

Service co-creation in a living lab context:

Innovating with the user, for the user



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MANAGEMENT
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Introduction

Background

For decades, the importance of services to the global economy has progressively increased whereas the importance of goods has declined (HKACE, 2007). To realize service innovation, companies increasingly utilize living labs which follow an open innovation model allowing businesses to engage with users early in the creative process. As a consequence, co-creation with users and the insights derived from it are expected to better address both existing and emerging customer's needs and wants (Leminen et al. 2012).

Objectives

Exploration on the practical implications of value co-creation is scarce. Therefore, to advance the nascent developmental state of service co-creation, the objective of the doctoral research is to study:

- **how the service co-creation phenomenon happens,**
- the **processes and types** of value co-creation **online and offline** as well as **drivers and factors** to maximize its benefits

Method

Research Design

- Exploratory qualitative research
- Multiple cases approach
- Cross-sectional analysis

Data collection

- Semi-structured Interviews
- Observations
- Focus groups

Pilot Study: JOSEPHS

- Living lab in Nuremberg/Germany
- In-depth interviews and observations: Managers, Administrators, Facilitator for co-creation, Users

About JOSEPHS

- 5 Business co-creation spaces for companies to present products or services for 3 months under 1 theme
- Visitors are encouraged to try out products/services and give feedback

Inside a living lab: JOSEPHS



Photo: As part of the pilot study in Nuremberg's living lab 'JOSEPHS', Katharina Greve and Dr Veronica Martinez tried out a video game that is controlled by movements. Fun and interactivity are important aspects for JOSEPHS to encourage users to test products and services and provide feedback based on their user experience.

The value co-creation process in a living lab

Co-creation	Exploration	Experimentation	Evaluation	Implementation
Involving users in understanding needs & opportunities	Co-designing, exploring and refining ideas for change	Testing ideas with users in simulated or real-life settings	Evaluating user responses & improving ideas	Applying & mainstreaming of innovation

Findings

From the pilot, three key challenges in the co-creation process are identified:

Education

Shift from passive consumer markets to markets as platforms for firms and active customers to jointly create value requires explanation and education of customers and firms to stimulate the co-creation process

Execution

Turning an idea or prototype into an engaging and interactive service whilst encouraging customers to provide feedback without limiting their creativity

Exploitation

Capturing feedback and customer behaviour appropriately, collecting information, processing data and communicating findings accurately and effectively

References

HKACE. 2007. *Guide to Customer Service Excellence*. [ONLINE] Available at: http://www.hkace.org/files/publication_detail/hkace_publication%20-%202012.pdf. [Accessed 01 May 15].

Leminen, S., Westerlund, M. & Nyström, A., 2012. Living Labs as Open-Innovation Networks., September, pp.6–11.



More information about JOSEPHS

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