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Service design as the ground for alternative social and economic scenarios

Maria Antonietta Sbordone[a]*, Nicola Morelli[b]

[a]Assistant Professor, Department DICDEA Università degli Studi della Campania "Luigi Vanvitelli", Italy
[b]Professor with specific responsibilities, Department AD:MT, Aalborg University, Denmark.
*Corresponding author e-mail: mariaantonietta.sbordone@unicampania.it

Abstract: This paper focuses on Service Design as the theoretical and operative framework for activities in very diversified contexts. Within this framework, the paper analyses the design of services and service systems as a form of mediation, integration and diffusion of new operational practices that are gradually modifying the current socio-economic paradigm in the western countries.

Service Design proposes new forms of value creation that cannot always be measured according to the current economic criteria. They are rather introducing new economic factors that contribute to the value creation process, such as experience, time, knowledge, new roles in working and consuming.

The actions triggered by service design move the center of value production from material goods to immaterial actions and performances. Services also propose new dynamics of relational mediation among stakeholders in social and economic systems. New categories of needs are introduced, while the old categories are reviewed.

Keywords: common value creations, service-for-service, value-sharing-creation, systemic aggregation of actors

Introduction

This paper focuses on Service Design as the theoretical and operative framework for activities in very diversified contexts. Within this framework, the paper analyses the design of services and service systems as a form of mediation, integration and diffusion of new operational practices that are gradually modifying the current socio-economic paradigm in the western countries.

Service Design proposes new forms of value creation (Ramirez, 1999) that cannot always be measured according to the current economic criteria. New socio-economic factors should considered when measuring the value creation process in services, such as the value of the experience (Pine &

Gilmore, 1999), quality and quantity of time (Gorz, 1999), different forms of knowledge (Rullani, 2004), changes in the ways of working and consuming (Rifkin, 2000).

The actions triggered by service design move the center of value production from material goods to immaterial actions and performances. The service perspective redefines the object of the production system, revising the very concept of material with the consequences this implies on the nature of the material world.

Services also propose new dynamics of relational mediation among stakeholders in social and economic systems. New categories of needs are introduced, while the old categories are reviewed.

Furthermore a service dominant logic (Vargo and Lusch 2008) is revising the role of users in the production system giving them an active role and responsibility in the value creation process, considering them as co-workers, rather than passive receivers of service performances. Therefore the value creation process is no longer a linear sequence of value-adding process ending at the point of sale, but rather a constellation of actions performed by different stakeholders (Normann & Ramirez, 1994).

Whether such changes are part of the existing socio-economic paradigm or alternative to it, the perspective proposed in this paper is also fundamental to understand the role of design and designers in the large process of transformation of modern economies.

2. Commodities vs Services

2.1 From labour grounded society to knowledge grounded one

Modernity in the western world is founded on work; it is physically located in the factory and pervades everyday life, it shapes lifestyles and abits.

According to André Gorz "work is an invention of modernity, generated within the industrial production logic; work (travail, operativeness) in its contemporary meaning, can neither be confused with the everyday needs, which are indispensable to everybody's personal sustanance and life reproduction, nor with the effort (labour, industriousness), however demanding, that an individual performs in order to achieve a task for each s/he is the beneficiary. Finally, it should not be confused with what we undertake for something that is only important to our eyes, for which we do not consider time and effort we spend on".

Besides such more or less known forms of work one should wonder what is the real meaning of the term work and its implications on society. Paid work, that make people part of the western society as we know it "is an activity in the public realm, required, defined, recognized as useful by others, who, for this reason, pay for it. Through paid work we belong to the public realm, acquire an existence and a social identity (Gorz, 1999).

In a network based on reciprocal identification, work is an inclusion tool that industrial society uses to realise the "workers' society". If we thus exclude all the form of non-paid work or work society does not recognize as "socially paid or determined work", industrial society is characterized as a "workers' society" and for this reason it can be distinguished, according to Gorz, from all the previous societal configurations.

Work is meant to represent the emancipation from a state of need, according an idea of progression towards a form of wellbeing generated by collective commitment. The social value of the factory is therefore measured through the quantity of accessible large consumption goods and by the quantity

of workers that increase the total amount of goods for a total amount of consumers. In order to satisfy the demand of the mass of consumers, the whole society gives up unconditionally life- work- and behavioural-styles that are based on well defined time frames. "there is a time for working, for self enjoyment, for socialization, for loving, for resting (Enzensberger 1997). The concept of time is adjusted to standardized behaviours that are grounded on society and on the specialization of knowledge. Knowledge is a "practical capability, a know-how that does not necessarily imply formaliseable knowledge. Nor are sensitive knowledge of our body easy to codified and cannot be learned without practice" (Gorz 2003).

Work is intended as emancipation from the state of need, according to the idea that sees the progress as a form of improvement toward a type of well-being generated by the collective commitment.

According to A. Gorz, we learn and we communicate according with the abilities that everyone can use to express him/herelf, in fact, a society that produces its knowledge, is a solid society and especially, integrating and weaving new knowledge, will be able to transform them into shared knowledge. However Gorz points out the risk of the codification of shared knowledge into formalized knowledge structures.

Through the recent history, a number of common knowledge were subtracted to the social use and transformed into "homologated and professionalized knowledge, to become chargeable services". Soon the professionalized society lose the quality were based on, as the common knowledge practices and relationships, replacing them with chargeable services, the so-called commercial transactions.

Gorz defines free professional services as a "common knowledge activated by immaterial labor" and they exist solely "in and for living practice"; Moreover, since they do not come directly from working practice or from work to be economically quantified, "they can not be detached from the individuals who practice them, nor evaluated in terms of monetary equivalent, neither bought or sold."

What emerges is a vital link between common experience in society and non-homologated knowledge, which form new knowledge, that is free and useable. This kind of knowledge is not-appropriable, indivisible, unquantifiable, and above all, it is widespread; it consists of a set of social relations and their contexts of life, which have methods of production and acquisition of information that are embedded in the labor force, and then activated along the production process.

In fact, the industrial production evolving from productivistic model aimed at the production of mass goods where the free labor component was not requested, over time evolves requiring more and more information arising from free knowledge not encodable as to convey in the production of goods.

Moreover, Gorz asserts that this happens "even outside the production process," because the nature of knowledge can not be codified can not be accumulated not adhering more to the form of "value", and being of "social essence, therefore common to all".

2.2 From Good-Dominant Logic to Service-Dominant one

The activation of the form of distributed knowledge described by Gorz happens throught the direct involvement of users into the service production process. Ramirez (1999) notices as the service production process implies a fundamental shift in the way value is produced.

From being the ultimate goal of industrial production, goods become a tool for interaction that gives users accessibility to service platforms in which they can elaborate their own personalized solution to most of their everyday problems.

In this configuration service platforms revolutionize production logics, because they bridge the traditional production processes with customers, and give customers to *enter* into some production processes in order to configure solutions that are most adequate to their needs.

In order to reach broader market sections, companies are offering their first generation products in order to give them access to new, agile, customizable and innovative services. The characteristics of those products depend on the broader service context.

This ongoing change inevitably suggested new logics: from a good-dominant logic Vargo and Lusch (2004) suggest a shift to a service-dominant logic that is based on value co-creation through the interaction between a constellation of stakeholders, including the final users.

In the service dominant logic the role of the user changes, from passive receiver of products and service performances to active co-producer. The product or service offered by the company is a resource offered to users to configure their own solutions and the service provider's new role is to aggregate a number of resources (services, products, information) and offer them to possible users, in oder for them to produce value.

Furthermore the service provider is providing the channels or the platforms that will enable users and lower the threshold of accessibility to the platform; that means compensating the lack of skills, time, knowledge, resources the users should dispose of to become *producers* of their own solutions (Choudary, 2015). This is the case of Ikea, which provides a platforms for users to become architects of their own living space and manufacturers of their own furnitures according to shapes, colors and configurations they need, but it applies also to Apple for users that want to build their own soundscape or to wordpress for users who want to build their own webpages.

Emerging peer-to-peer services are going even further, as the platform provided by service provider allow users to become producers of goods and services for other users. The service providers' role in this case is to design and develop channels, filters, mediation tools, curation, customization tools, currency channels and fidelization mechanisms to make the platform an interesting place where users can exchange value in different forms, from products to experience, from homes to car lifts (Choudary, 2015).

One can no longer talk about services or products as an interface, or a communication medium between users, used objects and producers, but rather consider objects as part of a service architecture that mediates between different users and other stakeholders offering their performances for the process of value co-creations (Vargo & Lusch, 2014). This medium allows users to shift from local to global contexts and matches users needs and offering.

In this perspective, the service provider offers a relational mediation that activate existing communities or creates new communities. Such mediation includes a multiplicity of objects and dimensions, from the physical and digital objects to the set of rules that regulate the interaction.

The focus, in the Service-Dominant Logic, is on processes that activate exchanges, that are based on the use of a shared pull of resources. The single interaction between users and artifact of the good dominant logic is replaced by a complex interaction within community of users, according to an evolutionary dynamic. The central theme introduced by this logic is related to the activity systems of individual users and communities; it is inspired by the life contexts and fueled by a complex system of sense relationships.

3 Needs and new forms of life context

3.1 Evolution of goods

The creation of value evolves according to the dynamic that attributes to the material goods immaterial qualities to get to the exchange of intangible assets, including the life contexts where the production processes of the value are instantaneous and transferable to offer and use in a free global sharing.

The evolution of the status of the goods is equated to the emerging of new needs or layering of radicalized needs (Sbordone, 2012):

1. basic needs have their match in the mass goods - **consumer goods** accessible to all, focused to the mass of consumers;

2. sophisticated needs require goods which have a strong symbolic and emotional component - the **experience goods**, for a selected elite of consumers;

3. explicit needs point out the **interactive goods** - goods made with a highly customized product-advanced service, they are a category of experience goods, for a very specialized elite of users;

4. latent needs characterize users relying on a 'liberated time' - give rise to a mass of goods on demand, likely **fit-mass goods** distributed online;

5. special needs requiring specialized care, transport, education, infrastructure, etc., under the category of **common goods**;

From goods scarcity to the satisfaction of the demand of the large 'mass consumer', we moved in less than a century to a mass of goods that are part of highly customized offering. Another component of such offering is represented by a number of interactive services that are often aimed at capturing individual, tacit or un-codified knowledge, coming from the user (Morelli & Nielsen, 2007). With such mix of products and services the production and consumption system is pushing the process of customization towards its extreme limit of individualized product-service offering. In such process the user becomes responsible for the definition of his/her own needs and for the definition of the most adequate solution strategy to satisfy that need. Furthermore the user becomes a component in the production system, likewise many other stakeholders that are contributing to the creation of value (Normann & Ramirez, 1994)

3.2 Designing in the new context

The changes discussed in the previous sessions are challenging the role of design and designers. The new logic replaces the dichotomy between producers and users with a new systemic aggregation of actors, which in different times are covering different roles. They may be users of a service and, few moment later, becoming service providers. They are even designers, when deciding the most appropriate configurations for their personal solution. Furthermore the nature of the exchange and needs within service architectures is also transforming the nature of the value the designers is called to deal with. No longer material goods, but rather experience, knowledge, inspiration, narratives.

How can the designers' activity change in this context? What kind of design competences are required for designers to provide a useful contribution to the value creation process?

When focusing on the emerging bottom-up initiatives Manzini (2015) qualifies the users/citizens' attitude to design as a form of diffuse design. This is basically the natural human problem solving attitude, that pushes towards new solutions, using all the available resources. This attitude has been neglected for a century, with the industrialisation and the progressive formalisation of human relationships (Normann, 1991). However this is also the ground for the un-paid work Gorz was focusing on, which is part of individual identity of a community or a society.

In the very moment in which the service-dominant logic gives new value to value co-production, this diffuse problem solving capability, that means a new valuable resource, becomes available and the whole process of designing for services becomes a process that support the disclosure and activation of such resources and organise them and create a structure and a set of new criteria – non necessarily based on economic exchange - to give value to this work.

Supporting diffuse design activation means proposing touchpoints - in forms of good, services, interactions – to facilitate the use o such resources; it also means defining filters, access points, production tools and curation mechanisms that can circulate such resources and give value to the un-paid industriousness that is characteristics of human beings and social behaviours

3.3 Discussion

When the value creation focus is moved from the activity of expert professionals, designers and service providers, to the network of non-expert stakeholders that collaborate with their un-paid work, the role of design is questioned. Is this kind of expertise still relevant in the next value creation processes? Moreover, if design skills are still relevant, how is the activity of designers changing and what is the material of design activity?

First of all, the perspective change does not necessarily imply an automatic change in the way services are generally perceived. New platforms come out everyday, to facilitate collaboration, peer-to-peer exchange, local interaction, favour exchange, un-paid work exchange. They are the most evident example of a new generation of service to activate people's individual knowledge, social network and personal resources.

However the availability of such platforms does not necessarily mean that they will be used. Few of the platform emerging every day are in fact surviving for a long time, because they require content management, mechanisms of trust, mechanisms of curation and customisation and mechanisms that encourage and motivate interaction (Choudary, 2015). Even when successful at the local level the scalability of service architectures and platforms that support new forms of value creation depends on the recognition of emerging socio-technical regimes (Geels & Schot, 2007). The capability to recognise the link between local initiatives and socio-technical regimes and to stimulate and consolidate such regimes is a design activity resulting from the negotiation of different forms of rationality. Service systems can work as a catalyst and create convergences to facilitate this negotiation.

Understanding those mechanisms and designing a series of touch-points, objects that facilitate the access to the service platform and rules that enforce trust and relevance for the internal interaction mechanisms is part of the design expertise that would give design a critical role in the current context.

The second question, concerning the change the new logic would imply in the design activity, focuses on the materiality of the design activity. The new requirements for the designers' expertise span over

the four orders of design knowledge indicated by Buchanan (Buchanan, 2001). Expert design is no longer applied to material systems, i.e. system of things, but on systems that integrate human action, technical infrastructure, social mechanism and different kinds of knowledge. The focus on value creation process does eliminate the existing link between design and material culture, but it makes it less relevant, because the value creation process does not necessarily eventuate in a material object, but rather in a heterogeneous mix of objects, experiences, interactions and social links.

The shift of the focus from material object to this systemic aggregation makes design expertise more complex, as it concerns the use of different techniques, from roleplay to storyboards, from customer staging maps to prototypes, to orchestrate and organise material goods, places, procedures, interactions and experience for the value creation process (Blomkvist, Clatworthy, & Holmlid, 2016).

Furthermore, the design activity cannot be isolated to an exclusive relationship between designers and a producer (which of course should integrate a set of information and knowledge coming from users and the socio-technical network surrounding each material product), but needs to enter in the social mechanisms that designers need to activate. Designers do not control the production process, nor does they determine the result of their activity; they just provide triggers, facilitators, activators of existing resources.

4. Conclusion

The service-dominant logic is a perspective that takes into account an ongoing change. Although it implies quite a radical review of the production-consumption system, that integrate neglected resources, new knowledge and powerful technological infrastructure, this change is not an option, but rather an inevitable progression towards new ways of organising society. Far from excluding expert design from the dynamics of value production, this change is posing new challenges and new opportunities for designing new services that facilitate and activate the most crucial mechanisms that trigger the change.

The integration of new knowledge will possibly change the way service design is practiced, and the essence of the expertise designers can offer, the nature of designers' everyday activity and even the role of design in new socio-technical ecosystems. This challenge is however one of the most stimulating perspective in for next designers.

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About the Authors:

Maria Antonietta Sbordone is Assistant Professor at Department DICDEA Università degli Studi della Campania "Luigi Vanvitelli". Her research interest include Fashion and Service Design and design for social change.

Nicola Morelli Professor with specific responsibilities at Aalborg University. He collaborates to the master in Service Systems Design at Aalborg University Copenhagen His teaching and research work focus on service design methods and strategies.