesis, Essay 2 presents a case of customers' experiences in versatile mobile service and Essay 4 presents a case in the iPhone service. To date, a major proportion of mobile services belong to Web 2.0 based service.

Location aware service

The location aware service actually belongs to the Web 2.0 service sector, but will be discussed here separately. The location aware service has until now been called the location based service. It consists of different types of service, in which location data is utilised as a relevant element of the service and its applications. The biggest percent of the location aware service is utilising mobile phones combined with digital maps. Other service applications include the vehicle location and telematics services. At the moment, the mobile industry considers that the location aware service will become the new mega trend, which utilises mobile communications and Internet. (Maass, 1998.) Customers' experiences with the location aware service have been analysed in Essay 2 in Case 2. The service in Case 2 is designed for managing vehicle fleets or individual vehicles such as company cars and include service applications, e.g. drivers' automatic log books.

Public service in the municipal sector

The public service sector in Finland covers that service, which is provided by the government or the municipalities. As a broader concept, it comprises companies and organisations, which are owned by the public sector. In 2007 the share of the public service sector in Finland was 17 % of the GNP compared to a 47 % share for the private service sector (Tilastokeskus, 2009). Despite the important role of the public sector, service development literature has not focused on it. Most of the studies focusing on the public service sector, are quantitative studies with large samples, such as a study on public transportation (Björlin-Lidén and Edvardsson, 2003). Essay 4 analyses the phenomenological service experience focusing on service managers as experiencing subjects. The types of service analysed are day care service for children, local healthcare and municipal cultural service. They are not examples of hedonic service but rather are considered examples of everyday service.

The next chapter discusses how the concept of service experience has been characterised in the literature. Moreover, the gaps in the literature will be discussed.

2 SERVICE EXPERIENCE AS A RESEARCH AREA

This chapter presents a brief history of service experience, describes the literature review and analyses the gaps in the research. Thereafter, the different types of characterisations of the concept of service experience and the characterisations of the phenomenon of service experience in relation to previous research will be examined.

2.1. A brief history of service experience

The history of service experience is relatively short in service marketing and management. Even if experiences have their roots in 18th century romanticism (Carú and Cova, 2007), they were nearly omitted in the goods-dominant (GD) marketing strategy that dominated for decades during the latter half of the 20th century. The 4 Ps (McCarthy 1960), which Kotler made popular, focuses on product specific features and the optimal management of marketing functions. The mainstream approach has been based on the existing goods-dominant (G-D) marketing knowledge, such as marketing mix, management, function, department and planning (Grönroos, 2007). Marketing was aiming to establish itself as marketing science, and the definition of science was adapted from natural sciences. This resulted in research, which aimed at finding the objective truth and categorisations of variables. (Hunt, 1994; Fisher, 2004.)

In addition to the mainstream marketing, specific streams of research adopted alternative approaches in their studies. The concept of service experience has been a topic in recent research in marketing since the pioneering article of Holbrook and Hirschmann (1982), where service was understood as hedonic, extraordinary service. Research on experiences in the service marketing setting has had some challenges in establishing itself in academic society. Consumer research that focuses on individual and subjective consumer experiences has different streams. In Europe, researchers e.g. Carú and Cova use the label interpretative consumer research; whilst in the USA, consumer research focusing on experiences is called Consumer Culture Theory (CCT). Additionally, service experience has been claimed for many and versatile concept characterisations (Carú and Cova, 2003) and criticised for referring dominantly to extraordinary and hedonic consumption and the 'Disneyworld effect' (Vargo and Lusch, 2008a).

Apparently, due to not being put under discussion in the research community, service experiences were not emphasised as the core of marketing until Vargo and Lusch introduced service-dominant (S-D) logic of marketing in the *Journal of Marketing* in 2004. Ever since the opening article in 2004 (Vargo and Lusch), many prominent researchers have actively developed S-D logic and multiple articles have been published in the prominent journals. Nevertheless, the Nordic School of Marketing implemented the service-dominant focus already in the 1970s (Gummesson, 1978; Grönroos, 1978). The Nordic School of Marketing understands the phenomenon of service in its marketing context as the foundation of research. The essence of the Nordic School of Marketing is present in the cornerstones of S-D Logic as they highlight the importance of service relations, processes and integration to strategy. S-D logic also gives prominence to value-in-use and value-in-context in a network constellation compared with the value-in-exchange that has been typical of G-D (goods-dominants) logic (Vargo, Maglio and Akaka, 2008).

Skålen et al. (2008) emphasise the importance of transparent concept characterisations in marketing in order to support further research. Therefore, the conceptual groundwork for the thesis is based on the literature review that analyses how the concept of service experience (i.e. experience in a service setting) has been characterised in recent research. The review is presented in Essay 1. The concept analysis of 58 articles and two books shows that many articles (28/60) use the concept of service experience without characterising it properly. Even if customer service experience is addressed in research, the characterisations are vague, which means that the characterisation is attached to other concepts or just introduced briefly. In many articles, the ontological and epistemological approach is not questioned or thoroughly discussed. Marketing has more or less been perceived as a practice and not as a discourse, where its foundations and concepts are critically discussed (Skålen et al., 2008). Nevertheless, at the present stage, marketing is facing a paradigm change, which has been emphasised by a shift from G-D into S-D logic (Vargo and Lusch, 2008b). The change has been in process especially in the Nordic School of Marketing already since the end of the 1970s as stated by Grönroos (2007) in his book “In search of a new logic for marketing: Foundations of contemporary theory”. Furthermore, the change has been emphasised during an active co-creation and discussion in marketing research. The active transition has taken place since the pioneering article, “Evolving to a new dominant logic of marketing” in the *Journal of Marketing* by Vargo and Lusch (2004a). The (2008a) article by Vargo and Lusch in the *Journal of the Academy of Marketing science* “Service-dominant logic: Continuing the evolution”, has emphasised the phenomenological approach in its 10th foundational premise.

2.2. A literature review

The literature reviewed in this article was gathered in two phases. The first phase was based on 54 full scientific articles in the domain of service marketing from 1 January 2005 to 31 December 2007. The articles were scanned from ABI/Proquest, Business Source EBSCO, and Emerald. The criterion was to have the concept ‘experience’ in the title of the article. The additional search criteria for the domain of service marketing were slightly different due to the different search options of the databases. The additional criteria were ‘service’ in the citation and abstract and ‘marketing’ in the citation and document text (in the ABI/Proquest database), and ‘service’ and ‘marketing’ in the abstract (in the EBSCO and Emerald databases). From the original database sample of fifty four articles twenty eight articles were excluded because they did not characterise the concept of service experience or referred to it as a common word ‘to know’ or ‘to learn’ even if they mentioned ‘experience’ in the title. Due to the lack of characterisations, further literature was added. The criterion for the additional references is that they are central to the concept of service experience. The following authors were cited in the scanned articles: Arnould and Price (1993) five times and Pine and Gilmore’s book (1999) three times. Furthermore, four more references were added: Holbrook and Hirschman (1982) and Prahalad and Ramaswamy’s book (2004) because of their influence on characterising service experience as the locus of business and consumption. Schembri (2006) and Vargo and Lusch (2008a) were added, as they are the key articles in discussing the concept of service experience in S-D (Service-Dominant) logic. A thorough description of the review process is presented in Article 1.

The articles in each category were characterised with content analysis according to how the authors characterised service experience. The choice of studies and further details are described in Article 1 “Characterising the concept of service experience”. In the literature review, three main characterisations were identified: phenomenological

service experience, process-based service experience and outcome-based service experience. The characterisations were based on how the authors characterise the concept of service experience.

2.3. Research gaps

The complete lists of authors, studies and characterisations are listed in Essay 1. Table 5 below illustrates the types of characterisations and their differences and shows how the authors operationalise their study. Characterising the concept phenomenological refers to understanding service experience as a phenomenon. Process-based characterisations of the concept of service experience refer to understanding service experience as a process and outcome-based refers to understanding service experience as one element in a model linking a number of variables or attributes to outcomes. Table 5 categorises features of the studies in relation to the type of the study, methodology, service context and who is the subject of experience (the one who experiences). This was related to recent literature in service marketing.

Table 5 **Comparison of the different approaches in characterising the concept of service experience**

	Phenomenological	Process-based	Outcome-based
Relates to	The value discussion in S-D logic and interpretative consumer research.	Service marketing that understands service as a process.	Understanding service experience as part of a causal model in which either the outcomes and/or antecedents of experience are measured or in which experience is posited as a moderating variable.
Scope and content of service experience	A subjective, event-specific, and context-specific phenomenon Simultaneously individual and social Can be a practical or imaginary encounter	Focuses on architectural elements (phases) and their order during the process of service. The transformation or change, such as learning, is emphasised.	Understanding service experience as one element in a model linking a number of variables or attributes to outcomes.
The context of service experience	Different kinds of events and service settings.	Different kinds of phases and service settings.	Different kinds of service settings.
Methodology	Mostly conceptual	Varies	Mostly surveys
Relation to time	A subjective experience of the flow of time.	Time and order of elements are usually included.	Focuses on measuring the attributes or variables (rather than a longitudinal process).
Subject of experience	Any relevant actor in the service encounter	Usually a customer	Focus on the aggregate data of multiple customers

Based on the review within the field of service marketing and management, four gaps motivate further research:

Firstly, there does not seem to be a common characterisation of the concept of service experience even if service experiences are as frequently discussed in research as in business. Hence, due to its central role in recent S-D marketing literature, there is a need for a characterisation of the concept. By recognising service experience as the foundation of all business, Lusch and Vargo (2006) strike directly at the core of marketing as a discipline. Marketing as a discipline has been criticised for not questioning its ontological and epistemological foundation (Skålen et al., 2008). The question whether products or service experiences are the basis of existence, is an ontological question and as such the researcher's choice of existence represents his or her own worldview. Do we live in a material world, which becomes real to us only by physical objects or otherwise statistically measurable variables? Positivist and realist research takes this position and thus the mainstream marketing has traditionally based its methodology on G-D logic (Fisher, 2004; Vargo et al., 2008). However, if we look at the basis of existence being experience, also products become part of our experiences and as such products only exist for us if we consciously or unconsciously experience them (Schembri, 2006).

Secondly, the literature review shows that there is lack of empirical studies in S-D logic for characterising the phenomenological service experience. In case we consider service experiences as the foundation of all business, it is essential to understand how service experiences are characterised in research. Further research can be based upon this understanding. The importance of greater in-depth understanding of service experiences has been acknowledged by several marketing researchers (Carù and Cova, 2003; Vargo and Lusch, 2008a). S-D logic has led marketing thought and practice to focus on issues such as phenomenological methodology in marketing (Schembri, 2006), balanced centrality of service co-creation (Gummesson, 2008) and how customers view perceived value (Vargo et al., 2008).

Thirdly, current studies mostly examine customers' experiences. Service experiences of other beneficiaries have not been focused on in research. S-D logic considers the service phenomenon to be a social phenomenon, where all beneficiaries have individual experiences (Gummesson, 2008; Vargo and Lusch, 2008a). Therefore, service experience of other beneficiaries' than customers is interesting for further research.

Moreover, when seen from the phenomenological approach, both service experience and value perception are not thoroughly characterised, and therefore a clear difference between them has not been established (Carù and Cova, 2003; Sanchez-Fernandez and Iniesta-Bonillo, 2007; Vargo and Lusch, 2008a). Specific streams of research seem to favour them differently. While service marketing and management in the Nordic School approach tend to refer to the perception of how a "customer perceives the value" (Grönroos, 2004), S-D logic refers to phenomenologically determined value and indicates value creation "being phenomenological and experiential in nature" (Vargo and Lusch, 2008a, p. 2). Therefore, in analysing the concept of service experience based on the phenomenological approach, it is also important to compare the holistic concept of service experience with closely related concepts and analyse their differences and interdependencies. Based on the phenomenological approach, both the phenomenon of service experience and the phenomenon of value belong to the concepts in S-D logic, which have been characterised in many and variable ways. Hence, clarity is needed to differentiate these concepts. Service experience as a holistic concept is better comparable to other holistic S-D logic concepts, such as customer

perceived value. Understanding how to characterise the concept of service experience is essential for analysing service experience.

The discussion of the phenomenon of service experience has outlined the existence of research gaps within the service marketing and management research. Table 6 summarises the gaps and essays related to the gaps.

Table 6 **The gaps found in research**

Research gap 1, examined in Essays 1-4
The phenomenon of service experience is not well characterised in recent research of service marketing. In the studies, which deploy the concept of service experience, the approach is often inadequately discussed or not discussed at all.
Research gap 2, examined in Essays 2-4
There is lack of empirical studies in S-D logic to characterise the phenomenological service experience.
Research gap 3, examined in Essay 3
Service experience is mostly considered customers' experiences. Service experiences of other beneficiaries have not been focused on in research.
Research gap 4, examined in Essay 4
Based on the phenomenological approach, both service experience and customer perceived value belong to the concepts, which have been characterised in many and variable ways. Hence, clarity is needed to differentiate these concepts.

Next, the three categories for characterising the concept of service experience will be discussed separately. After this review, based on the review and the above mentioned gaps, the thesis focuses on the phenomenological service experience.

2.3.1. Phenomenological service experience

The main focus of phenomenological service experience is on the individual experiences of service, which are internal, subjective, event and context specific. Even if the service experiences are individual, they are at the same time social as people do not live in isolation. The connection with the service can be direct or indirect. The indirect connection relates to connections, where the individual has not been in contact with the service provider or used the service. (cf. Meyer and Schwager, 2007). Accordingly, service experience can be a practical or imaginary encounter, which does not need to have an external replica. An individual can be any relevant actor in the service phenomenon, such as a customer or service provider representative. The phenomenological characterisation of the concept of service experience considers time as a potential flow that is a subjective experience of time (Carù and Cova, 2005 referring to Csikszentmihalyi and Robinson, 1990). The context of service experience includes different kinds of events and service settings, even if the phenomenological service experience has earlier been criticised for focusing on hedonic service (Carù and Cova, 2003).

The authors (18) in the literature review, who characterise service experience as phenomenological, consider it as a subjective, relative phenomenon (see Essay). This subjective phenomenon is specific to an individual and situation. An important trigger to individual service experience is interpersonal interaction. This means that experiences are not only subjective but also relational and as such social and intersubjective. (Pullman and Gross, 2004, pp. 555-556; Löbner, 2008.) These characterisations are parallel with the characterisation provided by Holbrook and Hirschman in their pioneering article “The experiential aspects of consumption: Consumer fantasies, feelings, and fun” Holbrook and Hirschman (1982). The authors (1982, p. 132) characterise experience as a “primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses and aesthetic criteria”. Recent research in service marketing has brought up characterisations that reflect understanding more than objective observing. The authors also tend to show interest in discussing the characterisation of the concept of service experience.

At this stage, it is important to note that the phenomenologically determined characterisation of the concept of service experience considers time as a potential flow, this being a subjective experience of time (Carù and Cova, 2005 referring to Csikszentmihalyi, 1991). In line with that, the present, past and future are constructed by the individual service experience, which is always intertwined with the social service experience. In addition, service experience is cumulative in nature, which means that the present and future might change our understanding of the past experience and vice versa. In conclusion, even if phenomenological service experience is time specific (Schembri, 2006), it is not ruled by the linear understanding of time. For example, in their understanding of service experience, customers are able to experience the future, imaginary service experience. According to Pine and Gilmore (1999), service experience is always true to itself and as such, future service experience is true in case the customer it so experiences.

Phenomenological service experience: The type of study, methodology and the context

There are many articles, which characterise the concept of service experience at a conceptual level without any empirical study (10/18 articles). This scarcity of empirical studies that might derive from not being done or being published as the dominant tradition in marketing favours generalisable empirical studies that rely on large amounts of samples (Fisher, 2004). Nevertheless, many of the conceptual studies are key articles and frequently referred to in the literature of the service experience. Below, the conceptual articles in the category of phenomenological service experience are listed with their input to the development of service marketing.

Table 7 **Conceptual articles, which characterise the phenomenological service experience**

Author(s)	Importance of the article
Holbrook and Hirschman (1982)	Made the concept of service experience a topic in service marketing literature.
Prahalad and Ramaswamy (2004)	Emphasise the co-creation of service experience and look at it from the strategic management approach
Pine and Gilmore (1999)	Characterised service experience as the foundation of all business in their book “The experience economy”.

Schembri (2006)	Has influenced S-D logic by advocating for the phenomenological, experiential approach.
Berry and Carbone (2007), Millard (2006), Mosley (2007) and Rondeau (2005)	These articles originate from the database scan and discuss the concept of service experience in different contexts, such as loyalty, the 'wow-factor', total customer experience and brands.
Vargo and Lusch (2008a)	Have adopted service experience as a phenomenon into the foundational premises of S-D logic.

The complete list of conceptual and empirical articles, which characterise phenomenological service experience, is included in Essay 1.

In recent years, qualitative study methods that rely on individual experience have been developed, and as such offer potential for empirical studies in service marketing with the phenomenological approach. The studies that characterise the phenomenological service experience use multiple methods and are often qualitative.

The operationalisation of the concept of service experience in different contexts is interesting, since this category has been the origin of research on service experience and has mostly focused on hedonic research. Still in this category almost half of the empirical studies focus on hedonic research (5/8 articles, i.e. Arnould and Price, 1993; Carù and Cova, 2005; Chen, Zhang, Yuan, Huang, 2007; Greenwell, Lee and Naeger, 2007; O'Donohoe and Turley, 2007). Additionally, other types of service setting are also included, such as high-tech systems, e-commerce and financial service (see Essay 1).

Phenomenological service experience: The role of the experiencing subject

Most of the articles, which take the approach of service experience as a phenomenon, refer to individual customer experience. Furthermore, the phenomenological approach of service experience is individual and social at the same time. This is due to the conception of individual service experience taking place in co-creation with other people in social experience networks (Pine and Gilmore, 1999; Prahalad and Ramaswamy, 2004; Schembri, 2006). Prahalad and Ramaswamy (2004, p.10) interestingly picture service experience within a multi-stake network, where personalised experiences are unique to each individual "at a specific point in time, in a specific location, in the context of a specific event".

In S-D logic, the one who experiences service is theoretically any beneficiary in the service phenomenon. Vargo and Lusch (2008a, p. 2) indicate that they use 'actor', 'firm', 'provider', 'customer' and 'beneficiary'. Therefore, whether a beneficiary is an individual or group of individuals is not explicitly defined and can relate to an individual or group of individuals. Even if S-D logic does not clearly define whether a beneficiary is an individual or group of individuals, S-D logic clearly notes that in addition to customers, every individual, who interacts with the company, experiences the service in an individual way. In their 10th foundational premise, Vargo and Lusch state that "value is always uniquely and phenomenologically determined by the beneficiary" and further explain that "value is idiosyncratic, experiential, contextual, and meaning laden" (Vargo and Lusch, 2008a, p.7). Accordingly, S-D logic reflects the phenomenological approach, and theoretically allows all actors to experience the service by being intraconnected in the most complex ways.

A personalised service experience can occur in co-creation with other stakeholders through heterogeneous interactions (Prahalad and Ramaswamy, 2004). However, so far service marketing studies have mostly considered customers as those, who experience service. This identifies an interesting gap and possibility for further research in S-D logic.

2.3.2. Process-based service experience

The process approach emphasises the architectural elements and their order during the process of an action (Toivonen, Tuominen and Brax, 2007). The order does not always have to be linear and sequential. The main focus is on the architectural elements (phases) of the service experience process, where service experience is embedded. The time and order of elements are usually included and transformation or change, such as learning, is emphasised. The individual who experiences is mostly a customer. The context of service experience includes different kinds of phases and service settings.

In service marketing, the process approach has been typical in the Nordic School of Marketing that understands relationships as the core of the phenomenon (Grönroos, 2007). S-D logic indicates that value is experienced phenomenologically (Vargo and Lusch, 2008). S-D logic presents service as a process in the definition of ‘service’ (singular – a process) and distinction from ‘services’ (plural – output) (Vargo and Lusch 2004b; 2006; 2008a). A relationship process is longitudinal and involves the time perspective. Process-based studies clearly take the time element into consideration and mostly measure it in hours, days or months.

Process-based service experience: The type of study, methodology and the context

The authors, characterisations, service settings and types of studies, which characterise the concept of service experience as a process-based phenomenon, are listed in Essay 1. The articles (7) in this category present an empirical study. The use of methods is more versatile in comparison with the other categories.

Table 8 **Methods used in studies, which characterise the concept of service experience as a process**

Author(s)	Context of the process	Method
Bassi and Guido 2006	TCustomers’ consumption experience is a complex and articulated process and must be viewed as a complex phenomenon.	Empirical survey of 50 consumers (convenience sample)
Coffey and Wang 2006	Students’ experience is characterised as a process with an introduction and implementation of a service-learning project (referring to experiential learning, Kolb, 1984 and service-learning, Bringle and Hatcher, 1996, p. 119).	Authors’ view of a service learning project in China
Curran-Kelly 2005	Learning experience process with undergraduate students (referring to McCann-Nelson et al., 1995).	Empirical case study

Edwards-son et al. 2005	Customers' stimulated preservice experience process in an IKEA experience room. Demonstrates how organisations can co-create value together with the customer (p. 149).	Empirical case study, observation, and interviews
Hong-Youl and Perks 2005	On-line customers' brand experience process using web-based communities and participating in events and perceptions with a specific website.	Empirical survey-based method
Hunter 2007	Academic service learning is "a method of student learning through active participation in organised experiences that meet community need". ELT experiential learning theory is "the process whereby knowledge is created through the transformation of experience" (Kolb, 1984) or the "theory of experience".	Empirical method, not named, a type of action research
Madsen and Turnbull 2006	Students' academic service learning as a form of experiential learning (referring to McCarthy and Tucker 1999).	Empirical, qualitative interview project using the phenomenological approach, type of case study.

Understanding the concept of service experience as a process has strong links to Experiential Learning Theory, which characterises the process "whereby knowledge is created through the transformation of experience" (Coffey and Wang, 2006, p.119 and Hunter, 2007, p. 88, referring to Kolb, 1984). The authors also refer to the Theory of Experience: Madsen and Turnbull (2006, p. 725) refer to McCarthy and Tucker (1999) in characterising academic service learning as "changing the way that professors view the connection between classroom pedagogy and learning. When the concept of service experience is seen as a process, the change or learning is highlighted as a longitudinal time context. Edvardsson, Enquist and Johnston (2005) characterise service experience as a service process that synthesises the customer's cognitive, emotional, and behavioural responses, resulting in a mental mark, a memory. In their characterisation, they refer to Johnston and Clark (2001).

In this category, the service setting often refers to learning (4/7 articles). In addition, purchase and consumption experience, lived and imagined, are analysed. While this category mostly focuses on BtoC, also CtoC service setting on the Internet is studied (Hong-Youl and Perks, 2005).

Process-based service experience: The role of the experiencing subject

The process approach is interested in the subject of service experience in a versatile way. The subject, in addition to an individual customer (Curran-Kelly, 2005; Madsen and Turnbull, 2006), is the average customer service experience (Bassi and Guido, 2006; Hong-Youl and Perks, 2005). Coffey and Wang (2006) tell their view of the student, community and faculty feedback in a service learning project in Macao, southern China. Action-research is process-based and interested in the solution, and Hunter (2007) emphasises the student and client learning experience. Edvardsson, Enquist and Johnston (2005) take also the experience of the service provider representatives into account.

Even if the authors in the process approach are interested in other than customer service experience, the main purpose of a service provider representative is to manage customer service experience. This has its background in service management. Service management has strong links to strategic management and is based on the scarcity of

resources and presents frameworks for how to systematically design customer experience, e.g. Storbacka et al. (2001).

2.3.3. Outcome-based service experience

Outcome-based service experience refers to understanding service experience as one element in a model linking a number of variables or attributes to outcomes. The focus is not on an individual person but on an aggregated, generalisable experience of multiple respondents. The outcome-based characterisation mostly focuses on the result instead of a longitudinal process. The context of service experience includes different kinds of events and service settings.

The literature review shows that 7 journal articles relate to the core of service experience characterised service experience as part of a causal model in which either the outcomes and/or antecedents of experience are measured or in which experience is posited as a moderating variable. It is noteworthy that either the characterisation of service experience is not thoroughly discussed and argued whether the attributes or variables are relevant or the service experience itself is not the focus of the study and thus not discussed in great depth. All articles in this category come from the database search.

Outcome-based service experience: The type of study, methodology and the context

Bel (2005) is a conceptual article, which characterises the concept of service experience as architectural elements of air travel experience and focuses on customer experience. The other (6) articles are empirical and mainly survey-based (see Table 9 below).

The dominance of quantitative studies has its foundation in the history of marketing research, which has been labelled by its attempt to become a science or at least a well-recognised school of thought (Sheth, Gardner and Garrett, 1998). The aim is to present results, which are verifiable and general and offer managerial implementations. The concept characterisation in marketing so far has favoured the realist research tradition, which focuses on generalisable truth claims and relies on surveys and quantitative methods.

Briefly presents the articles, which characterise the concept of service experience outcome-based and refer to understanding service experience as one element in a model linking a number of variables or attributes to outcomes. In addition to the context, the method the authors have used is listed. Essay 1 offers a more thorough explanation of this approach.

Table 9 **Empirical articles, which characterise service experience outcome-based**

Authors, year	Context of the outcome / attributes / variables	Method
Aurier & Siadou-Martin 2007	Relates service experience to causal links between perceived justice and service evaluation (perceived quality and value), satisfaction and relationship quality (trust and commitment) referring to a dining experience at a restaurant.	Empirical Experiment, scenario evaluation based on a script provided. 188 undergraduate students.

Bel 2005	Architectural elements of air travel experience	Conceptual
Doolin et al. 2005	Customers' Internet shopping experience related to perceived benefits, loss of social interaction. P. 72	Empirical Survey, 700 New Zealand Internet users
Flanagan et al. 2005	A set of elements which affect the service experience: accessibility, availability, communication, speed of response, empathy, attentiveness, commitment, care, courtesy, competence, commitment, action taken, encouragement. p. 381.	Empirical 4 focus groups, Members of the public who had limited contact and a significant encounter with the police.
Galetzka et al. 2006	Measuring service reliability and validity of search, experience and credence services.	Empirical Questionnaires with written scenarios, 118 customers. P. 271.
Holloway et al. 2005	Students' cumulative online purchasing experience, which will moderate the relationships between variables in the online service failure/recovery encounter. P. 56. References to Cadotte et al. 1987, Olson and Dover 1979, Parasuraman et al. 1985.	Empirical Survey-based method with 16 imaginary customer online shopping experiences with the hypothetical shopping scenario.
Menon & Bansal 2007	Consumer perceptions of their experiences of social power during service consumption. Experience is related to consumer cognition, expectations, emotions and expressions. P. 90. A range of services.	Empirical A self-administered survey (195 adult customers) with a mix of qualitative and quantitative measures.

As can be seen in Table 9 above, the service setting varies and is versatile. However, it mostly focuses on BtoC but also involves PtoC (Flanagan, Johnston and Talbot, 2005).

Outcome-based service experience: The role of the experiencing subject

Because the articles in this category characterised the concept of service experience in terms of overall outcomes, the focus is not on an individual person, but on the aggregated service experience of multiple respondents. The service provider is usually considered only in aggregate terms (such as an organisation or a unit). The outcome-based characterisations usually focus on the immediate result, rather than a longitudinal process. These types of studies rely on statistical methods and figures. Schwandt (2003, p. 319) and Fisher (2004, p.16) suggest that there is a tendency to categorise and label complicated phenomena. Before the phenomenon is understood, quantitative studies might be misleading.

2.4. The focus of the thesis: the phenomenological service experience

This section describes the choice to study the phenomenon of service experience based on the phenomenological approach. The Nordic School of Marketing has relied on qualitative studies at the stage of trying to understand the phenomenon of service in its marketing context. In his book "In search of a new logic for marketing", Grönroos (2007, p. 3) tells about his approach to research in the following way:

I did try to do a survey, but when I realised that the respondents, who for obvious reasons had the existing goods marketing logic in their minds, could not understand my questions very well, I decided to turn to an interpretative case study approach and qualitative interviews instead.

As an offspring of the Nordic School, I aim to analyse what service experiences should look like in order to fit the phenomenon of service rather than trying to analyse them with the existing G-D marketing models.

The research of the phenomenon of service experience is rather ambiguous and varies with different scholars and studies. Hence, the current status of service experiences and their characterisations can only be understood against the background of the history and approach of marketing research. Based on the previous discussion on research and my own practical experiences, as well as on the observations from the empirical cases, four drivers motivated me to examine service experience based on the phenomenological approach.

First, as a researcher, I understand that people base their subjective and situation specific experiences also on others' experiences, hence their experiences are not only intrasubjective. This understanding is based on the phenomenological approach that has been implemented in the social-constructionist approach (e.g. Schutz, 1967), where we do not experience phenomena in isolation. Accordingly, since people do not live isolated from the world around them, their experiences are also intersubjective (Schutz, 2008). This type of worldview leads to postpositivist epistemology, which recognises many alternative truths depending on the situation, context and individual and social perceptions. Context is not understood as a stable context but as an event specific context, which is justified by an individual. (Schwandt, 2003, pp. 307-308.) Löbner (2008) indicates that "in the phenomenological world, we do not perceive with our eyes, we perceive with our experiences". In other words, our current experience is not independent from our previous individual and social experiences, which function as the bedrock for our observations.

Second, the characterisation of service experience with the phenomenological approach has not been thoroughly discussed in S-D logic, even if S-D logic emphasises service experience as the foundation of all business. S-D logic was in its first article (Vargo and Lusch, 2004a) less phenomenological in approach when compared to the recent published articles. Schembri (2006) criticises the lack of the phenomenological approach in the 2004 article by Vargo and Lusch. Schembri argues that S-D logic attempts to implement an experiential approach, but argues its approach with rationalistic assumptions. Based on the critique by Schembri and other scholars, Vargo and Lusch (2008a, p. 4) indicate that they tend to make their experiential/phenomenological understanding more explicit in the revised version of the ten foundational premises of S-D logic. As a research student, I personally faced the challenge that S-D logic and service marketing and management research does not tend to make the research approach explicit or discuss thoroughly the foundation of its concepts.

Third, within the research stream of S-D logic, the research has mostly been conceptual and empirical studies are scarce.

Moreover, in addition to lived service experiences (e.g. Edvardsson, Enquist and Johnston, 2005), the phenomenological research presents imaginary service experiences (e.g. Pine and Gilmore, 1999), which also facilitate customer learning as they include experiential encounters with the service in question. Current and future service experiences are based on previous service experiences and as such include the time dimension. Interestingly, imaginary service experience affects perceived value (See Essay 4). Vargo (2008) and Vargo and Lusch (2008b) posit that experienced value is uniquely determined by the beneficiary not just while using the service, but in his or

her wider phenomenological context that extends beyond a specific service and service network. Tadajewski and Brownlie (2008, p. 15) refer to Firat (1985) and argue that in mainstream marketing, an individual is typically presented as 'homo-consumicus', and customers are seen from the consumer perspective.

Based on the previous research and my own experiences in service marketing and management in the context of innovation, the thesis approaches the study with the phenomenological view that relates to the social constructionist view (Schwandt, 2003; Lincoln and Guba, 2000). In line with that, the thesis argues that what we understand as knowledge and its characterisations has been individually and socially constructed in the world we exist in. We do not construct our interpretations in isolation but in the realm of shared understandings, practices and existing theories (Schwandt, 2003, p. 304).

To summarise, the thesis understands the individual, subjective and holistic service experiences as the basis of existence and as such represent the phenomenologically determined service experience. The eight case studies in the thesis contribute to the purpose of characterising service experience based on the phenomenological approach. Before presenting the methodology and the findings of the studies, the thesis discusses service innovation and development as a context based on the phenomenological approach.

3 SERVICE INNOVATION AND DEVELOPMENT AS A CONTEXT

In line with the phenomenological and narrative approach, the thesis understands context being event specific and justified by the individual in the individual's lifeworld, which is always socially constructed (Crossley, 2006b). Moreover, in the thesis the context is an innovation context as the customers experienced innovative service experiences with the help of a metaphor. The service managers experienced innovative service experiences while working in the service innovation and development projects. Therefore, the innovation context is social and relates to the individual's lifeworld, as opposed to being a stable context referring to a specific industry category or a technical attribute. The social context defined by an individual is typical of the narrative and phenomenological approach (cf. Webster and Mertova, 2007, p. 96; Porter, 1995).

Before putting forward the framework of service innovation based on the phenomenological approach, the thesis briefly reviews the current streams of research in innovation and service innovation. Thereafter, innovation in connection with S-D logic, New Service Development (NSD) and service marketing and management will be discussed. Finally, the new framework of phenomenological service innovation will be introduced as a context for the thesis.

The concept of innovation has been in a transmission phase. In the 1970s and beginning of the 1980s, innovation studies focused on merchandised innovations, which often were technical innovations (Freeman, 1982). Different categorisations were made, such as product, process, and incremental and radical innovations. In the 1990s, innovation was politicised and discussion was established at the institutional level, such as on analysis of different governmental systems and their effect on innovations. Innovation and knowledge were seen as the main driver for global competitiveness. (Freeman, 1987; Nelson, 1993.)

In recent studies, the concept of innovation relates to social ability to renew itself and aims at the well-being of organisations and people. The concept of innovation has become closer to the concept of creativity. However, with this enlargement, the concept of innovation does not match with the characterisation it was given in the last century. The newer characterisation of innovation includes the societal aspect and as such has become more versatile. (Miettinen, Toikka, Tuunainen, Freeman, Lehenkari, Leminen, Siltala, 2008.)

Towards the end of the 20th century, social and service innovations have been emphasised (Valtion tiede- ja teknologianeuvosto, 2003; 2006). Even if the service sector has played the major role in the gross domestic product (GDP) in the industrialised countries since the seventies, it was not before 1986 Barras published "Towards a theory of innovation in services", which has often been mentioned as the first study focusing on service innovation (Toivonen and Tuominen, 2009). According to Barras, process innovation precedes product innovation. As service companies adapt the product innovations, such as new ICT technology, the processes become more efficient. This potentially leads to increased quality and totally new service products. Though, according to Toivonen and Tuominen (2009) and Gallouj and Weinstein (1997), Barras's model is called the 'reverse innovation cycle' and it mostly describes dissemination of technological innovations rather than the generation of service innovations. Even if service innovation studies have been published since the middle of the 1990s, the acknowledgement of everyday business as the origin of service innovation

is relatively new (Toivonen and Tuominen, 2009; Schienstock and Hämäläinen, 2001). Service innovations originate from business practice as a result of versatile processes and actions rather than solely from research and development (R&D) (Toivonen and Tuominen, 2009; Schienstock and Hämäläinen, 2001, Schienstock, 1999).

Service innovation has currently three main streams: 1. Based on innovation studies (e.g. Gallouj, 2002), 2. New Service Development (NSD) (e.g. Edvardsson, Gustafsson, Kristensson, Magnusson and Matthing, 2006), where the concepts of service innovation and service development overlap with each other (Droege, Hildebrand and Forcada, 2009), and recently also 3. Service Science, Management and Engineering (SSME) has become interested in service innovation studies (e.g. Paton and McLaughlin, 2008). SSME has called for cross-disciplinary collaboration to generate service innovation capability (Chesbrough, Vanhaverbeke and West, 2006; Paulson, 2006; Allen, Mugge and Wolff, 2006; Abe, 2005). Typical of all these streams of research is that they do not have the phenomenological approach to service innovation. To date the process- or outcome-based approach has been typical in service innovation, e.g. Toivonen et al. (2007) characterise service innovation as “a new service or such a renewal of an existing service which is put into practice and which provides benefit to the organisation that has developed it... and it must involve some element that can be repeated in new situations, i.e. it must show some generalisable feature(s)” (Toivonen et al., 2007, p. 369). In case service innovation is analysed this way, it can only be defined in retrospect to the actual process.

3.1. Service innovation in three main streams of service marketing literature

Having briefly outlined the different approaches in innovation and service innovation, the streams of research within the framework of the thesis and their relation to service innovation will be discussed: S-D logic, NSD and service marketing and management. Table 10 summarises the three streams. In the following sections, the streams will be discussed separately.

Table 10 Comparison of NSD, service marketing and management and S-D logic

	Perspective	Focus of the study	Role of customers / other stakeholders	Role of service managers	Dominant methodology
S-D logic	All actors within the service phenomenon (Vargo and Lusch 2008a p. 7)	Service that is the application of operant resources (i.e. knowledge and skills). (Vargo and Lusch 2008a p. 7)	Customer experience is a holistic, perceived phenomenon, which is always subjective, case specific and personal (Schembri 2006). All beneficiaries uniquely and phenomenologically experience service and determine value (Vargo and Lusch 2008a p. 7). GAP: To date, the articles in S-D logic are mostly conceptual.	Integrating resources GAP: Conceptual recognition of managerial service experience. Characterisation and empirical studies are missing.	Until now conceptual, scarce on empirical studies. Potential for phenomenological studies.

NSD	Service provider	Service process and its elements (Toivonen et al. 2007)	Potentially involving customers (Edvardsson et al. 2006)	Realist decision-making as well as correct understanding and translation of customer needs (Edvardsson et al. 2006 p. 4)	Realist research (Edvardsson et al. 2006)
Service marketing and management (Nordic School approach)	Relationships	The simultaneous production and consumption process (Grönroos 2007 p. 184)	The customer is the sole creator of value (Grönroos 2007 p. 181)	Understanding value creation and managing resources (Grönroos 2007 p. 196)	Mostly qualitative realist research (Grönroos 2007 p. 5)

S-D logic potentially allows all actors to experience service (see Table 10 above). Vargo and Lusch (2008a) indicate in their ninth and tenth foundational premises that all social and economic actors are resource integrators (beneficiaries) and as such also experience the service based on the phenomenological approach. Gummesson (2008) indicates that a balanced centrality of experiencing subjects describes co-creation of a service. Even if S-D logic conceptually recognises the co-creational approach and the phenomenological approach in service experience, empirical studies are scarce, which creates a gap in research. Especially the scarcity of studies on other than customers experiencing service is a noticeable gap in research. All beneficiaries, e.g. service company representatives experience the service they manage. Therefore, it is interesting to analyse, how best to characterise managerial service experience. The thesis focuses on customers' service experiences within service innovations and front-line service managers' service experiences of the service they innovate and develop. As already mentioned in the introduction section, front-line managers, who have a close working-relationship with their customers and thus are able to interpret front-line customer experience, are interesting for service innovation researchers as innovative ideas are the foundation for innovation (Bitrain and Pedrosa 1998; Kristensson et al., 2002). For service marketing research as well as a managerial implication, it is interesting to analyse what impact customers' service managers' service experiences have on the co-creative development of the service.

As opposed to the dominant product-and process-based thinking in service innovations and development, this thesis is based on the phenomenological approach. In the thesis, the term service innovation and development includes both new and revised service. The focus of this paper is not on the outcome of the service innovation process but rather on the individual and social service and value experiences in the innovation context.

3.2. Service innovation and S-D logic

While in Goods-Dominant (G-D) logic, the locus of discontinuous innovation was on new technology and product attributes, S-D logic gives priority to customers' service experiences (cf. Lusch and Vargo, 2006b; Vargo and Lusch, 2008b; Vargo, 2008). Payne, Storbacka and Frow (2008) argue that lived experiences enhance customer

learning and as such offer potential for something new. In S-D logic, innovation can also be seen as a dialogical phenomenon. Ballantyne and Varey (2006a) have characterised dialogue as a driving force in learning and co-creating something new together.

Even if S-D logic touches learning and change as well as the potential co-creation of something new, there are to my knowledge a limited number of studies within S-D logic that use the term innovation. One of the studies that refer to innovation is Michel, Brown and Gallan (2008), which proposes that discontinuous innovation changes the customers' role as users, buyers, or payers as well as the firm's value creation in relation to customers and other co-creators. Moreover, discontinuous service innovation may change the customers' role to that of user, buyer or payer as well as change the firm's relationship to customers and other co-creators in value creation. Michel, Vargo and Lusch (2008) present a tribute to the service logic of Richard Normann, who considers products as frozen past activities and refers to G-D logic as manufacturing logic (Normann, 2001). Blazevic and Lievens (2008) have made an exploratory case study analysing roles of customers' in knowledge coproduction in service innovation from the service provider view. None of these studies characterise service innovation based on the phenomenological approach, even if S-D logic has presented the phenomenological approach in its foundational premises.

Research that implements the phenomenological approach, such as S-D logic and CCT, has not yet focused on innovation. Subsequently, active discussion of how to characterise service innovation and development based on the phenomenological approach is not available. Therefore, it is a meaningful pursuit to characterise service innovation based on the phenomenological approach.

3.3. Service innovation and New Service Development (NSD)

At this stage, it is important to notice that service development, such as New Service Development (NSD), which has been the most active stream of research in service development, is not phenomenological in its orientation. NSD does not look at service development as a holistic, experienced phenomenon but rather focuses on processes and its architectural elements (Toivonen et al., 2007). In addition, NSD has not traditionally considered service experience as a tool in service development. NSD has its roots in New Product Development (NPD), which reflects product orientation and understanding of development activities as a formal and planned process. This orientation has been combined with service studies in the framework of service marketing. (De Brentani, 1991.) As a result, New Service Development considers a process as an objective of the study and does not tend to include service experiences.

NSD was introduced in the Anglo-American research literature in the 1970s and 1980s and focused on the success factors and obstacles, which prevent the development of new or revised service (Fährnrich and Meiren, 2006, p. 4). Since the mid 1990s, the stream of research has gained a number of publications. In Germany and Israel, this approach has been called service engineering (Bullinger, 1995; Mandelbaum, 1999). While NSD is highly marketing-oriented, Service Engineering focuses more on the systematic development and design of models, methods and tools (Fährnrich-Meiren, 2006, p. 5). In addition to NSD and Service Engineering, also Service Design appears in the service development literature. Service Design covers elements of service, such as colours, sound, smell, and deals with the direct customer interface. However, among Anglo-American researchers, Service Design is understood in its broad sense and it

covers all aspects of the actual design of a product and accompanying service. (Fährnrich and Meiren, 2006, p. 5.)

The comparison of service development and service innovation from the process approach creates an interesting discrepancy in how the process should be called. If service innovation can only be defined in retrospect, the whole process should be called service development until qualified as service innovation in retrospect. The qualification is based on an analysis compared with the given criteria for innovation. Analogically, a disqualified service innovation could be stamped as 'only' service development. At this stage, it is interesting to notice that in case innovation is defined as the result of a process, it implements G-D logic, which focuses on the result. Christensen (2001) indicates that different types of service innovations are needed in different cycles of ICT development. Therefore, for companies it is challenging to recognise the type of innovation needed in advance. Moreover, the resource integration is the essential role of the firm and the most critical aspect of innovation.

3.4. Service innovation and service marketing and management

The Nordic School of Marketing researchers have influenced NSD, e.g. the Karlstad University academics have actively published articles and books on service development and recently on service innovation. Bo Edvardsson from Karlstad has more than a hundred publications on service development and characterises service development as "further development of existing services in a company, new services for the company, or services that are 'new to the world' [...] including also business transformation where manufacturing companies become service companies" (Edvardsson et al., 2006). With this characterisation, Edvardsson and his co-authors include service innovation within service development. Accordingly, in the book "Involving customers in New Service Development" Edvardsson et al. (2006) present articles on service development as well as on service innovation without further characterising the difference.

3.5. A new framework: Service innovation based on the phenomenological approach

The purpose of the thesis is to characterise service experience based on the phenomenological approach. According to Woodruff Smith (2008), experience as a basis of existence can be related to other phenomena, such as service, value and innovation. In the empirical cases, service experience is characterised within an innovation phenomenon, where customers and service managers experience service in an innovation context. In the case studies, the customers experienced service innovation experiences that partly were with the help of a metaphor. The service managers experienced service innovation experiences while working in the service innovation and development projects.

Context can be understood in many ways. In phenomenology, context is neither stable nor justified by a service category or a service provider. According to the Husserlian phenomenological tradition and narrative approach, context is event specific and justified by the individual in the individual's lifeworld. Lifeworld emphasises a state of affairs, where the world is experienced and lived. Therefore, an innovation context is always a social context as people are part of different social groups or networks. Therefore, the focus of this paper is not the outcome of the service innovation process,

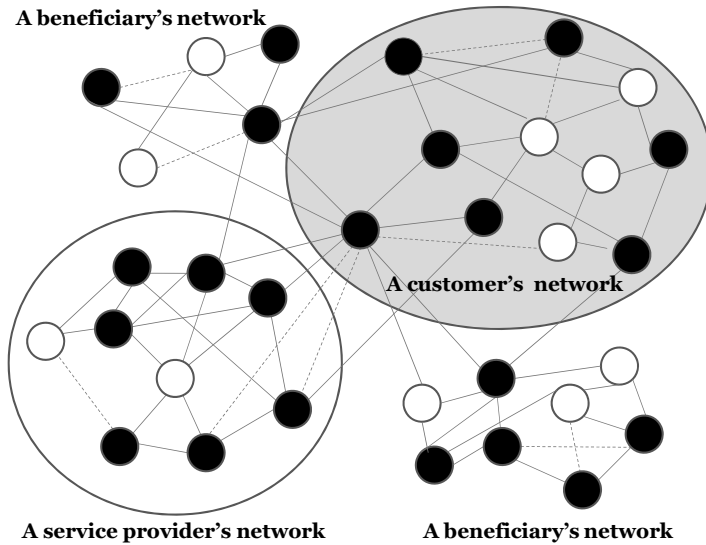
but rather on the individual and social service and value experiences in the context of service innovation. Service experiences are highly contextual and thus service innovation as a phenomenon is context specific. Therefore, it is interesting to analyse service innovation as a service innovation experience based on the phenomenological approach.

As indicated in the previous chapters, so far, service innovation research has not emphasised the phenomenological approach (cf. Droege et al., 2009) understanding innovation as an individual experience. In New Service Development and innovation, the company or other external authority has judged whether something is an innovation or not. S-D logic recognises service experience as a foundational premised of business (Vargo and Lusch, 2008a), but has not intensively discussed service innovation. Based on the phenomenological approach, the thesis proposes that service innovation experiences are not justified by an external authority, but by the customer or any other actor or beneficiary in question. In a conceptual article, Michel et al. (2008) propose that discontinuous service innovation may change the customers' role to that of user, buyer of payer as well as change the firm's relationship to customers and other co-creators in value creation. Hence, an individual in different types of roles makes sense when considering whether something is experienced as an innovation in his or her experiential realm. As such, an individual experience of an innovation is a type of a value interpretation. This interpretation is not stable but context specific and subject to change in different events.

In addition to the individual innovation experience, the phenomenological approach emphasises the social innovation experience within the different networks. Service innovation experiences are shared and promoted within customer social networks (Essay 4) and among service provider representatives within an organisation as well as between service provider representatives and customers (Essay 3). Essays 2 to 4 show that individuals, both customers and service provider representatives, speak about their service innovation experiences among their own social groups and service provider representatives with customers and vice versa. In addition, representatives of all other relevant beneficiary groups are involved in the social construction of innovation experiences. Therefore, service innovation experiences and value interpretations are individually and socially constructed. The customers and service provider representatives in Essays 2 to 4 indicate that they seek innovative ideas in order to improve their own or other people's, such as customers' service experiences. This is in line with Payne et al. (2008), who argue that lived experiences enhance customer learning and as such offer potential for something new.

At this stage, it is important to note that in line with the narrative approach, something tends to become the dominant voice within a group (Webster and Mertova, 2007). Accordingly, what is considered as an innovation on a wider scale is socially constructed within a group of individuals. Currently, customer social networks have become an important forum for the social construction of making sense of different types of phenomena (Cova, Kozinets and Shankar, 2007). Figure 6 below illustrates as a conceptual example the individual and social levels in experiencing service innovation. Social service innovation experiences are not just based on face-to-face dialogues but also on indirect communication that triggers service innovation experiences. Indirect communication channels are e.g. representations of a company's service, brands, advertising, news reports, reviews, as well as electronic word-of-mouth (cf. Meyer and Schwager, 2007, pp. 118-119). It is important to note that Figure 6 is a simplified illustration of the social networks as it seeks to show how individual and social service innovation experience is intertwined between different types of individual beneficiaries

and their social networks that might be customer social networks, service provider organisations or any other relevant beneficiary networks. Within a network, some individuals experience the specific service as an innovation whilst other individuals either do not experience the specific service as an innovation or the specific service does not even exist in their experiential realm.



- An individual experiences the service in question as an innovation.
- An individual does not experience the service as an innovation or does not experience it at all.

A beneficiary refers to any relevant actor in the phenomenon of service innovation.

Figure 6 Individual service innovation experiences within a social network

In reality, social networks are much more complex and multidimensional. Martin Rosvall (2006) has mathematically modeled a network of individuals in his PhD “Information horizons in a complex world”. Rosvall indicates that within a social network, it is important to have as direct connections as possible, in order to get authentic information. In line with the traditional children’s game “gossip”, information changes when passed through many individuals. Rosvall argues that in many networks, individuals tend to favour a short communication distance from two to three individuals in the network (Rosvall, 2006, p. iii). Rosvall notes that an active individual can dominate the information flow and accordingly become a major player in the network, regardless of whether the information is correct or not (Rosvall, 2006, p. 49). Appendix 1, Figure A1 presents a complex human network around President George Bush in 2006 (Rosvall, 2006) and indicates that not all individuals are equal actors in a network. Webster and Mertova (2007) also indicate that some storytellers strongly influence social experiences. At this stage it is important to notice that an individual belongs to many different networks and might be a remote actor in one network and a central actor in another network. Networks are not stable but rather event and time specific.

The innovation experiences that are based on service experiences are not stable but event and context specific. Therefore, service innovation is conceptualised as an ongoing phenomenon of individual and social interpretation of renewal and learning by both service customers and service provider representatives. Accordingly, Payne et al. (2008) argue that lived experiences enhance customer learning and as such offer potential for something new. In addition to practically lived service experiences (cf. Edvardsson, Enquist and Johnston, 2005), imaginary service experiences (cf. Pine and Gilmore, 1999) also facilitate customer learning as they include experiential encounters with the service in question. In addition, current and future service and innovation experiences are based on previous service experiences and as such include the time dimension.

To summarise, characterising the phenomenological service innovation based on service innovation experiences implies:

- Networks emerge as being important: the phenomenon of service innovation consists of multiple service experiences by different individuals.
- An innovation experience is not necessarily a benefit: some individuals might not even notice the innovation and others might have negative innovation experiences.
- Experiencing something as an innovation is time and context specific. Therefore phenomenological service innovation is not a stable characterisation but subject to change.
- The dialogical aspect and therefore networks of individuals emerge important (cf. Ballantyne and Varey, 2006a). Whether service development is considered service innovation in a wider social context depends on the dialogue of many voices and mutual sense-making with the help of inner and external dialogues.
- In accordance with the phenomenological approach, service experiences in a lifeworld innovation context are inter- and intra-subjective and based on previous experiences.
- An innovation can be practically lived or imaginary and still true to itself (cf. Pine and Gilmore, 1999).

The findings of the case studies in an innovation context will be discussed in the section “Findings and implications of the essays”. Implications for research and companies will be further discussed in the concluding chapter.

4 EVENT-BASED NARRATIVE INQUIRY TECHNIQUE (EBNIT)

The methodological purpose of the thesis was to find a suitable methodology for analysing service experience based on the phenomenological approach. In the literature, the challenge of innovative data collection in service development has been documented e.g. by Edvardsson et al. (2006), who argue that new methods are needed in order to get customers involved in developing new service. Edvardsson et al. (2006) emphasise that these methods cannot be the same ones as those employed by manufacturers to develop products. In order to answer the research questions, a suitable methodology was needed for the empirical studies. Therefore, an additional research question was formulated for the methodological purpose: What is a suitable methodology for analysing service experience based on the phenomenological approach?

I was working in a Tekes (Finnish Funding Agency for Technology and Innovation) financed research project in 2007-2008. The project group created a new assembled service innovation in location aware service. My task was to identify customer needs and wants for a service innovation that did not yet exist. As the existing techniques did not offer a manageable and suitable methodological option, a new technique was needed. The combination of narrative inquiry technique with critical incidents and metaphors was created for this demand and proved its competence in meeting the demand. The technique was further tested and developed with another Tekes financed research project on Web 2.0 service in the summer of 2008. In the first data collection, the interviews lasted from one to two hours. During the second project, we tested shorter interviews, which took approximately 20 minutes. The feedback from the companies was positive. The findings could be implemented in the practical service innovation projects. The projects are presented in Essay 2 and compared with another data collection that did not use metaphors.

The dominant methodology used in the thesis is Event-Based Narrative Inquiry Technique (EBNIT), which was created for the thesis and is a combination of narrative inquiry technique, critical events and the use of metaphors.

Since its development, EBNIT has been used in three international studies including blog postings of Nokia Navigator Phone customer experiences and spoken stories of customers' and pharmacists' experiences of generic substitution in Australia, Finland and Italy (Helkkula, Pihlström, Kelleher, 2009; Kelleher and Helkkula, 2010; Gill, Helkkula, Cobelli and White, 2009). Aalto University BIT Innovation Center, Hanken School of Economics and Helsinki University, Department of Economics and Management, Consumer Economics will start a Tekes financed 2-year project (2010-2011) with six industrial partners using the EBNIT method. The project analyses differences between provider and customer perspectives on selected service innovations.

4.1. Summary of the methodology used in the Essays

The thesis has been a research process consisting of different studies. The dominant methodology in the thesis is Event-Based Narrative Inquiry Technique (EBNIT). Essay 2 focuses on the methodological aspect and gives guidelines on how to use EBNIT. EBNIT combines narrative inquiry technique with both critical events (Critical

Incidents Technique CIT) and metaphors. In addition, Essays 2 to 4 deploy EBNIT in the case studies.

In Table 11, the studies are described according to their type, context, approach and methods used.

Table 11 **The methods used in the thesis**

	Essay 1	Essay 2	Essay 3	Essay 4
Type of study	Literature review of recent research	Empirical study	Empirical study	Empirical study
Context	Service marketing	Service innovation and development	Service innovation and development	Service innovation and development
Approach	Analyses different types of characterisations of the concept of service experience.	Phenomenological approach	Phenomenological approach	Phenomenological approach
Method used	Content analysis	Event-Based Narrative Inquiry Technique (EBNIT) with spoken narratives.	Event-Based Narrative Inquiry Technique (EBNIT) with spoken narratives.	Event-Based Narrative Inquiry Technique (EBNIT) with written narratives (blog postings).
Analysed data	58 articles and 2 books, from which 30 articles and 2 books were selected for further analysis.	3 cases Narratives, customers of mobile service, location aware service and Web 2.0 service.	4 cases Narratives, service managers in public service, municipal service sector.	677 blog postings, from which 21 were selected for further analysis.

Essay 1 is a literature review, which characterises and categorises the concept of service experience in recent literature of service marketing by using content analysis. The literature was analysed with content analysis due to its capability to systematically evaluate the symbolic content of any type of recorded communications (Kolbe and Burnett, 1991). The findings show that the dominant method used to investigate service experiences is quantitative study, and often a survey. These types of studies focus on the average service experience of a target group. The findings further show the scarcity of empirical studies with the phenomenological approach. Therefore, Essay 1 acts as a foundation for the choice of the methodological approach in this thesis.

The studies in Essays 2 to 4 use Event-Based Narrative Inquiry Technique (EBNIT). The technique was developed for the thesis in conjunction with different research projects in service innovation and development. Next the foundational elements in EBNIT are discussed separately: phenomenology, narrative approach, critical events, and metaphors.

4.2. EBNIT combines narratives, critical events and metaphors

Event-Based Narrative Inquiry Technique (EBNIT) combines narratives with critical events and metaphors based on the phenomenological approach. The phenomenological approach in conjunction with the research methodology will be discussed next.

4.2.1. Phenomenological approach in EBNIT

In the thesis, phenomenology is considered both as a research approach (Husserl, 1962; Heidegger, 1962/orig. 1927) and a methodology put forward by Schutz (1967). Accordingly, in EBNIT, phenomenology is the research approach as well as being imbedded in the methodology and EBNIT technique itself.

S-D logic has in its foundational premises presented a phenomenological (i.e. experiential) approach. Though the literature review identified that S-D logic presents most studies at the conceptual level. In general, phenomenology has not been a popular approach in service marketing, development and innovation (cf. Edvardsson et al., 2006; Droege et al., 2009). Nevertheless, S-D logic and the increasing amount of web-based service has boosted the need for phenomenological research. So far, phenomenology has been used in organisational and consumer research to illustrate complex issues that are not immediately implicit on the surface (Goulding, 2005, p. 301), whilst the literature review showed that service marketing is scarce in empirical studies with the phenomenological approach. Ardley (2005, p. 111) argues, “exploration of marketing and business planning in organisations is seriously neglected from an interpretive, phenomenological perspective”.

In addition to discussing the methodology conceptually, the thesis presents in its eight case studies phenomenology in practice. The way of understanding the world and viewing truth and knowledge is a philosophical phenomenon and plays an essential role in research and concept construction. In addition, philosophical issues are hidden in research methods unless they are made explicit (Potter, 2000). As discussed in the introduction of the thesis, in the phenomenological approach ontology and epistemology are intertwined as ontology justifies epistemology (Tuomi and Sarajärvi, 2003, p. 65). In phenomenology, the basis of existence is the subjective experience. Therefore, the way of knowing is always subjective with multiple truth claims and cannot be objective. Easterby-Smith, Thorpe and Lowe (2006, p. 3) suggest that in management research it is inadvisable to conduct research without being aware of the philosophical issues that lie in the background. However, so far in marketing research, the philosophical issues have not been actively discussed and concepts have been taken for granted (Skålen et al., 2008). Alvesson (1994) and Morgan (2003) claim that a critical self-reflexive discourse is lacking among marketing scholars. Skålen et al. (2008, p. 7) indicate that “marketing is a form of expertise rather than a science in the positivistic understanding of the term, to us marketing will never have a totalising effect on reality, unlike what many mainstream scholars seem to think”. Neither service companies, nor their representatives, nor their customers will be replicas of academic marketing discourse descriptions. People interpret their own truth claims and make sense of competing truth claims, which present competing voices within marketing and other discourses.

Worldview relates to ontology and understanding of the nature of existence (Potter, 2000). One could ask the following: Does service experience exist as interpretations of

individuals or do only quantitatively measurable, material things exist? The answer to this question reveals the author's understanding of the nature of existence. This thesis takes the position that service experience exists in its own right, without a material replica. However, it could have a material replica. Valberg (1992, p.5) writes in his book "The Puzzle of Experience" that what is present in our experience does not need to be present as an external object. In that sense people are able to have experiences of service, which they have not experienced in the external world, as a 'lived experience'. However, the object, which is present in our experience, does not exclude the possibility that it exists as an external object, as 'lived experience'. O'Brien (2004) notes that in phenomenology there is not a world that is independent of our potential experience. With this, he clearly includes the imaginary world as part of our experience. This thesis understands service experience to be a holistic phenomenon, which exists in its own right as interpreted by individuals.

Epistemology relates to theories of what knowledge is and what it is possible to have knowledge of (Potter, 2000, p. 234). Banathy (1996) indicates that epistemology is concerned with the problem of what is the truth. Pine and Gilmore (1999, p. 37) suggest that there is no such thing as an artificial experience and an experience is true to itself. With that, they reflect postmodern thinking and knowledge, which is based on an individual construction instead of an external truth. In literature, the phenomenological approach tends to recognise lived as well as imagined service experience. In that case, service experience is the subjective impression of the experiencing subject. This is in opposition to mainstream marketing, which has attempted to legitimise marketing by characterising its functionalistic, objective, positivist and realist nature (Hunt, 1994).

This thesis is not trying to claim the phenomenological approach and multiple truths as the generalisable, ultimate truth. The literature review showed that the concept of service experience has been approached with different types of philosophical worldviews (Essay 1). The difference between the theories has not so much to do with what is right and what is wrong. The difference lies in deciding from which point of view you wish to study the topic and how the researcher approaches the concept of service experience. (Fisher, 2004, p.16.) Lived service experience is limited within the present and past, whereas imaginary service experience is also able to reach to future service experience. Webster and Mertova (2007) indicate that worldviews are encompassed in the stories people create. Similarly, people create narratives based on their worldviews. As a researcher, I consider my research to be based on my worldview.

Narrative researchers Webster and Mertova (2007, p. 11) argue, "modernism is associated with the scientific understanding of truth and knowledge, claiming that there is an ultimate, objective truth; and postmodernism relates to the human-centered holistic perspective, maintaining that there are subjective, multiple truths". Czarniawska (2004, p. 12) implements the multiple truth approach in the following three statements:

- 1) Statements can be true without corresponding to the world.
- 2) Everything has its individualistic representation, which creates a challenge for presenting something by something else.
- 3) Language (any systems of signs, numbers, words, or pictures) is important as a tool or reality construction, rather than its passive mirroring.

People create individual narratives to understand their own lives. They do the same when they try to understand lives of other people and creatures. At the same time, individual narratives are related to social narratives (Czarniawska, 2004).

In conjunction with the EBNIT inquiry, I view service experience and perceived value to be both individually and socially constructed. This means that the customer's experience of service is understood as a holistic, perceived phenomenon, which is always subjective, case specific and personal (Schembri, 2006). Johns and Tyas (1997, p. 478) argue that individuals may hold common 'generalised' perceptions of phenomenon and events within the various social groups to which they belong. Such generalised perceptions of phenomenon are termed mythologies, characterised as 'generalised or exaggerated versions of reality, expressing the common view of a group of individuals in commonly used and understood language'. Social constructionism understands service experiences to be co-created and socially constructed in a multi-stake service environment. EBNIT views different types of service experience as phenomena, which are individually and socially constructed. Individual experiences are considered subjective, context and time specific. In addition to this individual existence, service experiences are at the same time co-created, intersubjective and take place in a specific social context (Schwandt, 2003, p. 304). Individuals relate, consciously and unconsciously, their current lived experiences to their previous experiences and as such service experiences have a heritage in people's lives. Vargo and Lusch (2008a) indicate that the concept of service experience includes previous interaction, which could be called inherited. We do not construct our interpretations in isolation but in the realm of shared understanding, practices and existing theories. (Schwandt, 2003, p. 304.)

In the thesis, I do not delimit the discussion of worldviews and understanding of truth just to this chapter. Instead, the approach of the study and understanding of socially constructed, multiple truths are present throughout the thesis.

4.2.2. Narrative approach in EBNIT

EBNIT relies on narrative inquiry technique and the term 'narrative' is understood in its wider meaning referring to the methodology as well as to the method (Czarniawska, 2004). The approach of the methodology in the thesis is positioned in the 'critical event narrative methodology', as described by Webster and Mertova (2007). In line with the phenomenological approach, the thesis considers imaginary service experience of actors as justified data.

Even if narratives, according to many researchers, have the capability to convey tacit knowledge and customer experiences in practice, their application as a method of involving customers in service innovation and development is relatively new. With service innovation and development, tacit customer knowledge refers to unspoken needs and wants with existing experiences-in-use.

Webster and Mertova (2007, p. 6) suggest that there is no single narrative inquiry technique, but rather a combination of methods implemented in individual disciplines. Narrative inquiry technique allows researchers to present experience holistically in a postmodern way, which implies that there is no ultimate, objective truth. Instead, the human-centred perspective constructs itself in subjective, multiple truths, which could be called narratives. These narratives compete with each other in human actions and act as a basis for new constructions of narratives.

Riessman (2008) uses the terms 'story' and 'narrative' interchangeably and the same approach has been adopted in this thesis. In this study, the term 'narrative' is understood in its wider meaning as the narrative inquiry research technique (Czarniawska, 2004). In general, narratives have a structure - a place and event - as well as characters. It is told in a specific situation to a specific audience. Narrative researchers, such as Connelly and Clandinin (1990) and many others, use the terms 'scene' and 'plot'. McKee (1997) describes three dimensions of a story: "character (users, stakeholders), plot (task, sequence of events), and setting (environment, context)". These are separate, yet interrelated dimensions. EBNIT prefers to use the terms 'place' and 'event' as used by Webster and Mertova (2007). Stories are preferably told in a chronological order, and they have a beginning, middle and an end.

Narratives are embedded in practice and as such, the theory and practice are not separated, as they have tended to be in natural science models (Webster and Mertova, 2007). EBNIT combines research and practice and is suitable for expressing the storyteller's experiences. Narratives are concerned with aspects of change, development of learning and understanding. These aspects are common among those who want to develop a new or existing service. Narratives include a time aspect and as such are able to reflect the past, present, and future experiences. (Czarniawska, 2004.)

Stories are not to be treated as documents on what has really happened. Therefore, EBNIT does not document what really happened. Stories convey storytellers' experiences and understanding of learning (Webster and Mertova, 2007). What people present as stories is the result of their perception and interpretation of the world (Czarniawska, 2004, p. 49). People organise their world, knowledge and emotions in a narrative form. They construct stories in an individualistic way. However, a story is always shared and created socially. Pace (2008, p. 214) writes: "completely personal meanings could be considered as close to madness, that is, a monologue not understandable by society". Carson (1996) suggests that truth and knowledge form a construed reality from a postmodern perspective. Each person brings his or her own past life experiences to a situation (Webster and Mertova, 2007).

Küpers (2000) emphasises that stories are the key to understanding how people consider and evaluate their service experience. Service experience is embedded in the context specific interpretation of individual and social sense-making and shared meanings, which build to form accumulated understanding. This dynamic flow of complex, intertwined individual and social service experience leads to a co-construction of sense-making and meaning in service phenomena (Schembri, 2006).

Postmodernism rejects the idea that truth and knowledge can be found through rational reasoning. "Whereas modernism values the external, postmodernism values the internal, or the "I", and as such has inherent interest in human factors relating to the acquisition of knowledge" (Webster and Mertova, 2007, p. 29). Postmodern interest focuses on "who is doing what to whom" (character, sequence of events and time) (Webster and Mertova, 2007, p. 30). Postmodernism is interested in a holistic way in multiple voices (truths), relationships between disciplines and integrating things. It has practical concerns, listens to personal voices and is concerned with social, ethical and cultural responsibilities. (Webster and Mertova, 2007, p. 30.)

In Table 12, the essence of Narrative Inquiry Technique is compared with Critical Incident Technique and to quantitative and qualitative methods in general. Even if a narrative method is often categorised under qualitative methods, the thesis wants to distinguish between qualitative methods and Narrative Inquiry Technique. The aim is

to give the reader an understanding of the approach and focus of Narrative Inquiry Technique. The technique aims to observe a phenomenon by focusing on the events that are interrelated in a story.

Table 12 **Qualities of different research methods (amended from Webster and Mertova, 2007, p. 115). The Critical Incident Technique (cf. Flanagan, 1954) has been added.**

	Quantitative methods	Qualitative methods	Narrative inquiry	Critical incident technique
Focus of research	Measurable elements	Human element	Human experience	Human experience
Method of analysis	Descriptive / inferential statistics	Logical deduction	Convey / understand knowledge	Inductive descriptions linked to behaviour
Analysis approach	Systematic	Content analysis	Critical events	Critical incidents
Reporting style	Generalising	Narrowing	Broadening	Summarising
Type of knowledge	Aims to be objective	Aims to be subjective and descriptive	Aims to be intersubjective and context-specific	Aims to be subjective and context-specific
Sample size	Large	Small	Small	Small

Essays 2 to 4 apply both to narrative inquiry and critical incident techniques called critical events. Thereby, the aim is to understand, but also to summarise experiences that are linked to specific events and needs.

4.2.3. Critical events in EBNIT

Butterfield, Borgen, Amundson and Maglio (2005, p. 476) note that different researchers have in various ways used the terms 'incident' and 'event' in literature. In this thesis, I choose to use the term 'event' and rely on the categories of critical lived event, other lived event and imaginary event for analysis of data. The categories are based on the categories presented by Webster and Mertova (2007). Webster and Mertova (2007) define both critical and like events to be significant for whoever experiences such an event. In EBNIT special focus is given to the imaginary event category that reflects potential needs for new types of service. Critical events in EBNIT will be discussed in the section "The structure of the EBNIT analysis".

The aim of an EBNIT analysis is to identify existing critical events and generate imaginary events in order to create innovative ideas. Therefore, EBNIT is suitable for service innovation and development. In service innovation and development, Critical Incident Technique (CIT) has frequently been used in quality management and relationship studies (Edvardsson and Strandvik, 2000; Roos, 2002). Flanagan's (1954) original guidelines for using the technique encouraged creative use of the technique for

different purposes by starting with determining the purpose of the study and formulating the questions accordingly. Recent CIT studies have, for example, explored the usage of self-service technologies (Meuter, Ostrom, Roundtree and Bitner, 2000) and perceived value of mobile services (Pihlström, 2008). CIT has proven to be a good technique for discovering value-enhancing service components (Stauss, 1993) and useful for identifying issues that have not been considered in existing literature (Gremmler, 2004). Most importantly, the incident (event)-based technique is able to identify concrete customer needs that may not be revealed by attribute-based quantitative techniques (Stauss and Hentschel, 1992). The event-based technique is also well suited for service innovation and development purposes, because it reveals concrete customer experiences. These experiences can be either problem situations in current services or especially satisfying or valuable service experiences, depending on whether the focus is on negative, positive, or both kinds of events.

4.2.4. Metaphors in EBNIT

In EBNIT, a metaphor (e.g. a magic wand) is used as a projective technique to ask the storyteller to create a projection of their existing story in the form of a new story that tells how the event would take place in an ideal world. Projective elements in the form of metaphors add to traditional interviewing techniques in service development contexts. In EBNIT, the combination of tacit and explicit knowledge by a meaningful dialogue, where a metaphor helps to elucidate tacit knowledge, potentially merges innovations (cf. Nonaka and Takeuchi, 1995). Hunt and Menon (1995, p. 82) characterise metaphor as something that examines two concepts or things, where the primary concept is compared with the secondary concept. Durgee and Chen (2006, p. 291) note that these two concepts belong to different domains; a metaphor smashes them together and brings about new meanings into the world.

Findings in Essays 2 show that innovative events may not emerge naturally, without using projective techniques, such as metaphors. Essay 2 analyses the use of metaphors to trigger new service ideas. In the first study, a metaphor was not used to trigger new service ideas. The storytellers generated some new ideas, but only a few (see Essay 2, Appendix 1). In the second and third studies, metaphors were used in narrative interviews. The findings indicate that sticking to what people think, is a possible deterrent to the formation of innovative ideas. Metaphors trigger people to imagine many such events to be possible that they first considered impossible. Systematic reasoning of technical limitations often prevents people creating new ideas. In EBNIT, metaphors drive the narratives toward a search for real or imaginary dialogues. The storyteller and the interviewer are capable of co-constructing a new context. In this new context, statements can interact and further produce new meanings. Goodman notes that with the help of a metaphor, the narrative is transferred from its customary realm to a new realm, inviting entities, structures, and interlining relationships of the realms from which they are borrowed (Goodman, 1988).

Further, the findings in Essays 2 to 4 reveal that narratives combined with metaphors have the potential to generate rich data in a relatively cost-effective and manageable way. The major benefits of combining event-specific information and service use context with narratives, as well as using metaphors as projective elements during the interviews, are presented in connection with the empirical studies.

The popular legend about Newton, who was able to come up with the Universal Law of Gravitation due to an apple falling from an apple tree and hitting his head, is one of the

most well-known metaphors combined with innovations. As all such legends, this legend of a metaphor is almost certainly not true in its minutest detail, but the story reveals the capability of metaphors to trigger new ideas among people. In Essay 2, 37 out of 40 respondents were able to generate new ideas with the help of a metaphor. In a group of respondents that were not introduced with a metaphor, only 5 out of 31 respondents generated new ideas. To illustrate the idea of developing service with the help of a metaphor, in Table 13 some potential connections between customer needs, metaphors and new service ideas are described.

Table 13 **How metaphors and consumer preferences might have been used to create many of today's service offerings (adapted from Durgee and Chen, 2006, p. 295)**

Service category	Need	Metaphor	New service idea
Retail Banking	Accessibility	Vending machine	ATM
TV news	More available	Round clock radio	CNN
Pizza restaurant	Indoor catering	Call service	Pizza taxi
Book shops	Easy shopping	Library at home	Amazon.com.
Maps	Easy to study while driving	Electronic co-driver	Navigator

New service developers and customers use metaphors to understand each other better and to capture needs and ideas from fresh perspectives (Durgee and Chen, 2006, p. 291). Metaphors have been used in describing the whole service of a company, as well as referring to customer needs and wants. The service of Singapore Airlines has been described by the metaphor of a martial art, kung-fu, which combines speed and flexibility and directing hard energy at the right time to specific, targeted points (Heracleous, Wirtz and Johnston, 2005). Metaphors have been used in marketing for identifying needs (Zaltman, 2003; Rapaille, 2001), generating new product ideas (VanGundy, 1988; Cougar, 1995; Schon, 1979; Dahl and Moreau, 2002) and designing new products (Dumas, 1994).

4.3. Data sources in the studies of the thesis using EBNIT

The research process of the thesis has been iterative, which has had inductive and deductive phases. The whole process started in 2003 and continued until the end of 2009. Essay 1 builds a foundation for the other papers by showing the gaps in the existing research literature. Essays 2 to 4 are based on those gaps and contribute to the existing theory and methodology.

Table 14 **Data sources and purpose**

DATA SOURCES
Preunderstanding
Essay 3: during one year 200 h of meetings with managers in the Web 2.0 sector. Reading of reports and service development plans, 100 h.
Essay 3: during 2 years 150 h of workshops and meetings with 23 service managers in the public service, municipal sector. Reading of reports and service development plans, 120 h.

Literature review Essay 1: analysis of 58 published articles and 2 books Summary and Essays 1-4: ca 400 literature references
Narrative interviews with customers Essay 2: totally 71 storytellers
Narrative interviews with service managers Essay 3: 4 storytellers
Customer blogs Essay 4: 21 blog storytellers

4.4. Data collection with EBNIT

EBNIT aims to reconstruct a person's experience in relationship to the other people involved and to a social environment (cf. Clandinin and Connelly, 2000, pp. 187-190). When developing EBNIT, we tested and combined different techniques in order to get the storyteller into the right mindset, so that feasible ideas could emerge.

In EBNIT, story collection is focused on a specific type of event in order to make the research manageable for the researcher and the storyteller. The type of event originates from the aims of the innovation project, e.g. in Essay 2 the events were "using location-aware service" and "Web 2.0 service linked to an event". As narratives have a structure – a place, event and sequence as well as characters, audience and a specific setting, it is beneficial to collect narratives within the same structure. According to my own and Docent Marja Toivonen's (Aalto University, BIT Innovation Center) experience, the challenge in collecting narrative data in business studies is two-fold. On the one hand, the researcher is interested in narratives, which are rich and not too pre-structured and report-type in nature. On the other hand, the amount of data easily becomes too large and unfocused. The findings of the EBNIT studies show that it is easier to analyse the focused data that is in a narrative format than unfocused, unstructured data or data that has another format (e.g. a report).

Both the interviewer and the storytellers are involved in the dialogue and reconstruct the person's experience with the service by negotiating a common understanding. The aim is that they both create and learn something new together and are able to make tacit knowledge explicit. In EBNIT, the focus is on the local and the specific experience that is person, situation and time-specific. For the data collector, it is important to accept the many voices of people's multiple experiences. This means widening the acceptance of alternative ways of knowing. (Pinnegar and Daynes, 2007, p. 7.) Storytellers neither follow a sequential nor chronological order in their narratives. They get enthusiastic with episodes and are sidetracked and go off on tangents and the interviewer needs to jointly construct narrative and meaning with questions such as "What happened then?". Sometimes people have a hard time in describing their service experience with words and in such cases, the interviewer needs to encourage them to make sense of their service experience in a story form. Riessman (2008, p. 23)

indicates that narrative interviewing has more in common with ethnographic practice than with interviewing practice, which relies on questions and replies.

When the data is collected, the interviewer has negotiated with the storyteller all the structural features of a narrative: a place, event and sequence as well as characters, audience and a specific setting. With EBNIT, the critical events and metaphors are added. Critical events and metaphors need to be negotiated with the storyteller.

Next, the essential steps with the data collection in the EBNIT technique are listed.

Table 15 **Steps in EBNIT data collection**

Preparing for interviews	<p>The following questions can be used:</p> <p>Who are the potential customers for the new or revised service?</p> <p>How do we reach them, to which event(s) are they linked?</p> <p>What is the domain of the new / revised service?</p> <p>What is the integrated service?</p> <p>What are the preparatory questions to calibrate the lived critical events?</p> <p>What could be the metaphor triggering tacit needs and wants?</p>
Recruiting suitable interviewers	Interviewers need understanding of the domain of the service and customer needs and wants, as EBNIT is not a pre-structured technique. Imaginary skills are recommended in order not to extinguish storytellers' imaginary ideas.
Choice of storytellers	EBNIT aims at learning with the customers and creating something new with the help of a dialogue (Ballantyne and Varey, 2006a). In that sense, the quantity of storytellers is not essential. Instead, the technique aims at learning and understanding. We recommend interviewing storytellers who are familiar with the service phenomenon. In case of a totally new service, it is an advantage if the storytellers are familiar with service events with some analogy with the new, potential service.
Preliminary questions	In the first phase, individuals are interviewed about their event-based experiences with the existing service. A storyteller's familiarity with the service phenomenon can be checked through the preliminary questions. In case of a totally new service, the domain of the service and correlating events are discussed. With these preliminary questions, storytellers are able to have a retrospective dialogue with the interviewer on <i>lived events</i> of the kind that they have experienced as being critical. Other <i>lived events</i> further elaborate on the significance of these events, even if they are different events. In Essay 2, we had 4-7 questions, and this part took 5-20 minutes, depending on the dialogue.
Imaginary narratives with the help of metaphors	The interviewer introduces the metaphor, checks that the storyteller feels comfortable with it and asks him or her to tell a story of how the service event would have passed according to his or her wishes. With the help of metaphors, storytellers proceed by constructing a story, where they describe an imaginary solution to the user needs and wants in a narrative form. A triggering metaphor can be anything that is easy to understand and encourages the storyteller to come out of the box in order to trigger creative thinking. We have used metaphors such as a magic wand, an electronic secretary, a genie of the Internet, and an electronic co-driver.

Interviews should take place in an environment tranquil enough to allow creative thinking. People who are distracted or busy are not in the right mindset to create a flow of thoughts necessary for creative thinking.

As usual, storytellers should be informed and their approval should be asked in accordance with the ethical code of conduct in qualitative research. It is often advisable to obtain confirmation in writing.

4.5. Analysing the narratives with EBNIT

Different researchers hold various perspectives to narrative analysis; there is not a single way to analyse narratives. Instead, narrative analysis refers to a family of methods interpreting texts in a story form, such as realist, postmodern, and constructionist strands (Riessman, 2008, pp. 11-13). In general, narrative inquiry is grounded in the study of the particular. Riessman (2008, p. 11) describes the role of the analyst to be interested in “how a speaker or writer assembles and sequences events and uses language and/or visual images to communicate meaning”. However, even if stories reflect and make sense of individual service experience, in analysis it is important to pay attention to the fact that narratives have a life beyond the individual. In addition to persons, also groups and organisations construct narratives about themselves. Individual narratives intertwine with social narratives, as we do not live in isolation. The social discourse should not be omitted in the interpretations (Riessman, 2008; Webster and Mertova, 2007, p. 33).

The thesis presents eight different cases that form the basis for analysis of written and spoken narratives of individuals.

4.5.1. The structure of the EBNIT analysis

As with the data collection, in EBNIT the structure of analysis is based on the narrative structure, i.e. a place, event and sequence as well as characters, audience and a specific setting. Structured data in the narrative form facilitates the analysis and highlights the point that the structure and content are co-created by the interviewer and the storyteller. In practical terms, it means that the researcher has pre-negotiated the structure and content with the storyteller. Essay 2, Case 3 had five interviewers, and the narratives were analysed by both the essay’s co-authors. In Essay 4, both co-authors analysed the written blog narratives. Differences in interpretation were discussed and decisions made. On the whole, the data was manageable and the structure facilitated the analysis.

EBNIT characterises the terms lived critical event, other lived event and imaginary event. The interconnectedness of events presents the way people connect events when making sense of their experiences. Gough (1997) indicates that analysing related events enables seeing multiple possibilities in real life experiences. The structure of analysis is amended from the characterisation of terms ‘critical’, ‘like’ and ‘other’ events (Webster and Mertova, p.79). In comparison to Webster and Mertova, EBNIT deploys ‘imaginary event’, which is relevant in the context of service innovation and development in order to trigger new and innovative ideas. Furthermore, we found that Webster and Mertova’s categorisation of ‘like’ and ‘other event’ somewhat confusing in practice and developed the categorisation by replacing ‘like event’ with ‘other lived event’ and adding ‘imaginary event’s. As opposed to Webster and Mertova’s event categorisation, EBNIT does not make a distinction as to whether ‘lived critical events’ and ‘other lived events’ should involve the same or other people. This will be elaborated in connection with the empirical cases.

In EBNIT, the storyteller decides which service experience is lived and which is imagined. As such, in EBNIT lived experience is not considered an objective reality but rather a reality created by the storyteller in co-creation with the interviewer. Riessman (2008, p. 13) discusses the objectivity of lived experience and relates it to Ricoeur's phenomenology, where narrative acts as the appropriate framework including the storyteller's imitation and actions in the practical world and as a part of the natural world. In EBNIT, we understand both the story of the lived experience in the practical world and the story of the imaginary experience to be as experienced by the storyteller and do not claim lived or imaginary service experience to be the objective truth.

The interpretation made by the interviewer and researcher is not considered an objective truth either. In comparison to the traditional interviewing techniques, the interviewer (or researcher) is not an authority but a co-researcher with the storyteller. The mutual understanding of the story is rather made in co-creation with the storyteller and the interviewer. In practical words, the interviewer has a dialogue with the storyteller and makes sure that a mutual understanding has been co-created about the criticality of the event.

In EBNIT, imaginary events describe events that are co-constructed during the imaginary narrative. Imaginary events are potential events and act as ideas for the service development team. In the table below, lived and imaginary events are categorised as characterised in EBNIT.

Table 16 **Characterisation of the terms *lived critical event*, *other lived event* and *imaginary event* in Event-Based Narrative Inquiry Technique (EBNIT)**

Lived experience	
Lived critical event	An event selected because of its unique, illustrative and confirmatory nature.
Other lived event	Same sequence level as the critical event, an event that further illustrates, confirms and repeats the experience of the critical event.
Imaginary experience: potentially better use experience	
Imaginary event	Event told in an imaginary narrative, which has been created with the help of a metaphor. Often transforms critical or like events, i.e. how the storyteller would like it to happen.

The interviews were recorded and transcribed. Each interview was given a code number, and a logbook was kept of the background information of the storyteller as well as of the place, event and characters. The coding and logbook system was essential for recording the background information on the story collection. The interviews were transcribed. The transcripts were read through at least twice and the categories of *lived critical events*, *other lived events* and *imaginary events* were encoded. The coded events were clustered based on customer needs and wants. Clustered events were organised by making electric cards, which presented customer needs and wants, innovative ideas and compared them with existing technical and processual resources. These electric cards were presented to the research or management team and customer needs and wants were discussed. To give an example, in Case 2 Essay 2 the project team clustered the following types of *lived critical events* based on customer needs and wants: "It is troublesome to use a navigator.", and "Privacy is prioritised, not wanting to use electronic service while driving.". Examples of *imaginary events* are "Better user interface" and "Having a dialogue with my navigator". The experience of the research team was that visible clusters emerged from the stories and we were able to organise individual *critical lived events* and *imaginary events* into a manageable work format.

Based on the data on the electric cards, strategic decisions on how to continue the innovation and development process were discussed (Essay 2, Case 2). Table 17 summarises how the events were collected and analysed with EBNIT.

Table 17 **The EBNIT steps in collecting and analysing narratives**

Step	Collecting and analysing narratives with EBNIT
1	Logbook was kept on the background information of the storyteller and the place, event and characters of the story.
2	When stories were collected, they were collected in a structured way: Preparatory questions (focus the storyteller on events with a specific type of service) Lived critical events Other lived events Imaginary events.
3	Stories were transcribed.
4	Lived critical events, other lived events and imaginary events were encoded.
4	Coded events were clustered in themes, which were based on customer needs and wants.
6	Electric cards were prepared based on the clustered customer needs and wants.
7	Electric cards were used in research as well as in service innovation and development teams.

EBNIT is not a fully standardised technique. Therefore the researcher, who codes the events and makes the clusters, should have an understanding of the service involved as well as some understanding of customer needs and wants.

4.5.2. Language and constructs used to describe service experiences

The storytellers told their narratives in their native language. In the interviews, the language was mostly Finnish, which is also my mother tongue. In Essay 2, Case 3 five interviewers collected narratives. One of them had Swedish as her mother tongue and she collected stories in Swedish from native Swedish speakers. Those stories were transcribed in Swedish. The authors of Essay 2, Minna Pihlström and I both have a command Swedish. In Essay 4, the bloggers used English and the analysis focused on UK published blog postings. Carol Kelleher, who is the co-author in Essay 4, is a native English speaker.

Scientific terms did not create a challenge in different languages as the stories told about the lived and imagined service experience of the storytellers. The extract of a story below from Essay 2 gives the reader an understanding of the type of text, which prevailed in the customer narratives.

If I am planning to go to the movies at the weekend I always need to...I don't know which movies are on...I need to spend half an hour looking for that old newspaper where the programme is in order to know what movies are on...it would be convenient if I could order the information [on my mobile phone] on what movies are currently on.

The extract of a story from Essay 3 shows that service managers used the type of language, which is used at their work.

We knew that there would be changes in the organisation. We did not just want to be told about the future changes. We wanted to co-create the future of the service and started to plan this new and revised service for children, who had special needs.

In EBNIT story collection, we did not ask the storytellers to explain abstract concepts. Abstract concepts easily cause challenges when translating them into different languages. We did not ask people to “Tell about your service experience”. Instead, with the preliminary questions, we focused storytellers’ ideas on concrete actions and happenings in their lives. With the imaginary service experience, storytellers often created ideal solutions for their needs and desires with concrete terms.

When people used the term ‘experience’ in their oral narratives, they used the equivalents in Finnish (*elämys / kokemus*) and Swedish (*upplevelse / erfarenhet*). The thesis and all essays were originally written in English and the different words in Finnish and Swedish relating to ‘experience’ have been translated with the term ‘experience’. However, this did not create a challenge during the research process, as in this thesis the concept of service experience is understood to include both the practical and hedonic type of service experience.

The extract from Essay 4 illustrates that when people speak about their service experience – in this essay in English – they mostly do not use the term ‘experience’ but tell about their practical and hedonic experience with other words.

I would minus brownie points for its closed network approach with mobile operators and exclusive tie-ups in the effort to squeeze more money from the mobile operators and data traffic revenues.

The blogger uses an interesting metaphor when describing the personal service experience. The extracts have been discussed with Eija Ventola, the professor of English Philology, Department of English, University of Helsinki. She indicated that the narratives of the bloggers would also create an interesting research theme from the approach of functional language in linguistics. Nevertheless, this thesis focuses on service experience in the domain of service marketing in an innovation context.

4.6. An evaluation of the study

In this chapter, the criteria for evaluating the reliability and validity of the studies deploying EBNIT are discussed. Essay 1 uses content analysis, which has been evaluated in Essay 1.

Reliability and validity are the common concepts used to evaluate the quality in qualitative research. Silverman (2005, p. 224) characterises ‘validity’ being another word for truth, whilst ‘reliability’ refers to the degree of consistency in arranging instances or events into the same categories by different observers or by the same observer on different occasions.

Webster and Mertova (2007, p. 89) argue, “There is a consensus in the literature on narrative research that it should not be judged by the same criteria as those that are applied to more traditional and broadly accepted qualitative and quantitative research methods.”. Polkinghorne (1988) does not consider it satisfactory to apply the traditional measurements of validity and reliability to narrative inquiry technique.

The reason for this is that narrative inquiry technique focuses on the individual interpretations of human-centred events, which represent the storyteller’s worldview in

referring to a specific contextual event. Narrative inquiry technique is interested in individual truth, as opposed to objectivist characterisation of research validity and reliability, which have been the focus in traditional science (Webster and Mertova, 2007, p. 89). Tuomi and Sarajärvi (2003) indicate that in the phenomenological – hermeneutic tradition ontology justifies epistemology. In other words, an individual's experience justifies what the individual, subjective truth is. Therefore, an external truth does not justify how an individual experiences the lifeworld. To summarise, phenomenology is not aiming at objective truth or generalisable, repeatable datasets. According to Husserl, the way of knowing is making sense of subjective experiences. Whilst sense-making is subjective, it is logically impossible to make sense of something that lies beyond subjective consciousness. (Crossley, 2006a, p. 428.)

The discussion on research quality in narrative research based on the phenomenological approach has not been active in service marketing research. Therefore, this thesis and EBNIT refer to the narrative tradition and Webster and Mertova (2007), who compare in Table 18 validity and reliability in narrative inquiry technique as opposed to general understanding of validity and reliability in research quality.

Table 18 **Validity and reliability in narrative inquiry technique as opposed to objectivist characterisation of research. Based on Webster and Mertova (2007)**

	Narrative inquiry technique	Objectivist characterisation of research
Validity	REFER TO VALIDITY: Narrative research is well grounded, supportable by the data collected. A finding is significant if it is important (Polkinghorne, 1988).	Tests or measuring instruments produce certainty. Statistical methods are often used to interpret the importance of the finding. (Polkinghorne, 1988).
	DO NOT REFER TO VALIDITY: Conclusions of certainty, generalisable truths, prescriptions, an exact record of what really happened (the real truth).	
Reliability	REFER TO RELIABILITY: Access and honesty can be achieved by demonstrating the interpretation (Huberman, 1995). Trustworthiness of the notes or transcripts. Differences between individuals are expected and valued. Data is persuasive and coherence.	Consistency and stability of measuring instruments.
	DO NOT REFER TO RELIABILITY: Replication will not necessarily achieve the same findings (Ganzevoort, 1998). The stability of measurement.	

Webster and Mertova (2007, p. 90) point out that “access to reliable and trustworthy records of the stories as told by individuals is the cornerstone of validity and reliability”. When talking about reliability with narrative inquiry technique, one of the cornerstones is that multiple interpretations are valid. At the end, the readers decide whether the research is ‘believable’ (Webster and Mertova, p. 92). Persuasiveness and coherence of the data are important. Persuasiveness increases when lived events support theoretical claims (Riessman, 1993; Webster and Mertova, 2007, p. 93).

Webster and Mertova (2007) refer to Huberman (1995) and present new criteria of validity and reliability for narrative inquiry technique: access, trustworthiness, familiarity, economy and transferability. Next, these are discussed in relation to EBNIT.

Access to data and ethical issues

Connelly and Clandinin (1990) indicate that access to the process of negotiation, structures (time, place and events), tools, conclusions and risks is relevant when assessing the frameworks and processes in a study, which uses narrative inquiry technique. This means that by reading a study, which uses a narrative inquiry technique, the reader should be able to create an understanding and as such, have access to the data. In addition, it means that the researcher has documented, e.g. transcribed and encoded, the data analysed.

To provide the reader the access to the process of negotiation, the studies deploying EBNIT used a structured way to access and analyse data, which was based on critical lived events, lived other events and imaginary events. The EBNIT structure for data collection and analysis is presented in Essays 2 and 3 as well as earlier in this chapter. A logbook was kept on the background information of the interviews. The stories were recorded, transcribed and encoded. In all cases, transcripts were read through and the analysis either made together or negotiated with other researchers or actors in the research project. Differences in interpretation were discussed and strategies for innovation and development were made. The technical quality of recordings and written narratives was good. In Essay 2, Case 3, two recordings had background noise because of the wind. These recordings were made on a terrace in connection with a musical event. However, the recordings were still up to the quality needed for proper analysis.

Due to the subjective nature of data, access to data in EBNIT is linked to the ethics in research. On the one hand, access should be opened up and made available to the reader; on the other hand, the rights and responsibilities of participants need to be considered. This thesis includes many cases in service innovation and development with ICT companies. Being part of the research projects, the researcher signed non-disclosure agreements (NDA) with the case companies. For this reason, specific details could not be passed to the reader and the findings are presented more at the meta-level. The companies have approved the presented level of details. Companies in general are not willing to reveal their service innovation and development strategies for outsiders. Due to this, access to data was possible by being involved in a research project and accordingly signing the non-disclosure agreement (NDA). Essay 3 presents narratives of service managers from the public sector. As the public sector belongs to the official service sector, for the reader it allows greater access to the details. However, for research ethical reasons, person specific details or case specific details are not revealed in the written essays or summary. In the EBNIT interviews, storytellers were informed that their story will be included in the research. The storytellers signed a written contract, where the aim of the research was informed. This procedure is included in the guidelines of EBNIT, as presented in Essay 2.

Trustworthiness

Guba and Lincoln (1981) indicate that in narrative research negotiation and a set of questions is an essential criterion of trustworthiness. The narrative inquiry technique relies on co-creation of the criticality. In EBNIT, the interviewer presents a set of preliminary questions to focus the storyteller on specific types of experiences in their

lifeworld. An example of a preliminary question is “Do you have any experiences with navigators? and “Can you tell me when you last used a navigator?”. The preliminary questions prepare the storyteller to remember critical lived events. Webster and Mertova (2007, p. 83) indicate that the critical events are identified “through the impact on the storyteller”. In the traditional critical incident technique (CIT) by Flanagan (1954), the observer, guided by the researcher, makes the judgements ‘untypical’ and ‘important’.

In the phenomenological approach, an individual subjectively justifies the criticality of the events. True to its phenomenological approach, in the EBNIT studies the storyteller identified the critical events. As the interviewer interpreted the storyteller’s experiences, a mutual understanding was negotiated jointly. An interviewer or a researcher was not considered an authority, who alone justified the criticality of the events.

In EBNIT, trustworthiness means that the storyteller and the interviewer create a mutual understanding of the storyteller’s interpretation. The criticality of the events is identified by the storyteller and mutual understanding of the criticality of the event is negotiated with the interviewer in the storytelling situation. During the research process, it became obvious that the trustworthiness of the studies deploying EBNIT lies in the confirmation by the storyteller and the interviewer when the stories of service experience were recorded and analysed. In addition, the structure linked the events together and provided sufficient narrative coherence.

According to Webster and Mertova (2007) one aspect of trustworthiness or authenticity is that the researcher is able to present sufficient narrative coherence, and provide enough information to convince the reader that the story is told in serious and honest ways. EBNIT’s structure of events and coherence reduce the risk of subjectivity on behalf of the researcher (cf. Webster and Mertova, 2007, p. 96). Furthermore, we interviewed people, who showed interest in developing the service in question. Woods (1993) highlights the importance of such storytellers, who have had personal experience and as such, are motivated to contribute as a storyteller. The thesis is based on essays, which present multiple case studies. Whereas the variety of case studies gives the opportunity to listen to different voices and perspectives, the restricted number of pages in essays has created a challenge in conveying a sufficient amount of narrative coherence to the reader.

Familiarity

Amsterdam and Bruner (2001) emphasise that familiarity is a double-edged sword in narrative research. On the one hand, it provides access to the elements of a story; on the other hand, it can make things routine, not worth a story. Amsterdam and Bruner (2001, p. 12) suggest that in order to be a story, it needs to have an element of something unforeseen. Webster and Mertova (2007, p. 100) indicate that the structure of critical events captures the something unforeseen and as such makes the story worth telling. During the research process deploying EBNIT, it became obvious that storytellers often at first were not able to recall any events of their experiences. This might be due to the events being too familiar, and as such not worth telling. However, when they were asked in connection with their lifeworld as to whether they had experienced something that they considered unpleasant that they liked very much, stories started to flow. Moreover, the findings show that with the help of a magic wand as a metaphor, most of the storytellers were able to tell imaginary service experiences as *imaginary events* (Essay 2). Therefore, familiarity in terms of linkage with the

individual's own 'life word' provided access to the elements of a story and the metaphor triggered the storyteller's 'out of the box' thinking.

Economy

Webster and Mertova (2007, p.101) refer to economy as one of the essential aspects in the critical review of a study deploying narrative inquiry technique. A story can contain a vast amount of data, which is challenging to analyse. Therefore, Webster and Mertova recommend the identification and use of critical events as an efficient and economical approach, which will not compromise the findings.

Using EBNIT, the story collection and analysis depicted a narrative structure – a place, event and sequence as well as characters, audience and a specific setting. The data collection and analysis focused on a specific type of event according to the aims of the innovation project, e.g. in Essay 2 “using location-aware service” and “Web 2.0 service linked to an event”, In Essay 3 “service innovation and development in the public service in the municipal service sector” and in Essay 4 “the nature of customer service experience and customer perceived value from a phenomenological perspective”. Economy was noticeable in clarity of the analysis, as the structure of the stories and critical events guided the interpretation of the data and made the interpretation easily discussable among different researchers.

The process of the data collection and analysis revealed that when the purpose is to analyse individuals' subjective experiences, it was more economical to collect and analyse focused data in a narrative format than unfocused, unstructured data or data that has another format (e.g. a report).

Transferability of the findings

Narrative inquiry technique refers to using 'transferability' instead of 'generalisability' when referring to external validity. Transferability in narrative inquiry technique enables another researcher, who does research in another setting, to make the needed comparisons of similarity (Lincoln and Guba, 1985). Riessman (2008, p. 13) highlights that transferability does not relate to the specific details of the study as important insights can unfold from various types of stories:

A good narrative analysis prompts the reader to think beyond the surface of a text, and there is a move toward a broader commentary. Just because narrative approaches interrogate cases (rather than population-based samples) does not mean results cannot be generalised. But interference is of a different kind. Generalising from a sample to the entire population is the statistical approach; case study involves “generalisation to theoretical propositions”, which are, to some degree, transferable.

Silverman (2000, p. 112) emphasises the benefit of the partiality of the data and the particular phenomena it allows a researcher to inspect.

In case studies of Essays 2 to 4, particular service experiences were clustered and as such, the clusters created understanding of service experience of a group of people. At this stage it is important to emphasise that even if the aim of using metaphors and imaginary stories is to generate new innovative ideas, the ideas are not ready-made solutions for the project group. The ideas varied from being extravagant to practically thought-through suggestions for the development of the service. The companies needed to make strategic decisions on further development based on the chosen strategy, resources and technical and other possibilities. The findings from EBNIT can be used as a complementary technique in combination with other research methods.

To summarise the discussion on validity and reliability, Table 19 shows the aspects that relate to validity and reliability in the studies deploying EBNIT.

Table 19 **General validity and reliability in the narrative inquiry technique (based on Webster and Mertova, 2007) and in the presented EBNIT studies**

The narrative inquiry technique refers to:	In the thesis, the EBNIT studies refer to:
<p>VALIDITY:</p> <p>Narrative research is well grounded, supportable by the data collected.</p> <p>A finding is significant if it is important (Polkinghorne 1988).</p>	<p>VALIDITY:</p> <p>Stories were grounded on the individual's lifeworld in social contexts.</p> <p>The findings were significant and important for the empirical innovation projects by providing innovative ideas based on customers' and other individuals' needs and wants.</p>
<p>RELIABILITY:</p> <p>Access and honesty can be achieved by demonstrating the interpretation (Huberman 1995).</p> <p>Trustworthiness of the notes or transcripts. Differences between individuals are expected and valued.</p> <p>Data is persuasive and coherent.</p>	<p>RELIABILITY:</p> <p>Even if EBNIT data collection and analysis was based on intersubjectivity, it could be made explicit to the reader with <i>critical lived</i>, <i>other lived</i> and <i>imaginary</i> events. The storyteller justified the criticality of the events, and the interpretation of them was mutually negotiated with the interviewer/researcher. The logbook provided data on background information and transcripts documented the interviews.</p> <p>The EBNIT studies did not focus on collecting generalisable data but were interested instead in individual experiences.</p> <p>Persuasiveness and coherence of the data increased with the story structure of the individual's lifeworld, supported by the structure of <i>lived critical</i> and <i>other events</i>. Persuasiveness and coherence of the innovative ideas was supported by the storyteller's <i>imaginary events</i> as ideal solutions to <i>the lived critical events</i>.</p>

4.6.1. Limitations of the studies

An important thing to notice in connection with narrative inquiry technique is that specific features, such as time, event, place and characters, are considered as characteristics in the story told by an individual. As opposed to being considered as delimitations in research, which aims to be objective (Webster and Mertova, 2007, p. 96), these story specific characteristics are the strength of the particular narrative.

In this study, the written narratives in Essay 4 present stories on the UK consumer culture in English. Essay 2 provides narratives told by Finnish customers, and Essay 3 analyses spoken and written narrative from the public service, in the municipal service sector in Finland. They are all voices, which have been expressed in a specific setting, and present part of the multifaceted truth as experienced by the people involved.

In this thesis, throughout the research the following limitations or characteristics have been acknowledged. First, the interpreted storytellers represent only individual voices in a social context. In addition, the voices and therefore the data are subjective. Second, these voices compete with each other in human actions and act as a foundation for new

constructions of narratives. As the stories and experiences take place in a social context, the data is also intersubjective. Third, the narrative inquiry technique does not aim to present a truth based on a large sample. Instead, the human-centered perspective construes itself in subjective, multiple truths, which could be called narratives. Moreover, the thesis presents many different types of service in the context of service innovation. Further research in other service sectors would allow voices from different service sectors and in different settings.

Nevertheless, this study contributes an alternative way of looking at the phenomenological service experience. However, my co-authors and I acknowledge its limitations seen from the perspective of objectivist characterisation of research and do not try to present an ultimate truth. We understand that our narrative study presents specific individuals in a specific social, spatial and temporary setting targeting their story to a specific target group.

Limitations of the concepts used

This chapter focuses on the limitations of the concepts used. The focus of the thesis is on service experiences in an innovation context. Essay 1, which analyses how service experiences are characterised in recent research, is not intentionally limited to any specific kind of service, as phenomenological service research has been criticised for its dominant focus on hedonic service, such as whitewater rafting and amusement parks (CF. Carù and Cova, 2003; Vargo and Lusch, 2008a). The literature analysis in Essay 1 is limited to such articles and books, which explicitly use the concepts 'experience', 'service' and 'marketing'.

Essay 1, "Characterising the concept of service experience", argues that there are three approaches to characterising the concept of service experience. These approaches have been categorised and put forward in the thesis as 1. phenomenological 2. process-based and 3. outcome-based characterisations of service experience. In the further essays and in the summary of this thesis, the focus is on the phenomenological service experience. This choice has been made due to the gaps in the existing literature. The lack of empirical studies based on the phenomenological approach will be discussed in more detail in the chapter "Service experience as a research area".

Different streams of research exist in phenomenology and they have differences in characterising what 'meaning' is (Schwandt, 2003, p. 321). As a researcher I do not categorise and label complicated phenomenological, theoretical perspectives as either this or that. I rely on classical phenomenology in line with Edmund Husserl and the study of structure of experience as they appear to our consciousness. Malpas and Wake (2006, pp. 239-240) indicate "Although we cannot ascertain whether something really exists or not, phenomenology claims that we can understand something from the point of view of our own experience of it". Accordingly, when research is based on subjective experience, e.g. on a narrative, the storyteller justifies whether an experience is lived or imaginary (cf. Pine and Gilmore, 1999), and the researcher interprets the storyteller's experience. In research that is based on subjective data, the researcher needs to explicitly describe the reader, from which approach, whose perspective and in which context the phenomenon is looked at. The stories were grounded in the storyteller's 'live world'. With the help of a metaphor (e.g. a magic wand), storytellers were triggered 'out of the box' to generate imaginary service experiences. Therefore, the storytellers experienced innovative service experiences in their experiential regime. The service managers interviewed experienced innovative service experiences while working in the service innovation and development projects.

4.6.2. Self-evaluation

In narrative research, the intersubjectivity refers to not only the one who tells or writes the story, but also to the researcher who collects the story and interprets it as well as to the reader, who reads and interprets the research. Therefore as the researcher, I belong to the interpretative community (cf. Shankar, Elliott and Goulding, 2001; Höykinpuro, 2009) and tell a story about my PhD research process.

The origin of my research was in practical service innovation projects with companies and in public service. During various projects, I noticed that within the innovation phenomenon, there was something essential which was not included in the models of strategic management, marketing or service innovation and development. The strategic and marketing models helped the service managers to manage the innovation process and allocate resources. However, the inspiration for innovation was not inherent in the rational models but originated from the experiential realm of those involved in the phenomenon.

For the first time in my life, I thought that I would have something to share with the academia and became a PhD Candidate at Hanken, which has long traditions in service studies. I had studied Christian Grönroos' books on service marketing already during my Masters studies in the 1980s. Soon I noticed how naive I had been. I was not able to find a framework for my research. For two years I studied, read and attended courses in marketing, management and organisational studies without finding a framework. I was just about to give up, when I heard about a course in S-D logic given by Professor David Ballantyne from Otago University in New Zealand. The course took place at the Umeå University in Sweden in 2006. I had already read the Vargo and Lusch 2004 article in the *Journal of Marketing*, but it did not inspire me. In 2006 many articles and a book was published about S-D logic, and I was able to relate my preunderstanding to the experiential aspect of S-D logic. So far, the tradition of marketing and management research had relied on the traditional Cartesian separation of thinking and experiencing, of objective research and subjective experiences, or as Mintzberg, Ahlstrand and Lampel (1998) put it, the separation between thought and action.

However, finding the framework was not enough. Service experience (i.e. an individual's experience of service) was not thoroughly characterised in S-D logic and my supervisors announced that I should characterise the main concepts of my studies before proceeding with my research. My astonishment grew as I noticed that many of the published articles that used the concept of experience in a service setting in their headline did not characterise the concept either. Service experience based on the phenomenological approach needed to be characterised better and that became the leading question in my thesis. As Hanken and service marketing in general does not have a tradition in phenomenological studies, I needed to widen my approach to include other streams of research. In Europe, the Interpretative Consumer Research has focused on the phenomenological approach. I was able to attend an EIASM conference on Interpretative Consumer Research at the Bocconi University in Milan and presented a paper together with my co-author Carol Kelleher from Cranfield University and received feedback on it.

Defining the concept of service experience was not the only challenge. Finding suitable methodology in line with the phenomenological approach was also a challenge. The dominant research tradition in service marketing has not been phenomenological and in S-D logic most studies were conceptual. Ritva Höykinpuro (2009), my PhD candidate colleague at Hanken, introduced me to narrative research, which I further

developed in my studies by combining event-based narrative inquiry technique with metaphors in order to reach the innovation context. The new, combined technique was put forward as Event-Based Narrative Inquiry Technique (EBNIT). EBNIT is based on the phenomenological approach and justifies subjective experiences as data. EBNIT emphasises that the data is not only subjective but also intersubjective as individuals do not live in isolation (cf. Goulding, 2005; Husserl, 1960). Therefore, I do not even try to argue that the data and its interpretation in my thesis is objective. Rather, I rely on the subjective approach, the interpreted nature of the data. Accordingly, I also consider the reader's interpretation of my PhD to be subjective and intersubjective.

The important aspect in intersubjective knowing is how other people interpret the research. According to Polkinghorne (1988), in narrative research a finding is valid if it is important to the individual who interprets it. During my research process, I have had contact with many people, and I am very thankful for their feedback and reactions, which have helped me to improve my own interpretations and how I present them. My supervisors, professors Tore Strandvik and Maria Holmlund-Rytkönen have been very important in the process, as well as the whole research community at Hanken. My internal examiners Maria Suokannas and Suvi Hintsanen gave valuable comments on my research. Professor Christian Grönroos has been my examination supervisor and has shared his wide international researcher network by arranging sessions with visiting scholars for PhD students and researchers at Hanken.

Before I started my PhD, I expected the research process to be a rather personal process in studying. The necessity to work together with the international research society came by surprise. The international conferences offered the possibility to present my research and receive feedback, which helped me to further develop my ideas, research and how to present them. International conferences, where I have published or co-published papers has been a very important forum to test research ideas and how to present findings. The S-D logic conferences and workshops were essential for my research: 2008 Logic and Science of Service Conference, University of Hawaii, The 22nd Services Conference and Workshop, London, Academy of Marketing, and The 2009 Naples Forum on Service, Service-Dominant logic, service science and network theory, Napoli. I and my co-authors were able to receive feedback for our service innovation studies as well as for deploying EBNIT at the Moving Forward with Service Quality Conference (QUIS 11) in Germany in 2008, and at the Australian & New Zealand Marketing Academy (ANZMAC) in 2008 and 2009. Furthermore, the following conferences in Finland were useful for the methodological and conceptual development: Conference on Qualitative Research at Hanken in Vaasa and the Nordic Conference of Experience 2008 in Vaasa. Some of these conferences had a doctoral colloquium, which was an excellent forum to learn about publishing, and get targeted feedback on my own research.

At first I planned to write a monograph thesis, but then realised that my research phenomenon is too complicated to present in one study. Therefore, I decided to write a publication based thesis and am thankful for the feedback of the anonymous reviewers, who have reviewed my papers, both co-authored and individual, and given valuable feedback in order to revise the papers. I am humbled when I think that reviewers are not even paid for their valuable efforts. Furthermore, I found that the many different deadlines gave me impetus to work during all those evenings, weekends and holidays. The amount of work that I have invested in the PhD is far more than I expected in advance. In fact, undertaking a PhD is like getting your first baby: you are far too naive to understand the amount of hours you need to take care of the 'project'.

The research projects I have worked with during my PhD process have been an important forum on intersubjectivity. The project, where I originally developed EBNIT, was the Helpten strategic new service innovation project run by Astarte Oy. The project was funded by Tekes and four industrial partners. EBNIT was further tested and developed with my co-author Minna Pihlström in the Tools for identifying user needs and values in designing successful technology (VALU) -project. This project was a co-operative project between the Centre for Relationship Marketing and Service Management (CERS) at Hanken, the Unit of Human-Centred Technology in Tampere University of Technology, and six industrial partners. The project was funded by Tekes SERVE programme and six industrial partners. The findings of the studies deploying EBNIT were considered significant and important for the innovation projects. Personally, I understand it to be very important to combine research and practice and to get feedback on that during the research project.

An important part of the PhD project has been the financial support from the Foundations, which have funded my PhD. The funding has enabled this PhD; and writing applications with research proposals and progress reports have developed my PhD as well as made me keep a logbook of my resources, actions and the structure of my research process. Especially, the funding from Liikesivistysrahasto, Marcus Wallenberg Foundation and Hanken Foundation have made it possible to attend international conferences.

Academia is very international and therefore I am writing my PhD in English. It was a real challenge to start writing academic text in English, which is not my mother tongue. With my roommate at Hanken, Catharina von Koskull (2009), we supported each other in our writing endeavour. In fact academic writing is a genre of its own. Moreover, at first even reading academic articles took me a long time. I wondered with my PhD colleague Arja Hallberg how it could take so long to read an academic article. Then towards the end of the first PhD course we realised that one needs a specific reading technique to manage reading academic articles.

Personally, as a researcher, I do not claim to be objective in this thesis. I have adopted the Husserlian research tradition with the subjective, experiential approach. The narrative research interrogates cases instead of statistically based samples. Therefore, generalisation does not refer to the entire population but to theoretical propositions, which according to Riessman (2008, p. 13) are transferable to some degree. For the reader, I aim to interpret how the subjective phenomenological approach of service experience in an innovation context creates a new type of understanding and practical implications.

Czarniawska (2004, p. 118) recommends that the researcher should make the reader feel as if they are in the field. This can be done by reporting the research in the form of a story with genuine descriptions of the interview events. Despite this recommendation, I have written my thesis in the traditional thesis structure as the research tradition at my university does not support a narrative, story-form structure for a thesis. In addition, the journals I have submitted my essays to, prefer the traditional structure of an article instead of a story form. Therefore, my PhD thesis has not been written in a story form.

Throughout the whole process, the experiential realm has been the origin and driving force in my thesis. However, it has not been an easy choice as the phenomenological approach has not been the dominant research tradition in service marketing. The thesis has been an important experience for me to justify the experiential realm as an

important and valuable access to innovative ideas and something new, which can be used to innovate and develop service. The world is not just black and white and therefore the phenomenological approach to service experience and innovation complements other research approaches. The service managers in the case studies commented that the rational models help them to allocate resources and manage the innovation process. However, the origin of their inspiration for the innovations was of experiential nature and originated from the inter- and intrasubjective tacit knowledge in the form of inner experiences. The service managers I interviewed often based their decisions on their own and other people's experiences but further communicated them as rational decisions in the organisation. The managers also suggested that they were hopping from being the rational decision maker to being an experiencing human being. During this PhD phenomenon, I have been hopping between the experiential realm with enthusiasm, great joy and up and downs, and the processual resource thinking, where I have rationally allocated my resources between the research project and my private lifeworld. However, the experiential approach and the processual, resource-based approach were not totally separated but intertwined in my life. What happened in my experiential world, affected my process-based approach and vice versa.

My supervisor Maria Holmlund-Rytkönen gave me Paulo Coelho's book 'Life', where I found an aphorism that describes the PhD process and having to continuously make choices between different options:

When you choose one road, you abandon others. If you plan to walk all the roads, you will not finish any of them.

My biggest choice during this PhD process was the phenomenological approach as all other choices were connected to that road. Based on my experiences I would say that I am glad I chose the phenomenological approach, because according to my intra- and intersubjective experiences the PhD process and findings were significant and important. Furthermore, personal experiences in my working and private lifeworld were the driving force for me to start the whole PhD project.

5 FINDINGS AND IMPLICATIONS OF THE ESSAYS

Essay 1 provides the grounding for the whole thesis by characterising the concept of service experience. Moreover, Essays 2 to 4 further characterise the phenomenological service experience through empirical evidence from eight case studies.

5.1. Essay 1: Characterising the concept of service experience

Essay 1 presents a literature review in the domain of service marketing and creates the literature review for my thesis. Essay 1 serves the purpose of reviewing the use of the concept of service experience in service marketing research and to make propositions about how to characterise service experience in order to help current and future researchers in conceptualising the phenomenon of service experience. The essay also identifies gaps in the literature reviewed and suggests ways to narrow the gaps.

This study reviews recent research in service marketing and addresses the following questions:

- Research question 1: How has the concept of service experience been characterised in the recent literature?
- Research question 2: How do these various characterisations of service experience relate to previous research?

58 articles and two books focusing on the period from 2005 to 2007 have been analysed by using content analysis. Content analysis is best suited for presenting categorical data (Silverman, 2005, p.163 and 377), and to systematically evaluate the symbolic content of any type of recorded communication (Kolbe and Burnett, 1991). Tables 20 and 21 summarise the first and second phase of the data collection for the literature review.

Table 20 The 1st phase of data collection for the literature review

The 1 st phase of data collection	
Amount of studies	54
Domain	Service marketing
Time frame	1 January 2005 to 31 December 2007
Data source and criteria	ABI/Proquest, Business Source EBSCO and Emerald databases “service” in citation and abstract and “marketing” in the citation and document text.
Additional criteria in the database search	ABI/Proquest: “service” in citation and abstract and “marketing” in citation and document text. EBSCO and Emerald: “service” and “marketing” in the abstract. (Additional criteria vary due to the different search options.)

The 54 articles scanned were read through twice and encoded temptatively with content analysis. This rough content analysis categorised the definitions into two main categories: not characterised and characterised. Even if experience is mentioned in the title of the articles, the somewhat surprising result is that the concept of service

experience is in many articles (28/54) not characterised at all or it is used in a generic meaning, e.g. “to know” or “to learn”.

Due to the lack of definitions, additional literature was added to the data. The criterion for the additional references is that they are central to the concept of service experience. The following authors were cited in the scanned articles: Arnould and Price (1993) 5 times, and Pine and Gilmore’s book (1999) 3 times. In addition, four more references were added: Holbrook and Hirschman (1982) and Prahalad and Ramaswamy’s book (2004) due to their influence in characterising service experience as the locus of consumption and business. The articles by Schembri (2006) and Vargo and Lusch (2008a) were added as they are the key articles in characterising the concept of service experience in S-D logic, which manifests the shift from G-D to S-D marketing. Table 21 presents the features of the additional data.

Table 21 **The 2nd phase of data collection for the literature review**

The 2 nd phase of data collection	
Amount of studies	6
Domain	Service marketing
Time frame	1982 - 2008
Data source and criteria	Service marketing literature. Central to the concept of service experience. The following authors were cited in the scanned articles: Arnould and Price (1993) 5 times, and Pine and Gilmore’s book (1999) 3 times.
Additional criteria	In addition, six more references were added: Holbrook and Hirschman (1982), Prahalad and Ramaswamy’s book (2004), Schembri (2006) and Vargo and Lusch (2008a)

To summarise Table 21 and 22, the whole sample consists of 60 references; e.g. 58 articles and 2 books.

5.1.1. Findings

The categorisation shows that in many articles, the concept of service experience was not characterised at all (28/60). In the studies that characterised service experience, categories emerged. Essay 1 puts forward three ways of characterising the concept of service experience in relation to previous research. 1) Phenomenological service experience relates to the value discussion in S-D logic and interpretative consumer research, 2) process-based service experience relates to understanding service as a process, and 3) outcome-based service experience refers to understanding service experience as one element in a model linking a number of variables or attributes to outcomes.

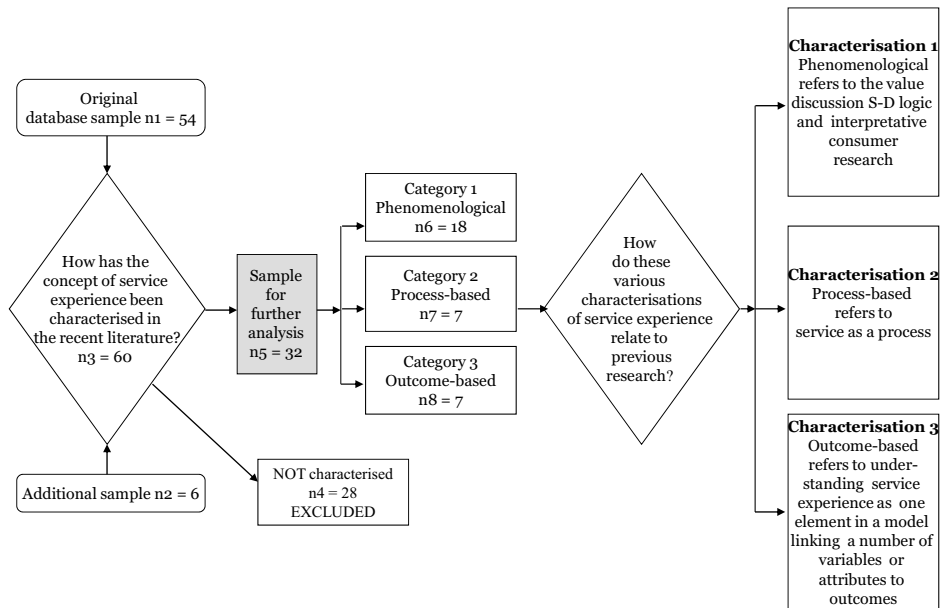


Figure 7 The process of reviewing and characterising service experience

5.2. Essay 2: Narratives and metaphors in service development

The aim of Essay 2 is to present a new combined, projective technique, Event-Based Narrative Inquiry Technique (EBNIT), and analyse how it adds to traditional interviewing techniques in service development contexts for yielding new service ideas and evaluating current service.

The use of the method has been discussed in the methodology chapter. This section focuses on how Event-Based Narrative Inquiry Technique (EBNIT) can be used to analyse lived and imaginary service experience in the context of mobile service, location-based service and Web 2.0 service.

5.2.1. Findings and implications for service innovation

In Essay 2, ordinary customers were triggered to generate innovate, new ideas with the help of metaphors. Storytellers were asked to recall an experience they had had with the service or related lifeworld, and to talk about that experience describing what was critical, positive or negative about it. Storytellers were then asked to explain what that experience would look like if a magic wand made it an ideal experience for them. The multiple case study included mobile service, location aware service and Web 2.0

service. Table 22 below illustrates examples of new service ideas generated based on the narratives of the imaginary event. In Case 1, no metaphor was used. The storytellers generated some innovative ideas (5/31) but less compared to the interviews, where metaphor was used (15/15 and 22/25).

Table 22 **Summary of the multi case study in Essay 2**

	Case 1	Case 2	Case 3
	Mobile service	Location-aware service	Web 2.0 service
New ideas / total no of storytellers	5/31	15/15	22/25
Metaphor	No metaphor used	A magic wand, an electronic co-driver / secretary.	A genie of the Internet, a magic wand.
Event-based need	Pedestrian navigation, entertainment, translation	In-advance advice for navigation, voice-based interface, information based on driving.	Better service experience of creating and sharing content through different channels.
Examples of new service ideas generated based on the narrative of the imaginary event.	<ul style="list-style-type: none"> • Service that finds the shortest route from place A to B for pedestrians. • Service that locates self or others if they are lost, including a map. • Information to mobile phone about which movies are on at the nearby cinema. • Small vocabulary ordered on demand to mobile phone for travellers. • Picking up rental movies from a dispenser that functions with text messages. 	<ul style="list-style-type: none"> • Different types of point of interest service • Data from driving for specific purposes such as an electronic report on driving. • The navigator would not just tell me where to turn but also how well I drive. 	<ul style="list-style-type: none"> • Service that integrates taking, saving and sharing photos through a mobile device. • Browser capable of reading the content of pictures. • Service options are integrated in the weather forecast. • In an event, I can track and trace my friends. • If my picture appears on the web, I would automatically know about it. • Pictures would have sound and atmosphere in them.

Essay 2 focuses on the second gap, the lack of empirical studies based on the phenomenological approach in service marketing research. Essay 2 contributes to service innovation and development research methodology literature by presenting how metaphors and narratives can be used to generate innovative development ideas, due to their capability of interpreting people's experiences in their lifeworld.

The pros with EBNIT are in the user-friendliness, effectiveness and ability to generate new ideas for developing customer service experience:

1. When narrative inquiry technique was used with critical incidents and narratives, 15/15 and 22/25 storytellers generated innovative service ideas. As such, it is good at triggering new ideas. In comparison, in Case 1 metaphor was not used and it resulted only in 5 respondents out of 31 creating new ideas.

2. EBNIT results in really innovative, as well as more pragmatically oriented ideas.
3. EBNIT is easy to use. Findings are available throughout the study.
4. EBNIT complements other research methods.
5. EBNIT is manageable and low-in-costs. Lived events focus on concrete needs and wants. Imaginary events generate innovative ideas, which otherwise might be unspoken.
6. Innovative ideas can be discussed and further discussed with the storyteller on the spot.
7. The method can be connected with customer perceived value experiences.

The cons with EBNIT focus on the interactive role of the interviewer. As a research technique, EBNIT cannot be totally pre-standardised due to the important role of the dialogue between the interviewer and the storyteller:

1. Interviewers need some understanding of the existing service phenomenon.
2. Experienced interviewers are needed, who are able to create a dialogue. The method is not totally standardised.
3. Interviewers should have some understanding of customer needs and wants.
4. Imaginary capability is desirable, as interviewing imaginary narratives requires creative thinking.

When combined with event-based critical incidents, narrative analysis becomes a manageable technique, which can be implemented in different service settings. The cases show that EBNIT is suitable for generating new, innovative service ideas and in assessing and developing existing service. The method is manageable and effective. EBNIT can be used as a single technique and to contribute to other methods. The multiple cases indicate that connecting new imaginary ideas with lived events helps to link new service ideas to the lifeworld events, where practical needs and wants emerge.

5.3. Essay 3: Characterising managerial service experience

Service-Dominant (S-D) logic conceptually recognises all actors as experiencing subjects (Gummesson 2008; Vargo and Lusch 2008a). Currently, studies focus on customer service experience as a key driver in service development (Arnould, 1993; Edvardsson, Enquist and Johnston, 2005) and seem to overlook other actors in the service phenomenon. Therefore it is interesting to analyse how representatives of a service provider, such as service managers, experience the service they develop together with customers and other stakeholders.

Essay 3 has the purpose of characterising managerial service experience based on the phenomenological approach. Essay 3 puts service managers' service experience forward as 'managerial service experience' and focuses on middle-level managers and front-line managers, who have a close working-relationship with their customers. According to Bitrain and Pedrosa (1998), middle-level and front-line managers are able to interpret

front-line customer experience and are thus interesting for service innovation researchers.

Essay 3 is a multiple case study in the public service sector in Finland. The empirical setting in this essay is public every-day service in the municipal sector in Finland, which has not been the focus of research in the service innovation and development research. In Cases 1 to 4 service managers experienced developing and co-creating a local service innovation together with customers and other actors. In Table 23, the cases are listed.

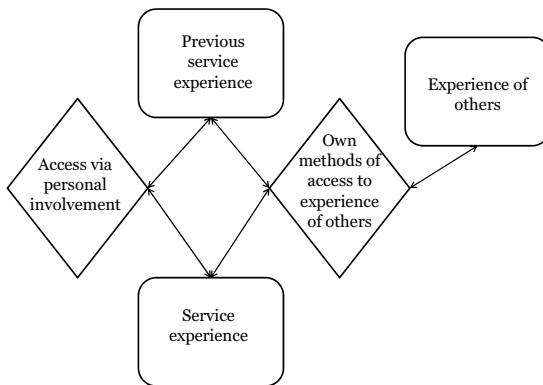
Table 23 **Cases, where service managers experienced developing and co-creating a service innovation**

	Public service innovations
Case 1	Co-creation of a new kindergarten group for children with special needs (ADHD)
Case 2	Co-creation of electronic answer service in the local health centre for laboratory tests
Case 3	Co-creation of integrated kindergarten and social service. The service is targeted for families in need of extra assistance to manage their daily life.
Case 4	Co-creation of a funding strategy for municipal cultural service. Citizens make funding decisions together with the staff members of the city.

Data has been collected by applying Event-Based Narrative Inquiry Technique (EBNIT). Narratives include the time aspect and, as such, they can reflect the past, present, and future experience and embrace the individual and social context in which the stories are related (Czarniawska, 2004; Webster and Mertova, 2007).

5.3.1. Findings and implications for service innovation

The analysis in characterising the managerial service experience revealed several engrossing findings. First, managerial service experience was strongly social and networks emerged important. Within the service network, service managers based their service experience on their previous experiences. The sense-making of these experiences took place in the form of inner and social dialogues. Service managers also made sense and changed their past service experience based on the sense-making with their new experiences. The managerial service experience was affected by multiple service experiences by different individuals. The findings are in accordance with Schwandt (2003, p. 304), who indicates that people construct their interpretations in the realm of shared understanding, practices and existing theories.



Arrows downward: Service managers' service experience was based on their previous experience.

Arrows upward: The sense-making process and "reliving" old experiences in a new light. Service experience could be either lived or imaginary.

Figure 8 Sources for service managers' service experience. Adapted from Gummesson (2000, p. 71).

Second, the findings show that when service experience was seen from the phenomenological approach, managerial service experience could be either lived or imaginary and still played an important role in decision-making. The managers told that their lived experience played a significant role in the service innovation phenomenon and influenced their decisions. With the imaginary experience, service managers were capable of co-creating new ideas and solutions to deal with existing challenges. As manager' service experience was able to reach the tacit knowledge, it was an invaluable source to service innovations, which represented something new and unexpected. This indicates that the service managers were not only rational managers and developers but also experiencing individuals.

With the help of their service experience, the service managers made sense of their tacit knowledge. This can be seen as an asset in service innovation and development. Such experiences, as "we just felt this was a good thing" or "the way the project had been continued just was not the right thing", are not officially accepted arguments in decision-making. The service managers tended to talk about their innovation experience only with those they trusted and had a good relationship with. Nevertheless, they used their service experience as tacit knowledge when making rational decisions. Accordingly, in their narratives service managers told that the terminology and argumentation for their service experience in the innovation phenomenon did not reach the requirements of professional argumentation.

Third, at the same time that service managers highlighted their lived and imaginary service experience, they considered resource-based service development models to help to manage the service and its resource allocation. The kindergarten director expressed the benefits of resource allocation as below:

Even if here at the kindergarten the service is an ongoing thing, I have started to make projects out of it. It makes it easier to manage and allocate resources.

This is in line with the theoretical approach of New Service Development that a structured service development process supports the service development. The service managers connected service innovation and development with the municipal strategy. (cf. Bitrain and Pedrosa, 1998.) Rosvall (2006) indicates that structured communication brings many stakeholders together better than unstructured.

The findings indicate that service manager construed service experience as a phenomenon and as a rational, resource-based orientation within the same innovation process.

The contribution of Essay 3 focuses on the third gap as follows: service experience has been mostly considered as customers' service experience. Service experiences of other actors have not been focused on in the research. In the existing studies, company representatives are mostly in the role to manage customers' experiences. Company representatives reflect how customers have experienced the service in question and base their understanding on customer needs and wants on service experience of other people.

The contribution of Essay 3 is twofold. First, the essay characterises the phenomenological service experience as experienced by service managers and puts it forward as managerial service experience. Second, Essay 3 provides empirical data in the form of multiple case analysis and presents voices of service managers in an innovation context. These voices support the findings of other essays and characterise the phenomenological service experience from the managers' perspective. In other words, service managers do experience the service they manage and develop also as experiencing actors, not only reflecting experience of other people.

The implication for innovation research is that service managers do not only reflect customers' experiences. In addition, they have individual service experiences with the service they manage and develop. Accordingly, in the phenomenological approach, it is not only customers, who are actors in the phenomenon of service experience. Other actors, such as service managers, have their own service experiences. Moreover, the findings indicate that managers' service experiences influenced their decision making in the context of service innovation.

However, even if service managers recognised their lived and imaginary service experience, they also recognised themselves as rational decision makers and managers and considered resource-based service development models to help to manage the service and its resource allocation. Therefore, the voices of the service managers suggest that the existence of the phenomenological justification of subjective data and rationalistic assumptions of data are able to exist in parallel in a service innovation phenomenon. The parallel existence of different orientations within a service innovation and development phenomenon would not be possible without the understanding that there is not only one truth. Essay 3 identifies the existence of different types of experiencing actors and different types of approaches to data that existed in an empirical service innovation phenomenon. In addition, Essay 3 argues that the perspectives and approaches to data should be discussed thoroughly in research.

The implication for service innovation is that managerial service experience is able to reach to tacit knowledge and therefore is an asset in service innovation and development. As such, service experience is a source for something new and unexpected, which is relevant when different actors are co-creating service innovations.

Until now, managerial service experience has not gained attention in service innovation and development research. With the help of narratives, tacit knowledge can be made explicit.

5.4. Essay 4: Circularity of customer service experience and customer perceived value

This paper adopts a phenomenological perspective to analyse the cyclical inter-relationship between customer service experience and the customer's perception of value and seeks to improve service marketing researchers' understanding of the phenomenon. With the phenomenological approach, the concepts of service experience and value perception are both not thoroughly characterised and therefore clear difference has not been established (Carù and Cova, 2003; Sanchez-Fernandez and Iniesta-Bonillo, 2007; Vargo and Lusch, 2008a).

Traditionally, service marketing literature has explored the information processing and reasoning role of customers in a value perception process. Moreover, the relationship of customer value and customer service experience has not been explicitly discussed in the literature to date (Wikström, 2008). The literature review indicates that specific streams of research seem to favour the concepts of perceived value and service experience differently. While service marketing and management in the Nordic School approach tend to refer to perception as in "customer perceives the value" (Ravald and Grönroos, 1996), S-D logic refers to experience and indicates value creation "being phenomenological and experiential in nature" (Vargo and Lusch, 2008a, p. 2).

The purpose of Essay 4 is to examine the nature of customer service experience and customer perceived value from a phenomenological perspective. Clarity is required to differentiate customer experiences and closely related concepts such as customer perceived value. Essay 4 presents a multi-case study on consumer-generated blog postings around the period of the initial iPhone launch in the UK market at the end of 2007. The empirical data consists of narratives, which are written blog postings. Blog postings are consumer-generated texts of customers' individual experiences and value perceptions, which they have shared with other bloggers. Further details are described in the methodology chapter of this summary and in Essay 4. Table 24 briefly presents the multi-case study, where Event-Based Narrative Inquiry Technique was used.

Table 24 **Description of the multi-case study in Essay 4**

1 st phase	
Data	A time series trend analysis for the six months between 9 September 2007 and 9 March 9 2008 was conducted in order to examine blog postings during the stages around the launch of iPhone in the UK. This yielded 677 results. For the detailed methodology used to gather data and the 1 st phase analysis, see Kelleher and Peppard (2008).
Method	The blog search engine www.blogpulse.com , a service of ACNielsen Buzz Metrics, was selected due to the ability to conduct trend and conversation analysis as well as basic text searching.
Criteria	A query on www.blogpulse.com with the following criteria: [iPhone AND (UK OR United Kingdom OR Britain OR British)] AND user AND experience)
Analysis	All 677 blog postings retrieved were then manually checked and skim read to determine whether they specifically related to the iPhone user experience. Certain blog postings were eliminated e.g. where listings were duplicated, the blog posting was no longer assessable at the listed URL; the blog posting was in a language other than English.

2 nd phase	
Data	A selection of 21 blog postings between September 2007 and March 2008 (Essay 4), were listed and copied into separate word documents and imported as 21 separate cases in to Nvivo. (For the detailed methodology used to gather data, see Kelleher and Peppard, 2008).
Method	Event-Based Narrative Inquiry Technique (EBNIT).
Criteria	21 blog postings were randomly selected.
Analysis	The 21 blog postings were analysed with Event-Based Narrative Inquiry Technique (EBNIT) by the researchers of Essay 4 (Helkkula and Kelleher).

5.4.1. Findings and implications for service innovation

Essay 4 reveals four findings after examining service experience and customer perceived value in connection with lived and imaginary service experience. These findings emerge in the individual and social context.

Firstly, the customer service experience – the value perception process was not a linear value chain, rather it was a complex phenomenon, which included dynamic interrelating processes of experiencing and conditioning value perceptions within a continuum (Figure 9). The existence of such dynamic interrelationships between customer service experience and customer perceived value meant that customers were always assessing and modifying how they made sense of their service experiences and perceived value. People did not experience with an empty mind, they made sense of their service experience based on their previous experience (Thompson, Locander and Polio, 1989; Gould, 1993). Novice as well as expert customers based their service experiences on their previous lifeworld experiences, which might have related to the specific service, some other services or experiences in general. Customer service experience and customer perceived value would thus appear to be a dynamic and continuous phenomenon, which evolves and changes as customers live and experience their lifeworld context.

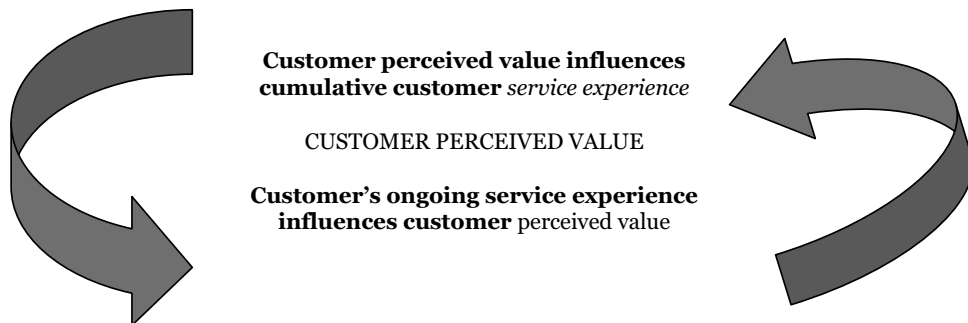


Figure 9 Circularity of customer service experience and customer perceived value

Secondly, the circularity of customer service experience and customer perceived value did not limit itself to the individual's experiences as these experiences took place within a social framework. This needs to be taken into account when methodology is chosen for analysing customer service experience. Moreover, it seems that it is not possible for the service researcher to objectively examine customer experience of singular events separate from their social, contextual setting (Heidegger, 1962/orig. 1927; Thompson et al., 1989).

Thirdly, customer perceived value could not be solely related to the service provider's service offering as customers tended to make sense of their service experience – value perception processes in the form of internal and external dialogues together with other people. The dialogues took place in customer-to-customer (C2C) communities, which played an important role in the customers' sense-making and value co-creation process (cf. Shankar et al., 2001; Cova et al., 2007). Therefore, customers were able to influence where, when and how value was generated and their customer service experiences created the basis for customer value perception.

Moreover, the narratives show that in the phenomenological approach, which looks at customer perceived value in connection with the events of lived service experiences, customer service experience did not need to be lived externally. Customer service experience could also be imaginary. In this study, the storyteller identified whether his or her service experience was imaginary. Including imaginary service experiences within the innovation phenomenon creates a totally different starting point in developing service than solely relying on externally observable actions and behaviour.

Essay 4 contributes to innovation research by analysing the phenomenological service experience and customer perceived value as a circular phenomenon. In addition, Essay 4 provides empirical data on the phenomenological service experience in an innovation context. The contribution of Essay 4 is based on the first and second gap, the lack of discussion in the approach of the study and the lack of empirical studies on the phenomenological service experience.

The implication for service innovation is that customers do not have an isolated service experience, but rather relate and interpret each current and new service experience to their previous service experiences. Customer service experience and customer perceived value appears to be a dynamic, continuous process, as individuals reconstruct their current service experience and value perceptions.

For innovation researchers this indicates that they are not able to focus on isolated service experiences, but should rather consider the phenomenon of service experience holistically. Korkman (2006) and Grönroos (2008) have highlighted the importance of understanding people in their everyday practices as a starting point in service logic.

Second, customer service experience and customer perceived value is not a linear value chain process, but rather a complex phenomenon, which includes dynamic interrelating processes of experiencing and conditioning value perceptions within a continuum. People do not experience with an empty mind, they make sense by assessing and modifying their service experience based on their previous experience (Thompson et al., 1989; Gould, 1993). Rindell (2007, p. 1) has examined consumers' corporate image constructions and indicates that images are constructed based on "earlier company-related experiences from multiple sources over time activated for interpreting company-related experience in the present". In connection with service innovation,

Essay 4 argues that also future imaginary service experiences potentially affect customer perceived value. This is an asset for innovation researchers, who are able to reflect customer perceived value to such service innovations, which are still imaginary.

The third implication is to elaborate on the social aspect of the customer service experience and customer perceived value. These two phenomena are intertwined not in a linear but in a circular way. The circularity of customer service experience and perceived value does not limit itself to the individual's experiences as these experiences take place within a social framework. Accordingly, when analysing the phenomenological service experience in relation to innovation, the methods used need to be able to interpret singular events from an individual perspective in connection with cumulating events in social settings (cf. Heidegger, 1962/orig. 1927; Thompson et al., 1989).

6 CONTRIBUTION AND IMPLICATIONS

This chapter points out the key findings of the thesis as a whole and discusses the contribution and implications for theory and methodology. In addition, managerial implications will be discussed. Thereafter, the chapter discusses managerial implications and encourages further research.

6.1. Summary of the findings

The research process started with a literature review on recent research in service marketing focusing on the following questions:

- How has the concept of service experience been characterised in the recent literature?
- How do these various characterisations of service experience relate to previous research?

The findings of the literature review show that authors have used different types of characterisations. The thesis puts forward the following categories in characterising the concept of service experience: phenomenological, process-based and outcome-based. It was found that 1) the phenomenological service experience relates to the value discussion in S-D logic and interpretative consumer research 2) the process-based service experience relates to understanding service as a process, and 3) the outcome-based service experience refers to understanding service experience as one element in a model linking a number of variables or attributes to outcomes.

The findings of the literature review revealed novel insights. S-D logic conceptually recognises all actors (beneficiaries) as experiencing subjects (Gummesson, 2008; Vargo and Lusch, 2008a). Nevertheless, up-to-date S-D logic has not properly characterised service experience based on the phenomenological approach even though experience in a service setting is mentioned in the foundational premises of S-D logic (Vargo and Lusch, 2008a). In addition, so far, the studies in S-D logic have been mostly conceptual and thus empirical evidence is scarce. The scarcity of empirical studies might be due to such studies not being done or published, as the dominant tradition in marketing favours generalisable empirical studies based on large samples (Fisher, 2004). Furthermore, to date the research has focused on customer service experience. Representatives of a service provider are mostly seen in the role of managing customers' service experiences (e.g. Meyer and Schwager, 2007).

Based on the emergent findings in the literature review, the following main research question was formulated for the whole thesis:

- **How can service experience be characterised based on the phenomenological approach?**

In order to answer the main research questions, the following sub-questions were formulated:

- How can customers' service experience be characterised based on the phenomenological approach? (Essays 2 and 4)

- How can managerial service experience be characterised based on the phenomenological approach? (Essay 3)

In the thesis, customer experience of service is presented as customer service experience. Service managers' experience of service they innovate and develop is presented as managerial service experience. The thesis analyses front-line managers, who have a close working-relationship with their customers and thus are able to interpret front-line customer experience. The thesis understands service experience as a holistic phenomenon, which is subjective, event specific, personal, and individually and socially-constructed (cf. Lusch and Vargo, 2006; Schembri, 2006).

The thesis adopts the ontological perspective of traditional Husserlian (1859-1938) phenomenology. In addition, the thesis recognises the work of Alfred Schutz (1899-1959) who further developed the social aspect of phenomenology, which Berger and Luckmann (1967) put forward as social construction theory. Accordingly, the thesis views intra- and intersubjective experience as the foundation of existence and posits that experiences can be analysed in relation to other phenomena, such as service and value (Woodruff Smith, 2008).

The findings of the eight narrative case studies identified typical characteristics of service experience in the innovation context. The characteristics related to the customers and service managers. The service managers individually and subjectively experienced the service they developed and managed in the social innovation context. In Figure 10, the characterisations of the phenomenological service experience are presented in connection with sense-making and the hermeneutic spiral to interpret an experience by relating it to its context (cf. Woodruff Smith, 2007). The findings show that sense-making was not a linear process but rather a cyclical phenomenon. Based on the phenomenological approach, sense-making of service experiences is as follows:

- **Context specific:** The thesis understands context being event specific and justified by the individual's lifeworld, which is always a social context (cf. Crossley, 2006b).
- **Subjective:** In accord with phenomenological epistemology, the thesis understands the views and experiences of the participants to be justified data (Woodruff Smith, 2007).

Individuals construct their current experience based on past experiences. In addition, individual experiential regime reaches the future, imaginary service experiences. Figure 10 describes an event, where the individual constructs the current service experiences based on past experiences and identifies imaginary experiences that might take place in the future. The current service experience is individual and therefore intrasubjective but at the same time intersubjective as the individual is part of different groups and has access to many types of information sources.

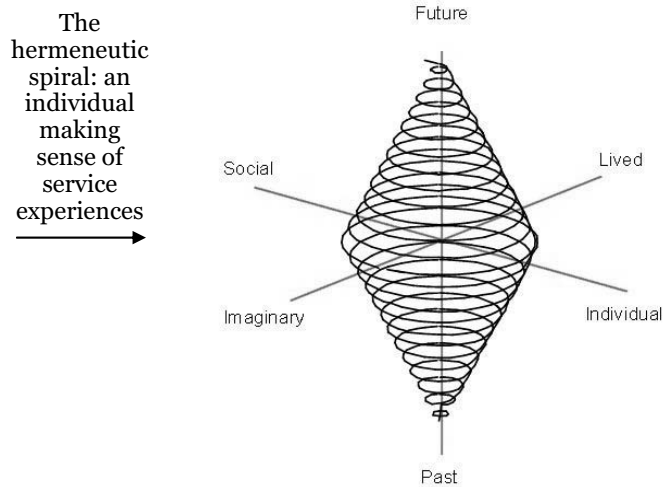


Figure 10 Sense-making based on individual subjective and context specific service experience as justified data

To summarise, the findings revealed that the customers and service managers characterised service experience in the following way:

- **One event – cumulative events:** Individuals based their current service experience on past experience and on imaginary future experience.

These findings relate to the cumulative nature of experiences recognised in the hermeneutic spiral (Husserl, 1960; Gummesson, 2000).

- **Individual and social:** Phenomenological service experience was individually subjective, time and context specific. However, people did not live their lives in isolation. Therefore, individual service experience was at the same time social and intersubjective.

These findings are in accord with Schembri's (2006) view, who argues that service is individually experienced and thus service is an individual experience. Johns and Tyas (1997, p. 477) highlight the dual nature of experiences and value perceptions; on the one hand service experiences are individual (intra-subjective), and on the other hand socially constructed (inter-subjective).

Even if service experiences are individual, the findings revealed that the intrasubjective nature of service experiences could be identified. A tendency of cluster formation with individual experiences was noticeable. Therefore, the research findings identified typical experiences in specific service events. Typical service experiences in addition to the individual service experience are

valuable information for service providers in service innovation and development.

- **Practically lived and imaginary:** In addition to lived service experience, also imaginary service experience affected customer perceived value. In this study, in accordance with the phenomenological approach, the individuals justified the difference between lived and imaginary service experience by making sense of their lived and imaginary lifeworld.
- **Past, present and future:** In their experiential realm, the individuals were able to experience the present, past and future as an inner experience. People made sense of time with the help of years, days and hours. However, individuals experienced e.g. the length of days and minutes in different ways. Moreover, individuals did not experience time only in a sequential order from past to present and future. Instead, the individual's current service experience affected how they made sense and thus experienced past experience in a new light.

These findings further relate to the hermeneutic spiral and understanding time as space rather than as a linear process (cf. Shankar and Patterson, 2001). The above mentioned characterisations relate to the phenomenological approach, which justifies subjective experience as data (cf. Woodruff Smith, 2008; Goulding, 2005; Pine and Gilmore, 1999).

The phenomenon of experience can be related to other phenomena (cf. Woodruff Smith, 2008). In this thesis, experience was also related to value. The lived critical events and other lived events suggest that the customer service experience – value perception process was not a linear value chain, but rather a complex phenomenon, which included dynamic interrelating processes of experiencing and conditioning value perceptions. Customers made sense of these processes in the form of inner dialogues by using words, images and sensations, which sometimes spilled over into external speech, behaviour and purchase behaviour (Gould, 1993).

In addition to inner dialogues, customers made sense of their value experiences with other individuals. The findings provided the novel insight that not only lived service experiences, but also imaginary service experiences affected customers' value perception process. In addition, in many stories, imaginary service experiences resulted in very strong value perceptions.

Next, the theoretical and methodological contribution and implications of the thesis will be summarised and then elaborated on separately.

6.2. Summary of the contribution

The purpose of the study was to characterise service experience based on the phenomenological approach. In addition, the methodological purpose was to find a suitable methodology for analysing service experience based on the phenomenological approach.

The contribution is twofold, i.e. theoretical and methodological. The study contributes theoretically to S-D logic and service innovation. Furthermore, the thesis contributes to methodology by putting forward a new, combined technique: Event-Based Narrative

Inquiry Technique (EBNIT). The contribution is summarised in Table 25 and further discussed in the following sections.

Table 25 **Summary of the contribution of the thesis to S-D logic, service innovation and methodology**

Contribution to	S-D logic	Methodology	Service innovation
What?	Characterises the phenomenological service experience	Puts forward a new, combined technique: Event-Based Narrative Inquiry Technique (EBNIT)	Characterises the phenomenological service innovation
How?	Puts forward characteristics of the phenomenological service experience in relation to the individual and social sense-making.	Provides guidelines of how to use EBNIT.	Puts forward characteristics of the phenomenological service experience in an innovation context.
Supportive data	Provides empirical data on individual customer and managerial service experiences.	Tests EBNIT in 8 case studies with spoken and written (blog postings) narratives.	Provides empirical data on individual service experiences in the social innovation context.

The theoretical contribution is targeted to S-D logic. Indirectly, the thesis contributes to the Nordic School of Marketing, which has contributed to S-D logic by laying the foundation for service research. After the contribution and implications for S-D logic, the contribution and implications for service innovation and methodology will be discussed.

6.3. Contribution and implications for S-D logic

This thesis has taken part in the current, heated debate within the field of S-D logic about its concepts and premises. In the thesis, experiences are related to service and put forward as service experience. Vargo and Lusch (2008a, p. 9) suggest as the potential further development of S-D logic “to provide the philosophical and conceptual foundation for the development of service science.” The findings of the literature review indicate that the concepts need to be characterised and discussed before the philosophical and conceptual foundation is applicable and solid for further research in S-D logic or service science.

6.3.1. Characterising the phenomenological service experience

The thesis contributes to this discussion by proposing a characterisation for service experience based on the phenomenological approach. The phenomenological approach presents the subjective experience in the lifeworld context as the focus of research as opposed to the approach by Descartes, where people’s subjective experiences cannot be trustworthy sources of data (Husserl 1960). Based on the phenomenological approach, ontology justifies epistemology and subjective experience is justified as data (Tuomi

and Sarajärvi, 2003; Goulding, 2005). The characterisation of the concept of service experience is essential for S-D logic as it builds the foundation for further research in value (value-in-context or value-in-use).

The thesis summarises the phenomenological characterisation of service experience: The main focus is on the individual experiences in a service setting, which are internal, subjective, event and context specific. Even if the service experiences are individual, they are at the same time social as people do not live in isolation. The connection with the service can be direct or indirect. The indirect connection relates to connections, where the individual has not been in contact with the service provider or used the service (c.f. Meyer and Schwager, 2007). Accordingly, service experience can be a practical or imaginary encounter, which does not need to have an external replica. An individual can be any relevant actor in the service phenomenon, such as a customer or service provider representative. The phenomenological characterisation of the concept of service experience considers time as a potential flow that is a subjective experience of time (Carù and Cova, 2005 referring to Csikszentmihalyi and Robinson, 1990). The context of service experience includes different kinds of events and service settings, even if the phenomenological service experience has earlier been criticised for focusing on hedonic service (Carù and Cova, 2003).

The characterisation is supported by the findings of the empirical studies of the PhD, which revealed the different aspects of service experience: individual – social, lived – imaginary, past – present – future and from one event to cumulative events. The hermeneutic spiral is based on sense-making and understanding, and service experiences are constructed based on previous understanding (i.e. pre-understanding) (Tuomi and Sarajärvi, 2003). The hermeneutic spiral is not linear. Based on the findings, the aspects of customer and managerial service experience are not linear; they are rather different aspects within the phenomenological service experience. The characteristics of the phenomenological service experience are summarised in Table 26 followed by a discussion on the contributions and implications for S-D logic.

Table 26 **Characteristics of the phenomenological service experience based on the findings of the study**

Characteristic	Aspects
Subjective	The basis of the data is subjective, individual experience. The way of knowing is sense-making, cf. the hermeneutic spiral.
Context specific	Context is event specific and justified by the individual in the individual's 'lifeworld', which is always a social context as people do not live in isolation (cf. Webster and Mertova, 2007, p. 96; Porter, 1995).
One event - cumulative events	Current service experience is based on previous experience and as such cumulative in its nature.
Practically lived and imaginary	Service experience is based on inner experience. It might have an external replica; however this is not necessary.
Individual and social	Even if service experiences are individual, they are experienced in a social context, i.e. in the social 'lifeworld'.

Past, present and future	Phenomenologically determined time is neither linear nor externally justified but rather an inner experience in the social context.
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Next, the aspects and their contribution to S-D logic will be discussed.

One event – cumulative event: The cumulative nature of experiences has been recognised in S-D logic by Vargo and Lusch (2008a, p. 9) and Schembri (2006, p. 385), who note that experience includes previous interaction. However, so far, S-D logic has not emphasised that imaginary future service experiences also have an effect on sensemaking of present and past experiences.

This study contributes to S-D logic by emphasising that the reconstructed cumulative nature of service experience does not only relate to the past but reaches to the future, imaginary service experiences. In its cumulative nature, present and future service experiences might change our understanding of reconstructed past experiences and vice versa. Accordingly, service marketing researchers should not focus only on a single service experience but rather analyse service experience in the individual's social lifeworld. In addition, once analysed, service experiences are not stable but subject to change over time. For researchers, the phenomenological service experience relates to dynamic models and continuous processes instead of stable outcomes.

Individual and social service experience: In their recent modified version of the ten foundational premises, Vargo and Lusch (2008a) have added the tenth premise, where they state, "Value is always uniquely and phenomenologically determined by the beneficiary". Vargo and Lusch (2008a, p. 9) indicate that they are comfortable with using the terms phenomenologically and experientially "as long as the word experience is used in a phenomenological sense". In their foundational premises, Vargo and Lusch (2008a) do not explicitly define what a beneficiary is. In the article, a beneficiary refers to a value co-creator, an actor, a firm, a provider and a customer. Whether a firm consists of a group of individuals or is more understood as a unit has not been described. Prahalad and Ramaswamy (2004, preface) relate to the co-creational aspect as the future of competition by claiming "the joint efforts of the consumer and the firm – the firm's extended network and consumer communities together – are co-creating value through personalised experience that are unique to each individual consumer".

The findings show that even if every individual experiences service in his or her individual way, within a group a specific type of service experience might become dominant as people make sense of their experiences socially. These findings are supported by Prahalad and Ramaswamy (2004, p.10), who picture individual service experience in a multi-stake network where personalised experiences are unique to each individual "at a specific point in time, in a specific location, in the context of a specific event". In addition to customers, every individual who interacts with the company experiences the service in his or her individual way.

The study contributes to S-D logic by characterising service experience being individual and social at the same time and supports it by empirical evidence. Even if an individual experiences service individually, service experience takes place in a social context, in co-creation with other people in social experience networks (cf. Pine and Gilmore, 1999; Prahalad and Ramaswamy, 2004; Schembri, 2006). Accordingly, the thesis suggests that a beneficiary is an individual, who experiences service in social networks

or organisations. Therefore, a company consists of individual beneficiaries, i.e. representatives of the service organisation.

Lived and imaginary service experience: Whether practically lived or imaginary, service experience is always true to itself (cf. Pine and Gilmore, 1999). For S-D logic this indicates that what customers perceive as value, is not equal to physical, observable measurements. In the phenomenological approach, the external truth does not interpret the whole phenomenon of service experience. Accordingly, the research methods used need to be able to analyse the experiential realm.

Past, present and future as a subjective experience: At this stage, it is important to emphasise that based on the phenomenological approach, the different aspects, such as past, present and future are defined by an individual. Consequently, in the phenomenological service experience, time is a subjective experience rather than a linear measurement by an external authority. Carù and Cova (2005) refer to Csikszentmihalyi (1991) and speak of the flow of time. Accordingly, the individual who experiences service makes sense of the present, past and future in an individual way. The individual sense-making intertwines with the social sense-making of time. The implication for S-D logic is that a researcher needs to pay attention to how an individual makes sense of time. The findings show that in a specific situation, e.g. five minutes can be experienced as a long or short time. Understanding the length of time depends on the individual service experience. Moreover, individual service experience is connected with social service experience and other individuals in the phenomenon.

The implication for further research in S-D logic is that in the experiential realm, time and therefore past, present and future are not defined by an external authority, they are rather identified by an individual in a context and situation specific way.

For researchers, understanding the phenomenological service experience facilitates further theory development in S-D logic based on the phenomenological approach. In sum, the findings of the study indicate that researchers as well as practitioners have a theoretical and managerial reason for being interested in the phenomenological service experience in the individuals' lifeworld.

6.3.2. Service experience in relation to value experiences

Depending on the characterisation of service experience, value can be understood based on different approaches. So far, value research in service marketing has not presented a mutually agreed definition of the concept of value and partly the definitions are vague (Sanchez-Fernandez and Iniesta-Bonillo; 2007 Ravald 2008). The thesis encourages researchers to make their approach and concept characterisations explicit in order to facilitate further research and active discussion on value.

The thesis characterises service experience based on the phenomenological approach and relates it to value. Based on the findings the thesis contributes to S-D logic by characterising the circular interrelationships between customer service experience and customer perception of value. The customer service experience – value perception process does not emerge as a linear value chain, the process rather reveals itself as a complex phenomenon in individuals' lifeworld. Each individual makes his or her own inferences in relation to their service experiences based on his or her level of knowledge of the context, past experiences and social knowledge. Social sense-making is part of the value perception process and therefore customers' service experiences and

perceived value is always socially constructed. Moreover, the circularity of customer service experience and customer perceived value does not appear to be restricted to individual customer service experiences as these experiences take place within a social framework, or using Heidegger's (1962/orig. 1927) terminology, the 'totality of the human-being-in-the-world'. Prahalad and Ramaswamy (2004) indicate that value creation and value co-creation originate from the individual's experiential realm. In accordance with the phenomenological approach, individual customer value creation potentially intertwines with the value creation of those other individuals, who create their own value within the social lifeworld. Value creating individuals thus potentially create a social value co-creation network.

An interesting implication to value research in S-D logic is that with the phenomenological approach, an individual experiences and makes sense of his or her value experiences within the lifeworld. Hence, value is clearly not 'value in-exchange' or based only on the company's service offering. Moreover, the individual experiences and makes sense of the value, not the company or any other external organ on his or her behalf.

The second implication for researchers and practitioners is that value experiences relate not only to each individual but also to the different networks they are part of. In fact, value from the network perspective is a multidimensional phenomenon and hard to analyse without understanding the individual's lifeworld service experiences, which take place within the constellation of networks. For researchers this implies that value is not a stable assessment but rather a dynamic, time and context-specific assessment based on service and other experiences.

The third implication for researchers is that when doing research based on the phenomenological approach, the researcher needs to pay attention to the ontological and epistemological aspects, as the dominant research methods in service marketing have not been phenomenological. So far in S-D logic and service marketing and management, the empirical studies have been scarce presenting service experience based on the phenomenological approach. For researchers, it is challenging to find a suitable methodology.

Since service and phenomenological (experiential) value are presented in the foundational premises of S-D logic (Vargo and Lusch 2008a), the characterisation of service experience is relevant to further research in value. The fourth implication for value research is that in addition to lived service experience, also imaginary service experience affects customer and managerial value experiences. In fact, the findings of the case studies indicate that imaginary service experience can be the foundation for very strong value assessments.

In sum, the findings of the study indicate several implications for value research in S-D logic. First, it is not possible to entirely comprehend customer value experience in isolation of the customer's other lived experience, recalled within his or her lifeworld. This requires paying attention to the ontological, epistemological and methodological aspects. Second, in analysing the customer's experiential realm and sense-making, researchers should not only pay attention to lived but also to imaginary service experiences as they can affect customers' value perception process and value. What customers perceive and experience as value does not always equate to physical, externally observable measurements or service offering proposed by the service provider.

6.4. Contribution and implications for methodology

The methodological purpose was to find a suitable methodology for analysing service experience based on the phenomenological approach. The methodological contribution of the paper is to present a new, combined projective technique, which is put forward as the Event-Based Narrative Inquiry Technique (EBNIT). Projective techniques are suitable for use when ideas and hypotheses are required, and informants are either reluctant or unable to express them with straightforward techniques (Boddy, 2005; Webb, 1992).

Research methods and techniques, which have been suitable for G-D and process approach, are often not suitable for the phenomenological approach. In consumer research, Shankar and Patterson (2001) argue that the dominant paradigm in consumer research has historically been a variant of 'positivism', where data is justified when observed from outside preferably using statistical methods. In addition, Edvardsson et al. (2006) indicate that new methods are needed with new thinking, as in service innovations. Therefore, a new, combined technique was needed in analysing the phenomenological service experience. Event-Based Narrative Inquiry Technique (EBNIT) was created by combining narratives with critical incidents and metaphors and tested during the process of this research.

The thesis tested the Event-Based Narrative Inquiry Technique (EBNIT) in eight case studies. The findings indicate that metaphors combined with lived critical and imaginary events help to generate creative new service ideas. Customer experiences may be employed to interpret unspoken, tacit knowledge, which is beneficial when companies want to learn and create something new with the customer. The main advantages of the EBNIT in collecting experiential data are the following:

- Critical events: the critical events (positive and negative) as expressed by the storytellers focus on the individual's own lifeworld experiences and memorable events. The events offer rich qualitative data and generate innovative ideas on potential innovation experiences that are assessed as being either positive or negative. With the help of critical events, the data collection and analysis become more manageable in comparison to general narrative inquiry technique (cf. Webster and Mertova, 2007).
- Narrative: EBNIT connects critical events with other lived events, which enables a more holistic understanding about an individual's lifeworld also at the social level.
- Metaphors: Using metaphors broadens the discussion to include imaginary events and thus encourages 'out of the box' thinking. With the help of the metaphor, the storyteller tells an imaginary solution to experienced challenges and thus generates potential innovative ideas for service innovation developers.

Vargo (2007, p. 107) indicates that S-D logic should be investigated empirically in order to activate further dialogue and development of research. So far, empirical studies are scarce. In order to analyse and characterise the phenomenon of service experience, a suitable technique was needed for the empirical case studies. To illustrate the practical challenges during the research process, it can be mentioned that for the research

project undertaken in Essay 2, a technique was needed to tell about customer needs and wants referring to a service, which did not even exist yet. The development of the new, projective technique was based on practical challenges implementing the phenomenological approach in research. Event-Based Narrative Inquiry Technique (EBNIT) has its philosophical foundation in the phenomenological approach and narrative inquiry technique, as positioned by Czarniawska (2004), Webster and Mertova (2007) and Clandinin (2007). Czarniawska (2004) and Webster and Mertova (2007) have advised combining narrative inquiry technique with critical events in order to make the collection of data and analysis more manageable. In addition, EBNIT combines metaphors in order to generate imaginary service experiences.

EBNIT contributes to the methodological options within S-D logic by presenting a technique that adopts the phenomenological approach to research. So far, the methodological tradition in service marketing has not emphasised the phenomenological epistemology that legitimises the views and experiences of the participants as a source of data (Goulding, 2005, p. 302). Dominant methodology in marketing has relied on the objective truth and categorisations of variables. (Hunt, 1994; Fisher, 2004.) In this thesis, narrative inquiry technique was chosen due to its philosophical approach. A technique with the phenomenological approach was needed to analyse the phenomenologically determined service experience. Clandinin (2007), Czarniawska (2004), Riessman (2008) and Webster and Mertova (2007) consider narrative inquiry technique a phenomenological approach. As narrative inquiry technique is able to interpret people's practical actions and inner thoughts, narratives are capable of interpreting people's lived and imaginary experiences (Webster and Mertova, 2007; Pine and Gilmore, 1999).

In addition, the thesis contributes to the service innovation and development research by presenting EBNIT and showing how metaphors and narratives can be used to yield innovative development ideas, due to their capability for interpreting people's tacit needs based on their experiences as customers. In addition, the paper contributes to the literature on projective techniques by introducing a combined technique of using metaphors with narratives and structuring the findings through critical and imaginary events. The paper suggests that when combined with critical events, narrative analysis becomes a manageable technique which can be implemented in different service settings. Metaphors are necessary in order to find truly new, customer-oriented ideas without limiting oneself to technical capabilities or expertise in a specific field of business. Furthermore, metaphors trigger customers' imaginary events, which express customers' ideal solutions to concrete, critical events.

EBNIT contributes to the existing variety of methods and techniques used in service marketing due to its characteristics. The thesis empirically tested EBNIT in cases with spoken and written narratives in the context of service innovation and development. The characteristics of EBNIT are threefold. First, EBNIT is suitable for analysing the phenomenological service experience. As such, it reaches, in addition to lived service experience, to imaginary service experience. Moreover, it covers present, past and future service experience. At this stage, it is important to notice that the storytellers construe 'present', 'past' and 'future' individually and socially.

The implications of EBNIT relate to S-D logic as well as to innovation research and indicate that researchers should look for new techniques when analysing service experiences based on the phenomenological approach. The dominant methods used in marketing are not aimed at focusing on individual, intra- and inter-subjective experiences in research.

6.5. Contribution and implications for service innovation

To date service innovation research has not focused on the phenomenological approach (cf. Droege et al, 2009). Therefore, limited attention has been paid to understand innovation as an individual experience in the lifeworld context.

In phenomenology, experience as the base of existence can be related to other phenomena, such as service and innovation. In this thesis, service experiences are related to the innovation phenomena, which create the lifeworld context for the empirical studies. The customers and service managers experienced service innovation phenomena in their lifeworld, which for the service managers was their working life. The individual lifeworld innovation context is social and emerges within different networks and is subject to change. In accordance with the phenomenological approach, the thesis proposes that service innovation experiences are not justified by an external authority, but by the customer or any other actor or beneficiary in his or her social lifeworld. The characteristics of the phenomenological service innovation experience are presented in Table 27, which links the characteristics and aspects of service experience with the characteristics and aspects of the phenomenological service innovation experience.

Table 27 **Characteristics and aspects of service experience and the phenomenological service innovation experiences**

Service experience: Characteristics and aspects	Phenomenological service innovation experience: Characteristics and aspects
Subjective: The basis of the data is subjective, individual experience. The way of knowing is sense-making, c.f. the hermeneutic spiral.	In accordance with the phenomenological approach, service innovation experiences in a lifeworld context are inter- and intra-subjective and based on previous experiences. An innovation is not necessarily experienced as a benefit: some individuals might not even notice the innovation and others might have negative innovation experiences.
Context specific: is event specific and justified by the individual in the individual's 'life world', which is always a social context (c.f. Crossley, 2006a and b).	Networks emerge important: the phenomenon of service innovation consists of multiple service experiences by different individuals.
One event - cumulative events: Current service experience is based on previous experience and as such cumulative in its nature.	Experiencing something as an innovation is time and context specific. Therefore phenomenological innovation is not a stable characterization but subject to change.
Individual and social: Even if service experiences are individual, they are experienced in a social context, i.e. in the social lifeworld.	The dialogical aspect and therefore networks of individuals emerge important (c.f. Ballantyne and Varey, 2006a). Whether service development is considered service innovation in a wider social context depends on the dialogue of many voices and mutual sense-making with the help of inner and external dialogues.
Practically lived and imaginary: Service experience is based on inner experience. It might have an external replica, however it does not need to.	A service innovation experience can be practically lived or imaginary and still true to itself (c.f. Pine and Gilmore, 1999).
Past, present and future: Phenomenologically determined time is neither linear nor externally justified but rather an inner experience in the social context.	Methodologically it is possible to collect stories of service experiences, which the individual imagines to take place in the future. For researchers and practitioners, this creates an access to future, innovative service ideas.

The findings reveal that the aspects of the phenomenological service experience also relate to the phenomenological service innovation experience: individual – social, practically lived – imaginary, past – present – future. In addition, the storytellers indicated that events had a cumulative effect and present innovation experiences were reconstructed based on previous experiences. The findings are in line with Woodruff Smith (2008), who indicates that experience as a basis of existence can be related to other phenomena, such as service, value and innovation.

The thesis contributes to service innovation research by proposing that based on the phenomenological approach; service innovation is based on individually and socially constructed innovation experiences. Even if service experience based on the phenomenological approach has been characterised as the basis of all business (Lusch and Vargo, 2006; Vargo and Lusch, 2008a), innovation research has so far not focused on innovation experiences based on service experiences. The focus of this paper is not the outcome of the service innovation process but rather on the individual and social service and value experiences in the context of service innovation. Service experiences are highly contextual and thus service innovation as a phenomenon is context specific.

Currently, the phenomenon of customer participation in service innovation is an under researched area even if customers are the real source of creative ideas for many service innovations (Kristensson et al., 2002; von Hippel, 1988). In the case studies, ordinary customers generated innovative ideas with the help of narratives and metaphors. In addition to customers, such people, who interface with customers, tend to generate innovative ideas. Therefore front-line and middle-level managers, who work closely with their customers, are able to interpret customer experience (Bitrain and Pedrosa 1998; von Hippel 2005). The study showed how public service managers were able to generate service innovations together with their customers (i.e. the citizens of the municipality) and other stakeholders. Such middle-level managers and front-line managers, who have a close working-relationship with their customers and thus are able to interpret front-line customer experience, are interesting for service innovation researchers (Bitrain and Pedrosa 1998). Innovative ideas are the foundation of innovation (Kristensson et al., 2002).

Technology, especially information and communication technology, is dramatically changing the way in which service is being delivered, and this trend is expected to continue. People create Internet-based customer-to-customer (C2C) communities, which play an important role in the customers' sense-making and value co-creation process (cf. Shankar et al., 2001; Cova et al., 2007).

Based on the findings of service innovation experiences in the eight case studies, the thesis puts forward the following characterisation of service innovation based on the phenomenological approach:

In the phenomenological service innovation, the main focus is on the individual service innovation experiences. These innovation experiences are internal, subjective, event and an individual's lifeworld context specific. Even if the innovation experiences are individual, they are at the same time social as people do not live in isolation. The encounter with the service innovation can be direct or indirect. In a direct encounter, the individual experiences e.g. a face-to-face contact or use of the innovation. The indirect encounter relates to innovation experiences, where the individual has not been in contact with the service provider or used the service innovation (cf. Meyer and

Schwager, 2007). Accordingly, innovation experience can be a practical or imaginary encounter, which does not need to have an external replica. An individual can be any relevant actor in the service phenomenon, such as a customer or service provider representative. Moreover, innovation experiences are not stable but event and context specific.

The characterisation embodies the traditional Husserlian phenomenological understanding of the unity of subject and object within a phenomenon (Jacoby and Braun, 2006). Payne et al. (2008) argue that lived experiences enhance customer learning and as such offer potential for something new. In addition to practically lived service experiences, imaginary service experiences also facilitate customer learning as they include experiential encounters with the service in question (e.g. Edvardsson, Enquist and Johnston, 2005; Pine and Gilmore, 1999).

In summary, service innovation based on the phenomenological approach reveals insightful possibilities for innovation researchers. First, it emphasises that service innovation as an experience is an inter- and intrasubjective phenomenon and therefore takes place in the experiential realm. Customers and such service managers, who have a close working-relationship with customers, are able to generate innovative ideas based on their lifeworld service experiences. Phenomenological service innovation based on service experience thus provides an interesting empirical option for analysing individual and social innovation experiences and the resulting value experiences in organic and web-based communities.

6.6. Managerial implications

Managerial implications of the thesis are based on the phenomenological approach and EBNIT that justify participant views and experiences as data in service innovation and development (cf. Goulding, 2005).

The thesis acknowledges that the phenomenological approach is not the only potential approach in business but rather complements the process-, resource- and outcome-based approaches, which are currently dominant in business and service management literature (cf. Mintzberg et al., 1998; Grönroos, 2004). Different approaches contribute to different types of challenges in the management of service innovation and development. The findings of the thesis reveal that the use of phenomenological data creates interesting managerial implications. Next, managerial implications will be discussed in conjunction with three case studies.

Customer and other beneficiary service experiences are implemented in the mission and vision of the company: A start-up company in the location aware service (Case 2, Essay 2) illustrates how the phenomenological (experiential) approach was implemented in the strategic cornerstones of the company, starting with the mission and vision of the company. The start-up project was driven by a network constellation of Finnish and international companies. The aim was to create a new, assembled service innovation based on potential customers' and other beneficiaries' needs and wants with their current lifeworld service experiences. The purpose was to co-create in a network constellation service experiences that an individual experiences valuable in order to support positive financial feedback (cf. Vargo and Lusch, 2006). As a researcher, I had the task of analysing customers' and other beneficiaries' subjective experiences with the type of service that did not even exist yet. Suitable methods were not available or I was not aware of them. Therefore, there was a need to create and test

a new, projective technique that combined narratives with critical events and metaphors. First different beneficiaries' lifeworld service experiences were analysed by narrative interviews combined with critical events. With the help of a metaphor (e.g. a magic wand), the storytellers were triggered to tell an imaginary story as an ideal solution to the critical event they had experienced. Different types of beneficiaries were interviewed and the ideal solutions recorded. Imaginary events facilitated lived service experience and / or created new business opportunities. Clusters of similar critical events and imaginary ideas emerged. For example, nobody liked typing addresses with the navigator in dark parking lots or garages. The project team prepared electronic cards that presented critical lifeworld events and the resulting innovative ideas. In addition, the current technical and resource competence was compared with the potential solution.

The cornerstone in the start-up company strategy was to co-create service experience, which customers and other actors perceived valuable. Based on the lived and imaginary service experience of customers' and other beneficiaries', the company created its mission, vision and strategic business plan. The findings were implemented in co-creation with a new service innovation. The start-up company together with its international and Finnish co-operation network won the Tekes (Finnish Funding Agency for Technology and Innovation) award for being "The Innovative, Young Company in Finland" in 2008.

The managerial implication is that it is possible to use subjective data on service experience to innovate and develop business based on intra- and intersubjective service experiences and related innovation experiences. Therefore, phenomenological service experience can be considered as valuable data when innovating new or developing existing service.

Listening to customers' service experiences: The phenomenological approach to service innovation identifies how important it is to listen to customers' and other beneficiaries' lifeworld service experiences (Essays 2 to 4). For practitioners, innovation based on the phenomenological approach has the implication that it is not enough for a company and its representatives to experience something being an innovation. In case their customers or other relevant beneficiaries do not experience the specific service to be an innovation, customers do not necessarily value it. It is also possible that the innovation justified by the company never reaches customers' experiential realm. Accordingly, the innovation does not even exist in the customers' experiential realm.

The findings of the thesis suggest that in order to involve customers with service innovation, the Event-Based Narrative Inquiry Technique (EBNIT) is a manageable and economical research method in order to collect customer service experiences. The EBNIT method is well suited for the early stages of concept development. Due to its creative nature, it is suitable when there is a need to learn and create something new. The creative nature of EBNIT offers researchers and managers a technique to trigger ideas for new service development on the basis of experienced lifeworld needs and wants. The preliminary interviewing stages and identification of lived critical events make the analysis more manageable and focused. The use of a metaphor (e.g. a magic wand) makes it easier for respondents to create innovative ideas.

Customer blogs provide an archive of customer service experiences: An EBNIT analysis of lifeworld service experiences in the web-based consumer communities reveals the rich data blog postings provide practitioners. Essay 4 analysed

the iPhone service experience in CtoC communities. Based on the phenomenological approach, customers' service and value experiences took place in a wider context outside a specific service context and service network. Customers' lived and imaginary service and value experiences were affected by all the networks they were part of. Moreover, these networks were not stable but changed dynamically.

Individuals did not only relate to the service provider's network but were part of different networks. Many of these networks were CtoC networks and as such not manageable by the service provider representatives. CtoC networks acted as forums for making sense and sharing service and innovation experiences as well as the resulting value experiences.

The managerial implication is that service providers should identify CtoC social networks, such as blogs, as an archive of customer lifeworld service experiences. Much of the experiential realm takes place outside the service provider's network. With the help of narratives, companies have access to many rich expressions of service experiences in the form of digital voices that offer some useful insights for service innovation and development. Service experience is invaluable data for companies as they seek to improve their value propositions for customers.

Managerial service experience as a resource in public service innovations:

The generation of public service innovations in the municipal service sector in Finland illustrates how service managers were able to upgrade service development into service innovation with the help of their own and other beneficiaries' lifeworld service experiences (Essay 3).

The service managers attended a one and half year strategic training course in order to develop the service they manage. The training course was assessed and subsidised by the Finnish governmental authorities. The service managers had other than business as their main degree. Accordingly, with the managerial training, the service managers had to adjust to the mindset of the dominant business and marketing literature. The service managers identified themselves as rational managers and developers and at the same time they noticed they experienced the service phenomenon they were part of. Moreover, they indicated that their service experience played a significant role in the service innovation and development process. This kind of individual capability of changing from one orientation and construction into another is typical of post-structuralism and post-modernism, which recognises multiple approaches and worldviews.

In the context of service innovation and development, service managers' lived and imaginary service experience provided an access to their tacit knowledge in their decision-making. By making sense of the tacit knowledge they possess, the municipal service managers were capable of co-creating local service innovations. Ballantyne and Varey (2006b) differentiate co-creation and co-production. While co-production proceeds along pre-specified guidelines and the results are specified in advance, co-creation stands for creating something new and unexpected. Co-creation inherently includes learning something new together. By making sense of their service experience, service managers were able to make tacit, unspoken knowledge explicit. By sharing their lifeworld service experiences, service managers learned something new together with customers and other stakeholders and were able to co-create service innovations.

To sum up, front-line managers' lifeworld service experiences provide a rich archive and a resource in innovative ideas. The implication for practitioners is that managers'

lifeworld service experiences can be used to develop new service innovations and upgrade existing service. Narrative inquiry technique provides a methodological access to these experiences, which otherwise might remain tacit. EBNIT is a methodological option to collect subjective data on lived and imaginary service experiences. In Essay 3, service managers co-created with citizens and other stakeholders local service innovations, which the managers could not have done without making sense of their lifeworld service experience.

6.7. Further research

S-D logic has established itself as an ‘open source’ platform (Gummesson, 2006) for development of theoretical and managerial research in the domain of service marketing. This thesis has aimed to characterise the phenomenological service experience, where the subjective participant views and experiences are justified as data. The scarcity of empirical studies in service marketing welcomes further research as well as critical discussion on the phenomenological service experience and perceived value and their interconnectedness at all levels. The customer as well as other beneficiary perspectives will co-create a broader view of service phenomena. Hence, more research is needed on the service experiences of all participants of different types of service phenomena in order to find more empirical support.

Traditional Newtonian thinking understands science to be based on experiments that prove generalisable causalities and law-like statements, generalisations or predictions. In general, the phenomenological approach does not aim to create theory in the Newtonian sense; it rather enables marketing researchers and practitioners to make sense of lived and imaginary service experience as a foundation of business in different types of organisations, including the public service. Vargo and Lusch (2008a, p. 32) refer to Hunt (2002) and indicate that S-D logic is not a theory understood in the classical way, rather it is a mindset. This paper suggests that making sense of mindsets benefits from understanding the foundations of the mindset. However, many articles published around S-D logic have not emphasised the philosophical questions, such as ontology and epistemology. This thesis takes part in the discussion on the foundations of S-D logic and presents them in an innovation context. At the same time, the thesis encourages dialogue on the ontological and epistemological aspects of S-D and refers to Skålen et al. (2008), who indicate that marketing lacks critical discussion on its foundations. Hence, more research is needed in order to critically discuss the philosophical foundation of S-D logic.

Moreover, service managers told in their narratives that the terminology and argumentation for lifeworld service experience in the phenomenon of service innovation and development did not reach the standards of professional argumentation. Findings in Essay 3 indicated that the terminology and measurement methods for the phenomenological service experience in an innovation context are underdeveloped. So far, service innovation and development have not been characterised in service marketing literature based on the phenomenological approach. This creates a challenge for further studies before the phenomenologically determined service experience can be said to be a well-characterised and measurable phenomenon.

The thesis introduces and gives guidelines to a new technique, which combines narratives with critical events and metaphors. Further research and development on EBNIT as well as other phenomenologically determined methods are needed on service experience and innovation.

The thesis suggests that the phenomenological approach of service innovation and development can complement each other in service innovation and development. This study encourages the belief that the service managers implement process and resource-based management as well as experience the innovation process as a phenomenon. This parallel existence of different orientations within a service innovation and development phenomenon would not be possible without understanding that there are multiple truths. Service innovation and development phenomena can express themselves within different constructions and different approaches. Integration of different social constructions is typical of an era, where the global world consists of different cultures, different individuals and different orientations. This kind of individual capability of changing from one approach and construction to another is typical of post-structuralism and post-modernism, which has gained limited attention in service marketing and innovation research.

The thesis has focused on characterising service experience based on the phenomenological approach. Circularity of customer service experience and customer perceived value has been elaborated. Further research could also encompass the investigation of how service experience relates to service quality and perceived service quality.

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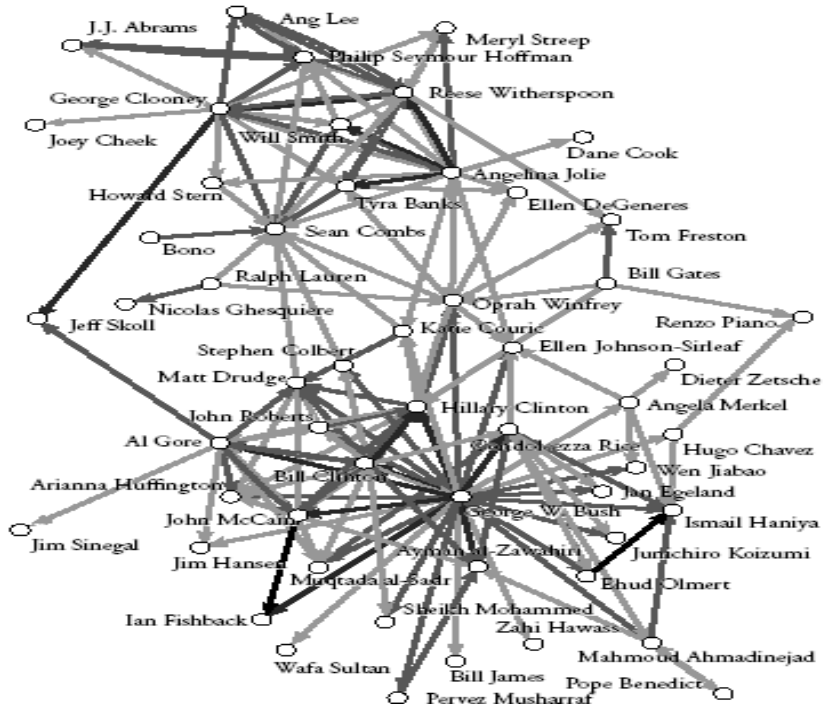
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APPENDIX 1 A COMPLEX SOCIAL NETWORK OF INDIVIDUALS



“A subset (54) of the 100 most influential people in the world selected by Time Magazine, and connected by Google in June 2006” (Rosvall, 2006, p. 11).

APPENDIX 2 ESSAYS**ESSAY 1:**

Helkkula, A., "Characterising the concept of service experience".

ESSAY 2:

Helkkula, A. and Pihlström, M. (forthcoming), "Narratives and metaphors in service development", *Qualitative Market Research, an International Journal*.

ESSAY 3:

Helkkula, A., "Characterising managerial service experience".

ESSAY 4:

Helkkula, A. and Kelleher, C. (2010), "Circularity of customer service experience and customer perceived value". *Journal of Customer Behaviour*, Vol. 9; No. 1, pp. 37-53.

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