Managing Customer Participation for Value Creation in Knowledge Intensive Business Services

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Propósito Central do Trabalho
The participation of customers in the delivery of services is an enduring theme in the marketing and in other literatures. In the delivery of Knowledge Intensive Business Services, customer participation is an imperative, as customers work together with providers to define problems, choose among the paths presented to them and execute many activities of the service delivery process. Customers can then, through participation, see more value in the transaction. Despite the importance of customer participation for value creation in Knowledge Intensive Business Services (KIBS), not all customers actively participate in delivery processes. Customers may lack knowledge to buy KIBS, be unable to provide accurate information, lack the time and money need to actively participate, and show little motivation to co-produce. The implications of limited customer participation for KIBS delivery processes are however not clear. Nor do we know how providers manage to work under the constraint of this key resource, i.e. the customer, and still create value-adding service propositions. Hence, this paper analyses how providers manage KIBS delivery processes in which customers cannot contribute as providers expect.

Marco Teórico
Customers can participate in service processes as suppliers of inputs, and as co-producers, by executing activities of the delivery process. In the delivery of KIBS, it is argued, providers are extremely dependent on customer participation. As customers’ problems are under-specified and the solutions proposed evolve during the service delivery, customers need to continually discuss with providers aspects of the offering and make decisions of how to proceed. Customer participation can increase the value that customers see in buying KIBS. Customers’ perception of value can be seen as the net result of the benefits and sacrifices they experience during and as a result of the service delivery. In participating, KIBS customers can experience some of the following benefits. They increase their chance of receiving an offering that meets their needs and create favourable conditions for less disruptive service deliveries. In addition, customers can learn from and control KIBS providers. They may also develop trust in the provider and reduce their risk perceptions. Customers however have to spend time and other resources to participate and can see this as a sacrifice. As such, in supplying inputs and labour and by interacting with providers, customers can shape the value proposition providers will offer them and influence their own value-generating processes. Customers’ participation in KIBS, however, depends on their knowledge of what they are buying, their understanding of the tasks to be executed and their motivation. Customers need to know what is being acquired, have experience in buying this type of service, and be able to convey their demands. They also need a clear image of their responsibilities in the delivery process. Besides competence and role clarity, customers must demonstrate willingness to participate. Increasingly, however, research is showing that customers do not understand what they are buying, display limited motivation to participate, and lack resources to participate. Some researchers suggest that KIBS firms should select the customers they work with and clarify their role to them at the beginning of projects. However, not all KIBS providers enjoy an economic situation that would enable them to train customers up-front or restrict the customers they work for. As such, the question of how KIBS providers are able to manage the consequences of limited customer participation and create value-adding service propositions still remains and this paper explored this issue in more detail.
Método de investigação se pertinente
Given the exploratory nature of the research, the multiple case-study method was adopted to uncover new insights in relation to the participation of customers in KIBS delivery processes. The research was conducted in three typical KIBS providers, which have customers with different willingness to participate. The companies have many loyal customers, indicating customers see value in their offerings, and do not select and train customers upfront. Softdev is a small bespoke software developer. Customers’ specifications can be superficial and provide very little information on the technical requirements of the application. Audiosystems is a small provider of bespoke audiovisual (AV) systems for churches. Customers do not provide written specifications and do not have quality criteria to guide providers on what they value. CRControls Ltd. is a small engineering company that sells building control systems. The company commonly works for contractors and, in such cases, specifications tend to be incomplete and providers have limited access to end-users. To collect data, semi-structured interviews were combined with the analysis of documents. A total of 16 interviews were carried out. Given the companies’ size, it was possible to talk to everyone in contact with customers during the service delivery. The interviews lasted up to three hours, were recorded and transcribed. In addition, documents and emails were analysed to obtain data on the inputs provided by customers. The NVivo 9 Software was used to support the data analysis. We started the coding process with four main theoretical categories and ended it with 13. After the coding process, tables were used to compare the categories identified for each case. The final stage of the analysis consisted in creating new tables to compare the outcomes of the three cases.

Resultados e contribuições do trabalho para a área
This research has two main outcomes. First, if providers are not able to select customers and train them upfront, they can adopt four types of measures during the service delivery to deal with the consequences of customers’ participation. The measures, however, serve different purposes and not are taken at the same time. Some measures are particularly useful in the design stage to improve the quality and completeness of technical specifications. Others are taken during the implementation stage to correct issues that did not go according to plan and to manage customers’ new demands and conditions. These latter mentioned measures are palliative and try to alleviate the impacts of specification changes. Through these measures, providers can balance the benefits and sacrifices delivered to customers buying KIBS. Secondly, each type of measure is better to deliver a certain benefit or reduce a certain sacrifice. Some are more effective to increase the chances of providing a service that meets customers’ needs, while others reduce the need for interaction and the resources customers need to invest in the relationship. Measures taken during the implementation stage can then reduce the conflicts between the parties. Assuming that KIBS providers can rely on these measures with different intensities, they are able to offer alternative value propositions to their customers that are composed of combinations of benefits and sacrifices. As customers value sacrifices and benefits differently, there is probably no best value proposition and each customer will prefer one of them. These outcomes have managerial implications. First, as KIBS customers’ may have different preferences in relation to these alternative value propositions, providers could identify these preferences and segment customers based on them. Then, during the sales process, providers could emphasise the benefits, sacrifices and efforts associated with the respective value proposition. When the identification of customers’ preferences upfront is difficult, providers could offer alternatives to customers, who would be able to choose, for example, if they prefer to get more involved or just keep participation costs as low as possible. Ultimately, our research outcomes suggest that, although limited customer participation can disrupt KIBS delivery processes, the conception that customer participation
leads to the creation of value-adding service propositions in KIBS is perhaps misguided. Some customers will value the benefits that come with intensive customer participation. Others however might prefer not to participate, and to get a solution that is not ideal, but still meets their needs. Employees’ measures enable providers to offer service propositions these different types of customer value. There is the need therefore to consider customers’ preferences before assuming intensive customer participation essential for KIBS delivery success. This research has limitations. The companies’ size may have influenced some of the research outcomes. As SME’s rely less on formal procedures, employees have more discretion to implement the measures they believe are important. This may have contributed to the identification of alternative types of measures. In addition, we did not interview the customers of the company and any data of customers was providers by the KIBS firms. Given these limitations, future research is now needed to further develop our research insights. Future research could also focus on other possible trade-offs between benefits and sacrifices to identify alternative value propositions. It could also try to match customers’ profiles to their preferences in relation to each value proposition.

Referências bibliográficas