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Article

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EDITORIAL

Editorial

The 2013 Naples Forum on Service

Evert Gummesson · Cristina Mele · Francesco Polese

The Naples Forum on Service took place for the third time last June 2013 on the island of Ischia, Italy, a charming venue with hot springs and spas, gathering about 150 participants from 25 countries. Despite the attracting environment, the island beauty was far away from participants priorities, since the interactive format of the Forum once again confirmed vivid research discussion and informal debates trying to trace future avenues for service research and marketing (look for updates on www.naplesforumonservice.it). The Naples Forum on Service is strongly focused on radical research advances, looking for a revival of our disciplines. In the development of service research we have discerned three paradigms (for a brief article on the paradigms, see Gummesson, 2012).

•   Paradigm 1 (pre-1970s) where service was not at all on the agenda in marketing and management research and education.

•   Paradigm 2 (1970s-2000s) when service research grew exponentially with seminal contributions from Northern Europe, France, UK, USA and other countries with goods/services differences in the center but lacking syntheses and unifying theory.

•   Paradigm 3 (2000s-) when service research moved its focus from differences to commonalities and interdependencies between goods and services. It also moved from the supplier value chain to the value network of all stakeholders ("balanced

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centricity") and service (in the singular) became the output irrespective of input. The roles of suppliers and customers have also changed through the recognition of co-creation of value with resource integration and customer-to-customer interaction (C2C) or more broadly as actor-to-actor interaction (A2A). In the core of Paradigm 3 is the recognition of complexity. Service systems are enormously complex – it is not sufficient to study the relationship between just a few variables. The new millennium brought with it openings to address complexity and take a more systemic view. Service-Dominant (S-D) Logic contributed a tentative higher level service theory of the best contributions of the past and showed directions for the future. Service Science started from practitioner experiences and challenges our way of designing and implementing service systems. Network Theory and Systems Theory have been deployed to address complexity with applications like Many-to-Many-Marketing and the Viable Systems Approach (VSA). These developments form the 3 Pillars of the Naples Forum. With them it is motivated to label our current economy a Service Economy.

Service Dominant (S-D) Logic

S-D logic is a synthesis of the best from Paradigm 2 leaving unproductive approaches and myths behind. Paradigm 2 fulfilled a mission of breaking the deadlock of Paradigm 1 and Paradigm 3 had not been possible without it. So it is not a matter of criticizing the past but to see a potential for future development. Bob Lusch and Steve Vargo who designed S-D logic keep developing it and treat it as an open code where everyone is welcome to make constructive contributions.

S-D logic summarizes its message in ten foundational premises. In brief, these premises put the following to the fore. The most critical changes include moving from goods/services differences to goods/service interdependencies. The word service is given a new meaning, going from an undefined input to the value of the output and value-in-use or in a more generalized way to value-in-context. Service is the fundamental basis of exchange and goods are merely distribution mechanisms of service. Both businesses and customers are operant (active) resources as opposed to the mainstream marketing and economics idea that suppliers do things to customers who are just reactive or passive (operand resources). A supplier can only offer a value proposition on the market; the value actualization rest with users in an idiosyncratic and contextual way. The network aspect is implicit through the statement that all social and economic actors are co-creators and resource integrators, implying that value creation takes place through interaction in complex networks and systems.

Service Science

IBM is a century old corporation in computer technology and consulting. It is one of the most successful businesses in the world and with a staff of over 400,000 one of the largest. It has always invested in long term basic research – IBM employees have won five Nobel Prizes – and hold more patents than any other US company. Led by Dr. Jim

Spohrer the Service Science program started in the early 2000s challenging the service systems that constitute today's economies: Are the systems efficient and innovative enough? They found they are not. Today the Service Science program cooperates with over 500 institutions of higher learning worldwide to stimulate research and education. Being closer to universities of technology and computer science, IBM was initially unfamiliar with the service research tradition at business schools. S-D logic provided IBM service systems thinking with a theory. Practice and academia met – and it was love at first sight!

Service Science is a call for academia, industry, and governments to become more systemic about service performance and innovation. Further, it is a proposed academic discipline and research area that would complement – rather than replace – the many disciplines that contribute to knowledge about service. The ultimate goal of Service Science is to apply scientific knowledge to the design and improvements of service systems for business and societal purposes. The concern is that we do not master seamless and reliable service systems at a time when systems are becoming increasingly complex and global, making us increasingly vulnerable to systems sluggishness and failure. Every service system is both a provider and client of service that is connected by value propositions in value-creating networks.

Service Science is a multidisciplinary open source program based on computer science, industrial engineering, organizational theory, business strategy and more, including the humanities. In terms of science it investigates what service systems are and how they evolve, and the roles of people, knowledge, shared information and technology, as well as the relevance of customers inside production processes; in terms of management it investigates how to improve and evaluate quality and productivity; and in terms of engineering it develops new designs of service systems with better technologies and software.

Network and Systems Theory

The words complexity, networks and systems pinpoint the same phenomena. Complexity is derived from the Latin verb complecti, meaning "to twine together" and the noun complexus means "network". The word "system" is derived from the Greek systema, meaning "a whole composed of many parts". So the meanings of the three words overlap and expose their interdependency. From these words different traditions have sprung up. Network theory and systems theory offer both a way of thinking in relationships and interaction and techniques to address complexity and context. These are part of complexity theory where many others, for example, chaos theory, fractal geometry and autopoiesis (self-organizing systems) belong. Complexity theory exists both in social sciences, natural sciences and technology but is not utilized efficiently by management disciplines. It can be used with different degrees of sophistication: 1. as a basis for verbal discussions and texts; 2. as graphics, from hand-made sketches to computer generated diagrams; and 3. as mathematical applications and computer simulations.

Dyadic relationships have been emphasized since the 1970s, especially in the B2B (business-to-business) studies by the Industrial Marketing and Purchasing (IMP) Group, and in Paradigm 2 the service encounter – the interaction between a service provider and a consumer – was a central concept. In the 1990s, Relationship Marketing and Customer Relationship Management (CRM) helped raise the interest in relational approaches to marketing, service and management in general. However, too many saw relationships as a tool to "manage the customer", i.e. a mere addition to the marketing mix and the 4Ps from Paradigm 1. The understanding that the dyadic relationship was too limited and did not uncover real world complexity slowly raised the interest in networks and systems thinking. It is also an integral part of both S-D logic and Service Science.

Network theory has primarily offered a systemic approach for B2B but has equal potential for B2C/C2B (business-to-consumer/consumer-to-business). Many-to-Many Marketing is a general approach that describes, analyzes and utilizes the network properties of marketing and recognizes that both suppliers and customers operate in complex network contexts. Every function of a firm – operations management, human resources, logistics, finance, etc. – represents a perspective on management. Therefore it is, for example, more relevant to talk about marketing-oriented management rather than marketing management. The Viable Systems Approach (VSA) is a systems theory-based application for management. It postulates that every business is a system, nested in a relational context where it is looking for competitive profiles (viability) through interaction with other actors/stakeholders. Its theory proposes a new representation of the behavioral approach to business and relational interactions with its context. In practice it shows in the development and implementation of business models.

Developing Paradigm 3 through Naples Forum Publications

The transition to Paradigm 3 is developing – but it takes decades. Service research got under way 40 years ago and it is only now that we are beginning to sense the full picture of our economies as complex networks of service systems with a mission to enhance value for consumers, citizens, businesses and society as a whole. The Naples Forum is an effort to stimulate Paradigm 3 research, communicate it and speed up its progress. The Forum supports the efforts of the participants to publish by co-authoring with other participants and adopt presented papers to articles in journals of their own choice and in special Forum issues. In this issue we have selected manuscripts presented and discussed at the forum that advance service research in B2B research setting.

The article by Päivi J. Tossavainen, titled "*Beyond sporadic actions: How to approach multi-party stakeholder collaboration in service development*" discusses how to approach multi-party collaboration to achieve simultaneous face-to-face actor-to-actor interaction proposing a framework capable of integrating stakeholders in service development by analyzing empirical evidence.

The article by Cristina Mele and Valentina Della Corte, titled "*Resource-based view and Service-dominant logic: Similarities, differences and further research*" improves the understanding of the resource-based view (RBV) and service-dominant logic (S-D logic) by comparing their theoretical approaches in search of interdependencies. The comparison is based on three aspects: 1. a general profile; 2. the role of resources; 3. the conceptualization of value, and the manuscript represents a base for future theoretical integration among the two scientific propositions.

The article by Heidi Korhonen, titled "*Organizational Needs: A Co-Creation and Human Systems Perspective*" introduces a framework presenting the essentials of well-being, behavior and the change dynamics of needs at individual, organizational, and eco-systemic levels of human systems of value co-creation. Due to the fact that needs are co-created in nested human systems and that organizational needs are bridging meso level needs that mediate between the needs of different actors, Korhonen suggests the re-thinking of needs looking for new ways to increase the value creation and well-being of actors.

The article by Sergio Barile, Luca Carrubbo, Francesca Iandolo and Francesco Caputo, titled "*From 'EGO' to 'ECO' in B2B relationships*" addresses sustainable development through the lens of the Viable Systems Approach (VSA), a theoretical approach recently developed in Italy growingly reaching international consensus. The manuscript describes a model which favors a sustainable value proposition, based on the ability to understand and anticipate the evolution of the emerging contingencies, while still attempting to exploit the possessed distinctive features over time. These issues have particular relevance in B2B socio-economic relationships where actors look for homeostatic equilibrium and should constantly adapt to the external contingencies in order to stabilize crucial relationships and undertake a sustainable behavior.

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