

Facilitating co-creation in living labs: The JOSEPHS study

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Agenda



Industry Problem and Research Objectives



Research Approach



The Case: JOSEPHS



Co-creation in Theory vs. Practice



Findings and Contributions

***“Companies must escape
the firm-centric view of the past and
seek to co-create value with customers”***

(Prahalad and Ramswamy, 2004, p. 7)

Industry Problem and Research Objectives

Industry Problem

- High failure rate of new product and service innovations - up to 80% of new service innovations fail (Clancy and Shulman, 1991).
- Increasing pressure to reduce time-to-market and cost of introducing new products/services (Simchi-Levi et al., 2012).
- Shift from passive consumer to active innovator (Prahalad and Ramaswamy, 2004).
- Co-creation in living labs is gaining popularity, yet many living labs have failed to fulfil expectations (Schuurman et al. 2012).

Research Objectives

The research objective is to explore, identify and analyse factors that are critical to the facilitation of co-creation in living labs.



What is co-creation?

What is a living lab?

Co-creation

The term co-creation refers to any act of **collective creativity** where more than one individual is involved, resulting in something that is **not known in advance** (Sanders and Simons, 2009).



Living Lab

Living Labs are defined as **user-centred, open innovation ecosystems** based on a systematic user **co-creation approach** integrating research and innovation processes in **real life** communities and settings (European Commission, 2016).

Research Approach

THEORY



Literature

Systematic literature review of 278 core papers

PRACTICE



Living Lab

- 2 Workshops (total: 8 hours)
- 2 Interviews (total: 2 hours)
- 3 Observations (total: 6 hours)



Companies

- 1 Workshop (total 4.5 hours)
- Questionnaire
- Documents

Research Approach

THEORY



Literature

Systematic literature review of 278 core papers



PRACTICE



Living Lab

- 2 Workshops (total: 8 hours)
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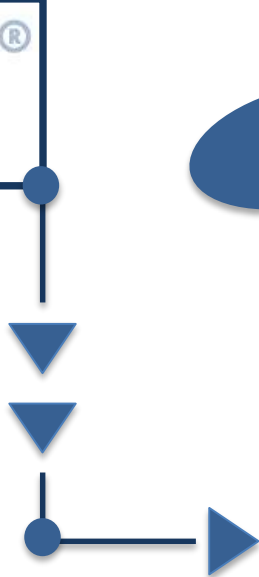
Companies

- 1 Workshop (total 4.5 hours)
- Questionnaire
- Documents

Case Study: JOSEPHS



- Living lab
- Established in 2014
- Town centre Nuremberg
- 5 co-creation spaces
- One theme
- Rotate every 3 months
- Open to the public



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JOSEPHS' Co-creation Process

- Definition of the research question
- Establishment of research design
- Consideration of methods: acceptance, price, usability etc.



1 BRIEFING and RESEARCH DESIGN



- Qualitative and quantitative analysis and results
- Presentation and/or workshop in-house

3 RESULTS and RECOMMENDATIONS for ACTION

2

THREE MONTHS TEST PHASE at JOSEPHS

- Creation of the business island
- Start of the theme world
- Interim results, where required adjustments
- Feedback from about 1000 co-creators



3.000 Visitors



Literature: Critical Factors for Facilitating Co-creation in LL

Customer Engagement	Relationship Management	Operating Principle	Design Layout	Data Collection Approach
Attitudinal factors	Dialogue		Access to operant resources	
Willingness to co-create	Participation		Service Facilities	
Social context	Relationship			
Perceived relevance of service	Integration/Involvement			
Customer capabilities, skill motivation	Interaction			
Mobilizing behavior	Expected Benefits			
Type of product/service				

JOSEPHS


“We figured out that these status-quo emails are quite nice because even when you not have been there you just get a short summary of the day, what happened here.”

–Research Team member at JOSEPHS

Companies

“An internal communication tool would help us to communicate effectively and carry on dialogue which is key to this experience.”

–Company Founder & CEO

 Theory, Living Lab & Companies agree

JOSEPHS: Critical Factors for Facilitating Co-creation in LL

Customer Engagement	Relationship Management	Operating Principle	Design Layout	Data Collection Approach
Attitudinal factors	Dialogue	Proactive, enthusiastic guides	Access to operant resources	Data collection tools
Willingness to co-create	Participation	Room for action/ dis		
Social context	Relationship			
Perceived relevance of service	Integration/ Involvement			
Customer capabilities, skills & motivation	Interaction			
Mobilizing behaviour	Expected Benefits		Intuitive elements of familiar behaviour	
Type of product/ service	Managing expectations			

JOSEPHS

“You also have to communicate [...] that the things which are displayed here, they might break. [...] if they break they are poorly designed, so actually expectation setting is important.”

–Research Team member at JOSEPHS

Companies

“I think what would be good from JOSEPHS side is to clearly describe the expectations to company representatives that would like to develop products here. It is not about the great amount of empirical data that you can rely on here but based on our perspective, it is about identifying the problem.”

-Business Development Manager

Relationship JOSEPHS - Customer	Rel. JOSEPHS
Convey the seriousness of customer contribution	Background info comp
Tailored approach for guidance	
Opportunity to give feedback about JOSEPHS	
Recruitment and continuous training of guides	

Companies: Critical Factors for Facilitating Co-creation in LL

Customer Engagement	Relationship Management	Operating Principle	Design Layout	Data Collection Approach
Attitudinal factors	Dialogue	Proactive, enthusiastic	Access to operant	
Willingness to co-create	Participation			
Social context	Relationship			
Perceived relevance of service	Integration/Involvement	LL		
Customer capabilities, skills & motivation	Interaction	Cont imm		
Mobilizing behaviour	Expected Benefits	Est		
Type of product/service	Managing expectations	Rel		

Companies

“From JOSEPHS side documentation of best practice would be beneficial whether this is contents wise, links to other company projects or tools that have been successful in other projects. The beauty is that you can create a knowledge base as time goes on and hence, added value can be created which is based on best practices. Experience starts to build up and more potential to enable interactions becomes possible through documentation that is made available.”

–Company Founder & CEO

Relationship JOSEPHS - Customer	Relationship JOSEPHS – Company
Convey the seriousness of customer contribution	Background information about company
Tailored approach for guidance	Sharing best practices
Opportunity to give feedback about JOSEPHS	Consulting through a tailored project template
Recruitment and continuous training of guides	Creation of networking opportunities

self-explanatory signage

Theory, Living Lab & Companies agree

Living Lab & Companies agree

Five Critical Factors for Facilitating Co-creation in LL

Customer Engagement	Relationship Management	Operating Principle	Design Layout	Data Collection Approach
Attitudinal factors	Dialogue	Proactive, enthusiastic guides	Access to operant resources	Data collection tools
Willingness to co-create	Participation	Room for action/ interaction/ discontinuation	Service Facilities	Explicit research question
Social context	Relationship	Comfortable atmosphere	Clear structure & storyline	Workshops to reach specific audience
Perceived relevance of service	Integration/ Involvement	LL as a consulting/ service provider	'Hands-free' approach	Capture first impression & receive authentic feedback
Customer capabilities, skills & motivation	Interaction	Continuous feedback & immediate adjustments	Design of Island: key elements & order	
Mobilizing behaviour	Expected Benefits	Establishing 'themes'	Intuitive elements of familiar behaviour	
Type of product/ service	Managing expectations	Relevance for B2C & B2B	Reflect WIP status to encourage feedback	
			Self-explanatory signage	

Relationship JOSEPHS - Customer	Relationship JOSEPHS - Company
Convey the seriousness of customer contribution	Background information about company
Tailored approach for guidance	Sharing best practices
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Theory, Living Lab & Companies agree

Living Lab & Companies agree

- Literature
- JOSEPHS
- Companies

Findings



Literature

- Focus on behavioural aspects, motivation, and incentives of the customer
- Lacking attention on the operating principle, design layout of a living lab and data collection approach.



JOSEPHS

- Strong focus on operational goals and the relationship to the customer, the data collection approach and design layout of the living lab.
- Lacking attention on strategic objectives.



Companies

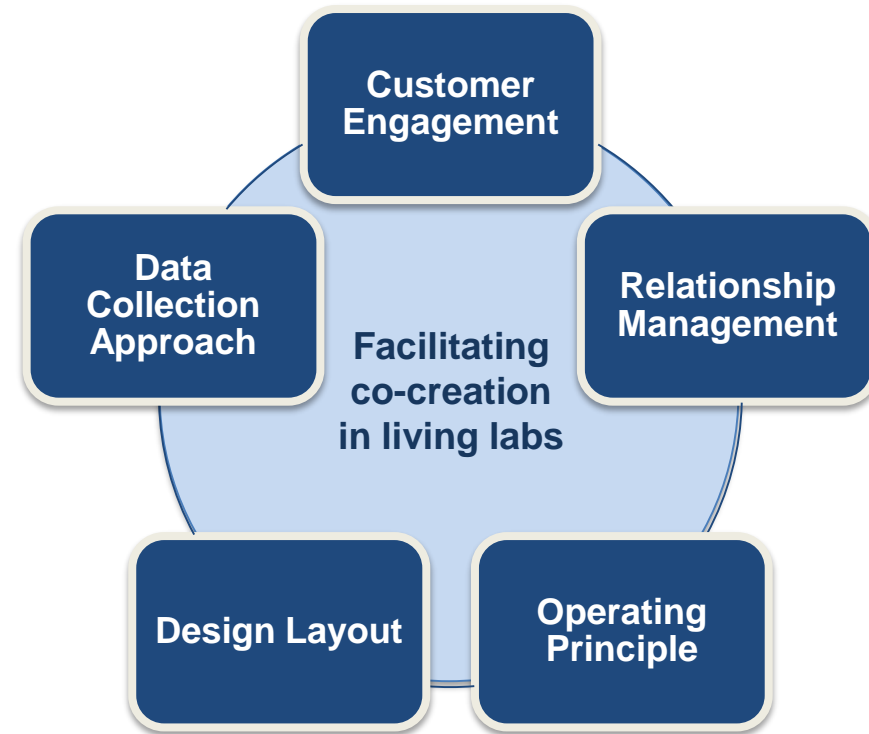
- Focus on operating principle of the living lab, the data collection approach, and the relationship between them and JOSEPHS.
- Spend less thought on the relationship between JOSEPHS and the customer.

Not much agreement between theory and practice with regards to how co-creation can be facilitated in living labs.

Conclusion

Contributions

- The framework identifies 41 elements grouped in five critical co-creation categories
- First insights into the operational activities and design structures which are implemented to facilitate co-creation in living labs.
- Living labs and companies gain deeper understandings on the factors that are relevant to consider when engaging in co-creation.



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Q&A

***Thank you very much
for your attention!***

Questions or Comments?

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Forthcoming Webinars



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Cambridge Service Alliance

Date 14:30hr GMT	Topic	Invited speaker
Sept 12 th	Webinar Tool. ***TOOL***	Prof. Andy Neely
July 18 th	Service platform context: a review of the state of the art	Xia Han and Dr. Veronica Martinez
June 13 th	Facilitating co-creation in Living-Labs: the JOSEPHS study	Katharina Greve and Dr. Veronica Martinez
May 9 th	Supplying innovation: unlocking innovative behaviors in the supply chain	Dr. Jingchen Hou
April 11 th	Mapping Ecosystems: Identifying Service Innovations. ***TOOL***	Prof. Andy Neely
March 14 th	A small-scale analysis of health service stakeholder networks: insights from social media	Dr. Benjamin Lucas and Dr Mohamed Zaki
Feb 8 th	The seven critical success factors in the shift to services. ***TOOL***	Dr. Veronica Martinez
Jan 11 th	Innovating Your Business Model: The Capability Assessment Tool. ***TOOL***	Prof. Andy Neely

CSA communication

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In the twenty-first century, competitive advantage. By its minds, the Cambridge Service model innovation in your firm

Professor Andy Neely, Director,

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Cambridge Service Alliance
Annual Report

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Cambridge Service Alliance

Cambridge Service Alliance: Community of Interest

What is the CSA Community of Interest?

The Cambridge Service Alliance is a unique global partnership involving the University of Cambridge and BAE Systems, Caterpillar, GEA, IBM, Pearson and Zetis. The Service Alliance seeks to create and share new knowledge and ideas to improve the design, deployment and delivery of high performance complex service and solutions. More details on the Alliance

Why was the CoI?

The Cambridge Service Alliance is a unique global partnership involving the University of Cambridge and BAE Systems, Caterpillar, GEA, IBM, Pearson and Zetis. The Service Alliance seeks to create and share new knowledge and ideas to improve the design, deployment and delivery of high performance complex service and solutions. More details on the Alliance

Who can get involved?

The Community of Interest is open to all members of the Alliance, including academics, industrialists and policy-makers.

CAMBRIDGE SERVICE WEEK

Cambridge Service Week is a series of events hosted by the Cambridge Service Alliance to bring together leading academics, industrialists and policy-makers to address the evolving challenges facing service education, research, practice and policy. Find out more about previous events as well as the 2013 Cambridge Service Week plans below.

Cambridge Service Week 2013

The fourth Cambridge Service Week held from 30 September to 4 October 2013 included an industry conference on 'Successfully Making the Shift to Solutions', as well as a series of workshops, a partner event day and an academic conference on 'New Directions for Service Research'. Find out more here.

Cambridge Service Week 2012

The third Cambridge Service Week was held from 17-20 September 2012. There was a combination of events for academics, practitioners as well as member organisations of the Alliance. This year, Cambridge Service Week also hosted the EurOMA Service Operations Management Forum. More information on the 2012 can be found here.

Cambridge Service Week 2011

The second Cambridge Service Week was held in Cambridge, 20-23 September 2011. It was designed to be a combination of partner, open and academic events designed to push the boundaries of service knowledge.

Cambridge Service Week 2010

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