

INFINITY SOURCE OF « INNOVATIVE SERVICE »

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The present paper adopted two research methods: systematic literature review regarding to innovative services perception; and Innovative Service Providers survey demonstrating the need to identify the source from which services have their genesis process and then are provided as original idea. The analysis focuses on targeted organizations to which submitted questionnaire bring empirical data to the paper under advice of Kyoto Chamber of Commerce and Industry (KCCI). The findings here after reported call to the “re-evaluation” of the social dimension of co-creation of value as user/consumer’s decision “to participate” versus “not to participate” at the genesis of services be considered an infinity source of potential service.

1. Introduction

Every and any process is considered as a sequence of actions or steps taken in order to achieve a particular end in general. Here in particular to generate service that is brand new, original and that introduce changes is taken under consideration focusing on their respective creative source and origin.

Re-evaluating user/consumer’s decision on “participating” versus “non-participating” at the Genesis of innovative services – social dimension of co-creation of value – makes us inevitably questioning the follow: can we consider daily life activities an infinity source of potential service creation? In other words is that as soon as de future user decide to no longer do it on his own and waits for a service provider to take hand and do it for him the mark and step

stone for a service to be created and be labeled as innovative through the economic activity it embodies.

Undeniable alternative perspectives shall then be taken when facing brand new services. Especially when using existing tools for identification, definition, classification, evaluation and so on in the service research field.

The essence idea of this paper regarding innovative service generating process appears here like obeying to context and conjuncture needs. And in simple way is approached this process by the angle of value co-creation by users' deliberation on self-doing (or not) versus service provider make of users decision a business opportunity.

Market creation in service research under subjective definitions, well-being and value (co)creation faces here the think of non-predictive strategies origin. In the now-a-day complex and interconnected world it becomes progressively vibrant that actors rely on the exchange of applied skills and competences for their mutual value co-creation.

The networked and systemic nature of value co-creation has been widely recognized and investigated. However, less is known on how actors co-create individual and collective values, benefits and well-being. The new conceptualization of value needs to capture its multi-faceted dimensions and this paper goes on the belief to widening the knowledge from and through the source of service creation.

2. Research Methods: Design and Settings

After analyzing the concept supported by “Innovative Service” reference is taken to what could be questions nurturing a “multidimensional approach counting up the dynamism as well

as the aspects of quality, reputation, social innovation and social value” of an “Innovative Service” provided by a company thanks to submitted questionnaires.

Participatory design impacts allow to develop means for active participation of stakeholders to realize meaningful service (choice to answer one need and not another). Also to analyze ethical and societal impacts of new applications in service system allows to analyze and clarify an effective adaptation process of service systems.

Thanks to Kyoto Chamber of Commerce and Industry (KCCI) direct and some already done contacts with targeted organizations only submitted questionnaire is possible as source of empirical data. To bring support data base of awards in service industry in Japan (nation level) is presented for information in field and type of innovation. Intentionally to picture innovative services development in the country.

Data collection for literature review

Based on traditional systematic review process, the following set criteria have been established:

- EBSCOhost as the research database;
- All chosen articles were published in English;
- All articles were from 2000;
- Keywords used were: service, innovative, source;
- Abstracts helped on final selection;
- Full reading of articles.

A total of 10 papers suggested by the database composed the dataset regarding to identify how has been services defined as innovative adjacent to the novelty determinant component identification allowing such definition.

Dataset analysis for literature review

Analyzing the dataset there are some considerations to take in account: fully dedicated papers to innovative service definition are “inexistent”; topics were of a multidisciplinary nature but management predominance is easily noticed.

Results for literature review

Deepening the analysis it is possible to identify a lack of studies examining explicitly innovative services source matter. Furthermore the generating process of new services also suffers same scarcity.

Focus was about innovations *in* service often entitled as “innovation service”. And this takes us back to distinctions made for semantic matters.

However a brief and dual categorization allows ranging the read articles as follow:

- Innovation basis: all the literature measuring how innovative the service is.

AND

- Management basis: all the organizational structure support allowing the service to be innovative.

Data collection for/from survey

The objective is to find out the source of genesis process of the provided service as original idea.

Defining innovative service as coming from business opportunity depicted from users' decision to allow third persons to "serve" them through the shape of economic activities.

Innovative service entities identified by Kyoto Chamber of Commerce and Industry (KCCI) on the magazine "Kyoto Creative Industry 2011-2014".

Composant elements:

- Dependant variable: innovative service;
- Independent variable: kind of need; operational means;
- Analysis: measurement and decomposition;
- Outcomes: point out skills, qualifications, organization, labor conditions

Dataset analysis for/from survey

Trajectories of learning in practice-based innovation shows that the organizational roles at play in sustainable innovation and innovation management motivates the seek for sustained (radically) new services in all sectors;

Sustaining of innovation as collaborative learning capability is still a black box – new theorizing and managerial frameworks needed (e.g. Grossman & Apaydin 2010).

What and with whom are the practitioners learning when are they co-create and sustain co-created value?

Results for/from survey

Basic learning trajectory of innovation (derived from data, inspired by theory of expansive learning – Engestrom 1987) can be categorized in three phasis:

Phase1: recognizing problem/opportunity: practice-based emergence and recognition of motive, relations and capabilities related to available opportunity for innovative solution;

Phase2: trialing, expanding: practical integration and configuration of innovation-related opportunities, relations and actions from multiple actors in local context;

Phase3: sustaining: adoption or transformation of successful solutions, models and practices/relations for sustaining, re-innovating and diffusing the new use value (innovation).

And the survey in this sutdy will line up its analysis to the above.

2.1. Systematic Literature Review

Conceptual framework for innovative services analyses can take approaches based on indicators of performance: productivity and employment.

Service innovation as an engine for the economic growth risk of bias not captured by the traditional indicators of innovation. Service sector was seen as inconsistent with the rise of the service economy. Main characteristics of service product its intangibility and its co-production.

Models of innovation process in services unresolved issues relative to the definition of service output have contributed to the underestimation of the performance of service innovation in terms of productivity and employment. Theoretical inferences and pertinent application.

Service production is an action, or a treatment protocol, that leads to change of state, not the creation of a tangible good (Gallouj, 1998).

Early definitions of services were based on technical criteria derived from classical economists, Smith (1776) and Say (1803) view service as a product that is consumed in the instant of production; Singlemann (1974) and Fuchs (1968) take the notion of co-production as the interaction between consumer and producer in producing services; Stanback (1980) describes services as non-storable and non-transferable; Hill (1977) widened the definition “a change in the condition of a person, or a good belonging to some economic unit, which is brought about as a result of the activity of some other economic unit, with the prior agreement of the former person or economic unit”.

Gadrey (2000) brings “service triangle” that defines as process or a set of processing operations that are implemented through interactions without leading to the production of a good that can circulate in the economy independently of a medium (reality owned or used by consumer). A set of characteristics and competences reflecting both the internal structure of products and external properties suggested by Gallouj and Weistein put the simultaneous mobilization of competences (provider and client) and technical characteristics (tangible or intangible).

Vargo and Lusch (2004) with service-dominant logic redress the model of exchange in marketing adding service provision: “...service is exchanged for service; all firms are service firms; all markets are centered on the exchange of service, and all economies and societies are service based.” And the value co-creation is highlighted for the role of producer and consumer is reminded. Gronroos (2006) comparing service logic and good logic found service logic fits best the context of most goods-production business today (goods are resource functioning in a service-like process). Fisk et al. (1993) bring in the IHIP criteria: intangibility – impossible to be perceived physically, heterogeneity – variability of results when provided, inseparability –

simultaneous provided and consumed and perishability – “not kept, stored for later utilization, resold, or returned” (Biege et al 2013).

Product and process innovation have blurred (Bitran & Pedrosa, 1998) lines between them once the important role of clients in service innovation based on feedback is source of incremental or bigger innovation. Thanks to these criteria information technology allows low levels of capital equipment used and considering services firms highly dependent on competences embedded in human capital as a key competitive factor and strategic element in the organization and delivery of service products (Sirilli & Evangelista, 1998).

Integrative approach is found to be the most promising and comprehensive theoretical perspective. Last two decades the aim is to generate more achievable policy implications for how innovation in the service sector should be discussed in order to reveal the vital role that innovation in services might play in modern economies.

2.2. Survey

Accepting that in the innovation process must be taken in account:

- Innovation capability (what do organisations do to structure and promote their innovation activities – and how able and ready they are)
- Linkages (by type of partner; more than just cooperation)
- Drivers and barriers to innovation (actors and factors)

Let's explore Innovation capability through related 'questions' to the:

- Innovation strategy
- Specific goals, targets for innovation activities

- Development department
- Activities organised in innovation projects
- Individuals charged with supporting the development and implementation of innovative ideas
- Procedures for reviewing/assessing innovative ideas for further development and implementation
- Regular evaluation of innovation strategy, innovation processes
- Systematic procedure for gathering external knowledge
- Part of staff work time explicitly devoted to innovation
- Innovation-related training/courses for management, staff
- Staff incentives for generating innovative ideas

Descriptive analysis

In the Kyoto Chamber of Commerce and Industry (KCCI) Creative Industry universe of 95 companies we took focus on Brand New Services group.

Questionnaires were sent after direct phone calls introducing the study.

Positive reactions allowed interpretations as following:

Moment of realization

Without exception all innovative provided service on study found their genesis moment on to the business person own in-need experience.

After deepening interest regarding to solution and identification of niche possibility creation stepping stone were taken and the business launched. Here is the aim of this study: business entities come to life by putting their attention to an ordinary experience generating a need calling out for a solution.

Quality parameters

Client satisfaction as top priority finds support on organize, operational, material and immaterial resources at their best requirements. All enquired organizations showed the Japanese Omotenashi¹ Culture (the art of hosting) aspect up to date in the exercise of the innovative service.

Feedback

The direct contact with users of the provided service is fully used to know how the need has been fulfilled. In regular basis or in more spreaded way all the organizations touch the subject of communication with all the taking parts to the activity and make use of the fruits to generate emprouvements or maybe find possibilities for brand new other services.

Collaborative Learning

Inwards and outwards options are simultaneously used by the service providers. Sharing, delegating, learning in an *ad hoc* created environments the innovation fever keep working for solutions.

¹www.japantoday.com/category/.../view/the-business-of-omotenashi

“Omotenashi” is hard to define, but Japanese use it to describe what they believe is their unique approach to hospitality. “Omotenashi” involves the subjugation of self in service to a guest, without being “servile”.

3. Findings

To depict the source of “Innovative Services” providing an empowered insight supported by qualitative and multidimensional approach indicates the value co-creation by users’ deliberation on self-doing (or not) versus service provider make of users decision a business opportunity be clarified. Services and requirements of support under new approaches for such proof of identity.

Expected findings are for the paper and similar research an additional step on experimenting previously published “multidimensional approach” and own adaptability on supporting analyses of innovation process in (for) diverse service as the respective knowledge advances.

Factor combinations between inputs and corresponding outputs at multiple stages of a service delivery process.

Four requirements (Biege, 2013) for productivity measurement concept: Innovativeness – services new to the company differentiated from services new to the market; Internal output of a service process; Including interactive inputs that are not expressed by provider’s and customer’s inputs (time and cost); and Knowledge, competencies, and skills.

Experiences are the main goal of all the innovative organizations enquired.

Approaching the genesis process by the capacity organizations develop in catching up with users unrevealed need takes us back to long reflections regarding to created needs.

This study comes in the need of always keep an eye on the source of innovation in service. The back to the origin movement shall also put its light on service universe. Efforts understanding impacts and results from services shall be equalized towards understanding from where they’re coming. Users will always have needs that could perfectly be satisfied by their own means. Certainly limitations exist in the sense of individuality and privacy matters. But

they can deliberate in contrary and allow service providers to take chance and make from such decision a business opportunity.

4. Discussion and conclusions

Specific characteristics of the nature and modes of organization of innovation in services (Gallouj & Savona, 2009) emphasizes the importance of service trajectories as the service output (immateriality, interactivity, and co-production). A focus on the non-technological and invisible innovation output (service-based: service customization, problem solving, new solutions, new methods, and new organizational structures). New typologies for innovation in services permitting indicators dedicated to services: ad-hoc innovation, new-expertise fields of innovation, and formalization innovation (Gadrey & Gallouj, 1998). Modes of organization like multi-unit, new combinations of services, and customers as co-producers are examples of organizational innovation identifiable as taxonomies.

Underestimated innovation in services by assimilation approach is contrasted by the reverse product lifecycle model (Barras, 1986) introducing the incremental process innovations. From this point evolutionary taxonomies emphasizes trajectories like supplier-dominated, scale-intensive, science-based, information intensive, and specialized suppliers. Here innovation systems and networks are important concepts when addressing service innovation.

The “wellbeing” contribution and “solving problem” offered by the provided service has more than primer social effect. Same for the employment economic one: the more the number of clients grows, the more employees will be needed to respond with service quality.

We hope to see more and more analyzing study cases adopting “multi-criteria and system dynamic perspectives” evaluation. This empowering evaluation of the evolution through the “Innovative Services” universe we now live in. Details can be revealed and handled by accu-

rate tools as they're caught by their mutating shapes in the ongoing generating new service process.

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