Service Design Outcomes in Finnish Book Industry

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From Transition to Transformation

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Nousiainen, Anu K.

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- From Transition to Transformation

Anu K. Nousiainen
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Anu K. Nousiainen

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Book industry is in transition especially due to technology advancements, converging operational environment and evolving consumer values and practices in the digital context. Simultaneously, the post-industrial paradigm shift from products to services, systems and experiences highlights the intangibles-driven economy, where existing value chain members need to find new directions and new business opportunities in the midst of blur and change.

This study takes an abductive approach in examining the digitization of the book through designing a community of readership - 'Digital Service Space' ('DSS') - especially for the benefit of literary authors, their stories and readers. With service design process and adaptive methods this study identifies new value propositions and service ideas especially based on different author personas and reading habits. Secondly, this study illustrates alternative and co-existing paths for the future of the storytelling, story creation and story production. Thirdly, this study discusses the strategic readiness of the existing book industry value chain: what is required to transform the business towards the vision that 'DSS' suggests.

The book industry can utilize the outcomes and approach of the study for the purposes of 1) reflecting and redefining its strategic vision, value processes and networks, 2) enhancing the concept of the digital book and its lifecycle to enrich the reading experience and to capitalize on the story, and 3) co-creating novel and meaningful stories and services with authors and readers.

The study concludes that future-oriented service design provides powerful tools to seize and concretize the change and thus, to innovate. Moreover, the process of service design not only creates novel value propositions but contributes, evaluates and challenges strategic activities of the company as well as influences and supports the business design and transformation of the organization towards its desired future.

Keywords: Innovation, Digital, Social Networks, Strategy, Organization

Supervisor: Seppo Leminen, Laurea University of Applied Sciences

Anu K. Nousiainen

**Palvelumuotoilun tuloksia kotimaiselta kirja-alalta
- murroksesta menestykseen**

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Kirja-alan murrosta on vauhdittanut erityisesti teknologinen kehitys, muuttuvat ja konvergoituneet markkinat sekä kuluttajien asenteiden ja käytänteiden jatkuva muotoutuminen digitaalisessa ympäristössä. Samanaikaisesti jälkiteollinen ja aineeton yhteiskunta painottaa tuotteiden sijaan palveluita ja kokemuksia. Näiden muutosten ja murroksen keskellä arvoketjun toimijat yrittävät navigoida kohti uusia liiketoimintamahdollisuuksia.

Tämä opinnäytetyö tarkastelee kirjan sähköistymistä 'digitaalisen palveluyhteisön' kautta, jossa arvoa luodaan suomalaisten kirjailijoiden ja heidän tuotantonsa ja lukijakuntansa näkökulmasta. Abduktiivinen lähestymistapa, palvelumuotoiluprosessi ja soveltavat tutkimusmetodit valjastettiin tunnistamaan mm. kirjailijaprofiileja, lukemisen kulttuureita, uusia tarpeita ja palveluideoita digitaalisen yhteisön toiminnoiksi. Työn tulokset keskittyvät kuvaamaan tulevaisuuden tarinankerrontaa ja lukukokemusta. Tutkimustulokset käsittelevät myös nykyisen kirja-alan arvoketjun toimijoiden strategista valmiutta muuntua ja tarttua tutkimuksessa esitettyyn visioon sähköistyvästä ja sosiaalisesta kirjasta.

Kirja-ala voi hyödyntää opinnäytetyön tuloksia ja lähestymistapaa erilaisin tavoin: 1) heijastella ja määrittää yhteistä visiota ja arvon tuottamisen prosessia, 2) laajentaa sähköisen kirjan olemusta elinkaariajattelulla, rikastamalla lukukokemusta sekä luomalla uusia ansaintamalleja, ja 3) rakentaa merkityksellisiä tarinoita ja palveluita yhdessä kirjailijoiden ja lukijoiden kanssa yhteistoiminnallisin menetelmin.

Tutkimus osoittaa, että tulevaisuuteen tähtäävä palvelumuotoilu tarjoaa tehokkaat välineet innovaatioon ja strategiseen visiointiin. Samalla kun prosessi kehittää ja konkretisoi vahvasti asiakaslähtöisiä arvolupauksia palvelumuotoilu myös arvioi ja haastaa yrityksen strategista tilaa. Palvelumuotoilulla on siis merkittävä rooli osana organisaation kyvykkyyksiä muuntua ja nousta murrostilasta kohti uusia mahdollisuuksia ja menestyksen polkuja.

Asiasanat: Innovaatio, digitaalisuus, sosiaaliset verkostot, strategia, organisaatio

Opinnäytetyön ohjaaja: Seppo Leminen, Laurea-ammattikorkeakoulu

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Executive Summary

Not only Finnish book industry but the global economy is facing major changes and continuous change especially in terms of convergence and advancing technologies. There are two driving forces discussed in the prevailing business transition - digitization and servitization – which are taken into the core of business transformation. The digitization refers to the digital formats of objects, relationships and environments, and moreover, to the power of social networks enabled by Web 2.0 technologies. The value and meaning is co-created in these networks and tribes of like-minded people. The role of the company is to listen and engage the existing horizontal relationships and tap into ongoing conversations. Further, the companies should approach digital communities by enabling logic: building capabilities for people to perform and co-create value as well as nourish collaboration and innovation in these highly dynamic value networks.

Servitization of businesses and economies is regarded as an opportunity to investigate a strategic question of "what is our business" because it challenges the material and functional production orientation and focuses on intangibles such as consumer experiences, business processes and service systems. By analyzing their own business through servitization and symbolic value companies can redefine their business and realize new business opportunities. Since services are social processes with their multifaceted encounters and interactions they also have a natural placeholder in target-oriented digital networks. This study investigates and ideates new value propositions (services) for the virtual readership community ('Digital Service Space', 'DSS') and thus, contributes to the new vision of book industry in the digital and social era. Further, this thesis discusses the strategic assets required for innovation and business transformation towards the new vision.

Based on the conducted research the challenge of "grey literature" is valid: Though Finns are still active readers there are plenty of book titles that are ignored because of the short lifecycle of traditional books in the stores, the selective attention that is focused on well-known authors and also because "the long tail" effect (Anderson 2006) has scattered the markets in the digital context. This finding proposes to consider the enhanced digital book concept which has different layers: social reading features, multimedia content modules, and various services attached. Hence, by creating a "layered book" with its co-created social objects and artifacts the story is able to evolve and "call for the reader" among the networked readers and ubiquitous connections.

Another key finding of the study is the co-existence of different reading cultures, namely deep reading (traditionally attached to printed books) and browsing (digital reading). With "both - and" design thinking (versus "either - or" thinking) the immersive reading in the

digital space is considered here as the deep reading of the traditional book and thus, the fast media and the slow media meet in the "hypermedia path". Hypermedia stories are designed to support ambient experiences with participatory and gaming features, where the reader and his networks are empowered to influence the reading experience through options and co-creation. Furthermore, both "layered book" and "hypermedia path" enable co-creation and invite a prosumer spirit. Since reading is interactive, social, and cumulative by nature the third path - "co-creative story" – celebrates active reading where professionals, amateurs and beginners can work together and thus, evolve as writers and storytellers.

The three story paths are part of a framework for digital age readership which includes author and reader profiles and their interaction and motivational aspects. The framework sets a future-oriented view where co-existence and evolution are both present. The value propositions and service ideas presented here are created based on the key users of 'DSS' and its mission. Therefore, reader targeted services aim to build a readership community through co-creative and inspiring interactions and practices. Further, two platforms are presented in terms of 'DSS' community and users: a working space for authors to manage their modular story production and brand, and a new presence where businesses can tap into stories, conversations and co-creation.

The study builds a business transformation model based on the vision that 'DSS' suggests (incl. mission, story paths, users, and services) and resources it requires. The transformation model combines concepts of business model, innovation system, and intangible assets. In other words, with the intangible assets of strategy, culture and organization, and continuous flows of spotting opportunities, enabling co-creation and challenging the status quo, companies can sustain tangible business as well as renew and transform. For the book industry the study provided strategic design guidelines which encourage rethinking the intangible assets especially in terms of the value networks and service systems. Therefore, in order to transform and seize digital opportunities, the existing actors in the value chain need to revisit their vision, rethink the business and reform the organization.

To conclude, this thesis contributes to the service innovation and design field by elaborating the meaning of service design through "3I's": 1) Innovation: Service design thinking principles and adaptive methods are directed to new value creation for people, desired future and growth, 2) Integration: Service design in the complex and interdependent environment maps and illustrates service systems and ecologies and thus, is about business modeling, and 3) Implementation: Service design is both strategic and concrete. It creates solutions and artifacts which manifest change and transformation.

Johdon tiivistelmä

Kehittyvä teknologia ja konvergenssi aiheuttavat suurta ja jatkuvaa muutosta niin globaalissa taloudessa kuin paikallisesti kirja-alalla Suomessa. Kirjabisneksen nykyisen murrostilan ajureina nähdään erityisesti digitalisoituminen sekä palveluistuminen. Nämä kaksi voidaan myös valjastaa muutosvoimiksi ja innovaation lähteiksi. Digitalisoitumisella tarkoitetaan sisältöjen, vuorovaikutuksen ja ympäristöjen sähköistymistä viitaten Web 2.0 teknologian mahdollistamiin ja massakäytön voimauttaviin sosiaalisiin verkostoihin. Näissä samanhenkisten ihmisten (ja horisontaalien suhteiden) verkostoissa ja heimoissa arvo ja merkitys luodaan yhteistoiminnallisesti. Yritysten tehtävänä on kuunnella ja osallistaa itsensä verkostoihin yhtäläisenä toimijana. Lisäksi yrityksen on toimittava dynaamisen yhteistyön ja innovaation mahdollistajana kehittämällä ratkaisuja ja kasvattamalla valmiuksia arvon yhteistuotannon prosesseihin.

Talouden palveluistuminen antaa puolestaan perinteisille tuotantoyrityksille mahdollisuuden tarkastella omaa strategista positiointia uudesta näkökulmasta. Kysymys on tällöin: mikäli nykyinen tuoteportfoliomme käännetään kokemuksiksi, prosesseiksi ja palvelusysteemeiksi millaisilla markkinoilla silloin toimimme ja mitä uutta tämä meille mahdollistaa? Palveluilla on myös luonnollinen rooli yhteistoiminnallisissa digitaalisissa verkostoissa, sillä palvelut itsessään ovat sosiaalisia prosesseja moninaisine vuorovaikutuksineen. Valjastamalla digitalisoituminen ja palveluistuminen voidaan luoda uusia arvolupauksia (palveluita) kirjailijoiden, tarinoiden ja lukijoiden muodostamalle 'digitaaliselle palveluyhteisölle' ja näin visioida kirja-alaa sähköisellä ja vuorovaikutteisella aikakaudella.

Tehdyssä tutkimuksessa käy ilmi, että harmaan kirjallisuuden haaste on todellinen. Vaikkakin suomalaiset ovat aktiivisia lukijoita suuri määrä kirjoja jää huomiotta: kirjojen elinkaari kaupan hyllyllä on lyhyt, tunnetut kirjailijat vievät näkyvimmän tilan ja verkossa koko monipuolinen tarinatarjonta kilpailee lukijan huomiosta.Tämä löydös johti kehittämään kerrostunutta ja rikastettua sähköistä kirjaa, jossa on erilaisia toiminnallisuuskerroksia, lisäpalveluita ja multimedia sisältöelementtejä. Mitä enemmän kirjassa on yhteistoiminnallisuutta ja sosiaalisia elementtejä sitä enemmän sen on mahdollista saada huomiota verkostoituneelta lukijakunnalta: kerrostunut kirja siis kutsuu lukijoita luokseen.

Toinen tutkimuksen löydös on kahden hyvin erilaisen lukemiskulttuurin – kirjan syvälukemisen ja verkkoselailun – ristiriitainen rinnakkaiselo. Muotoiluajatteluun nojautuen näitä ei kuitenkaan tarkasteltu erikseen vaan palvelumuotoiluprosessissa yhdistettiin nopeaan sähköiseen mediaan hidas ja keskittyvä lukemisen kulttuuri. Tästä muodostui hypermediakirjan konsepti, joka tukee erityisesti nuorille ominaista pelillistä ja osallistavaa lukemiskulttuuria. Hypermediakonseptissa tarinan lukija valitsee oman tapansa syventyä

tarinaan ja rakentaa lukijakunnan kanssa tarinan lukukokemusta. Kerroksellinen kirja ja hypermediakirja siis mahdollistavat yhteistoiminnan ja yhteisöllisen sisällöntuotannon. Kolmas tutkimuslöydös liittyy myös osallistamiseen: lukeminen – olkoon sähköisen tai perinteisen kirjan teksti - on aina interaktiivista, sosiaalista ja kumuloituvaa. Kolmas mahdollinen polku sähköisen aikakauden tarinankerrontaan onkin yhteiskehitelty tarina, joka yhdistää ammattilaiset, harrastajat ja aloittelijat kehittämään ja kehittymään yhdessä.

Kuvatut kolme kirjakonseptia ovat osa tutkimustuloksena tuotettua 'digitaalisen palveluyhteisön' viitekehystä, joka näiden lisäksi kuvaa yhteisön kirjailija- ja lukijaprofiilit, vuorovaikutusmallit ja motiivit. Viitekehyksessä on läsnä sekä tulevaisuus että nykyhetki, sillä esimerkiksi kirjailijaprofiilit elävät kaikki rinnakkain samalla tavalla kuin lukemiskulttuurit. Digitaalisen yhteisön arvolupaukset ja palveluideat on kehitetty erityisesti yhteisön avaintoimijoiden (kirjailijat ja lukijat) ja mission pohjalta. Lukijoille kehitetyt palvelut keskittyvät niihin interaktioihin, jotka johtavat yhteisöllisyyteen ja yhteistoiminnallisuuteen. Lisäksi yhteisö käsittää kaksi isompaa palvelualustaa:kirjailijoiden digitaalisen työympäristön, joka mahdollistaa modulaarisen tarinankerronnan ja kasvattaa kirjailijabrändiä sekä yhteisön tuomat mahdollisuudet yritysten (bisneskäyttäjien) osallistumiseen ja osallistavaan keskusteluun, yhteiskehittelyyn ja palvelutarjontaan.

Yksi tutkimuksen avaintuloksista perustuu 'digitaalisen palveluympäristön'vision toteuttamisen vaatimuksille. Esitetty 'transformaatio-/muutosvoimamalli' sisältää ajatuksia liiketoimintamallista, innovaatiosysteemistä ja yrityksen aineettomista voimavaroista. Toisin sanoen yrityksen keskeiset aineettomat voimavarat (strategia ja tahto kyseenalaistaa, kulttuuri ja kyky havainnoida uusia mahdollisuuksia sekä organisaation toiminnan mahdollistama yhteistoiminta arvoverkostoissa) pitävät yllä yrityksen aineellista menestystä ja kykyä uudistua. Kirja-alalle tutkimus tuo strategisia ohjenuoria, jotka kannustavat tarkastelemaan erityisesti arvoverkoston ja palvelusysteemin näkökulmia ja toimintoja nykyisessä arvoketjussa ja julkaisuprosessissa. Digitalisoituvan ja palveluistuvan liiketoiminnan mahdollisuuksiin tarttuakseen toimijoiden on palattava tarkastelemaan visiotaan, haastamaan nykyistä liiketoimintaansa ja mallintamaan toimintaansa.

Opinnäytetyö kokonaisuudessaan edistää ajatuksia palvelumuotoilun vaikuttavuudesta ja asemasta kiteyttäen sen "3I-malliin": innovaatioon, integraatioon ja implementaatioon (toteutukseen). Käyttäjälähtöinen palvelumuotoiluajattelu ja sen metodit on suunnattu nimenomaan uuden arvon ja kasvun luomiseen eli innovaatioon. Palvelumuotoilun avulla voi myös mallintaa monimutkaisia ja toisistaan riippuvaisia palvelusysteemejä aina integroiduiksi liiketoimintamalleiksi asti. Palvelumuotoilu on siis sekä strategista että konkreettista, sillä se mallintaa toteutuskelpoisia vaihtoehtoja ja ratkaisuja.

1   Introduction - Digitization and Servitization

Social trends explain customer behavior and inspire thinking (Trías de Bes & Kotler 2011, 42-43). Some trends are so significant in nature that they impact the culture, society and business life and thus, incorporate into the lives of people, and the products and services they use (Raymond 2010, 14-15). Trends discussed in this chapter take a rather normative approach and thus, project current trends forward while acknowledging that most trends eventually change direction and speed (Shostak 2005, 67). However, the changes presented have taken such a powerful direction that they have forced businesses and whole industries to redefine their strategies. First, digitization – transformation of objects, people, resources and environments in the supporting cyber infrastructure (Hsu 2009, 77) - is being introduced through the values and practices of social consumers and through related business strategies and models. Secondly, the meaning and trends in the service economy paradigm are being discussed in the light of connected society. Finally, this chapter introduces the context of the study: The book industry in the midst of change in creative, cultural and commercial sectors.

1.1   The Power of Digital Networks

Wireless technologies and digitization of business environment is transformational by nature and affects industries in quite similar ways: they remove boundaries such as when, where, who and with whom things are being done (Normann 2002, 50). Although a revolution in communications has taken place before, the difference between Gutenberg and today's world is that the change is happening fast (Rusbridger 2010). *"The pace of information development supported by technology has been superb. 4300 years between hand writing and hand written books. 1150 years between manuscripts and printing capability. 524 years between books and internet. 17 years between internet and search engines. 7 years between search engines to Google search algorithms."* (Ekholm & Repo 2010, 21).

Reddick (2002, xvi) claims that business process renewal is the fuel, the information technology is the oxygen, and wireless capabilities are the sparks of incredible change. The internet advanced real-time economy, and people's increased simultaneous and parallel interactivity is radically forming new platforms of communication, value creation and collaboration. Therefore, ongoing technical innovation is shaping the marketplace, individuals and companies utilizing it. It not only de-scales and reduces barriers to entry across a wide range of industries and worldwide markets providing scale advantage, lower costs and reproduction of innovation, but there is also the "network effect": each time a new member is added to the network, value accrues to the other members of the network. (Normann 2007, 27, 33, 44, 144-145; Hamel 2007, 9, 49.) The network society forms a culture of virtuality with its sophisticated digital technologies where networks are the basis form of human

relationships (Barney 2004, 25; Castells 1998, 370). Also in marketing theory, the so-called "network approach" confronted the traditional marketing mix of the 1980's by emphasizing that *"relationships do not exist in isolation but are connected to each other so that every relationship is part of a wider network of relationships in the market"* (Lindstrand et al. 2006, 2-3).

The social web (or Web 2.0 technologies) highlights individuals and their networks: whereas the focus of Web 1.0 was on delivering products, Web 2.0 created a paradigm shift to deliver enabling services that can be used and combined with other services in new and more interactive ways (Bernal 2009, 2; Funk 2009, xvi-xvii). In other words, Web 2.0 technologies assist in the delivery of the social networking capability and thus, the creation of a virtual communities where users can share, discuss, and collaborate to demonstrate their creativity, preferences and uniqueness through different social media and social networking sites (Facebook, Twitter, LinkedIn), sites where users can share videos and photos (YouTube, Flickr), location-based mobile applications (Gowalla, Foursquare), and Web 2.0 tools (blogs, wikis) (Bernal 2009, 14; Moulaison & Corrado 2011, 45). In Finland, over 90 % of the population uses the internet, and internet usage as an everyday practice is growing in all age groups (see Figure 1). The internet 1 % rule is still valid: only one percent of the users are active content creators, 10 % of them interact with the contents and 89 % are passive followers (Arthur 2006).
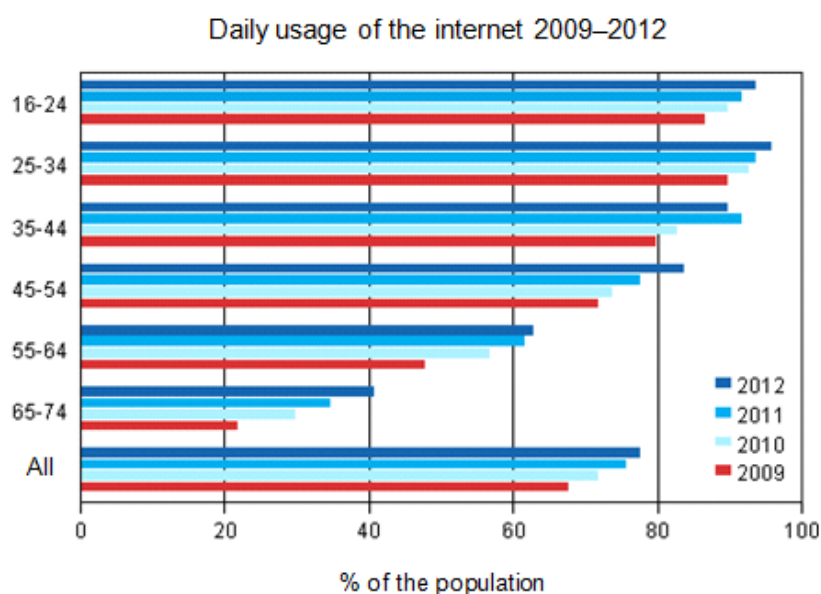

Figure 1: Daily usage of the internet in Finland (SVT 2012a)

Due to increasing interactions and "big data" that companies like Facebook (the third largest "country" in the world by population after China and India) and Google keep track of in terms

of user behavior, the future of digital media is about mobility. Mobile computing technologies enable ubiquitous ("anywhere, anytime") access to networks, services and applications increasing the amounts of digital content creation with easy to use and freely available tools (Ojansivu 2011; Levine 2011, 116; Qualman 2011, xxii, 209, 216, 277; Neal & Jaggars 2010, 64; Matikainen 2011, 110; Rogers et al. 2007, 172-173; Westerlund & Kaivo-oja 2012, 139). Hence, people add, reformat and combine available data: they create "social classification" or "folksonomy" (organizing images, videos, podcasts, blogs), utilize existing social features (ranking, commenting, wiki-editing, linking, bookmarking), and professional users aggregate and mash data with other available data resulting in services like SmartRatings, Reddit and Delicious. (Funk 2009, 9, 13; Bernal 2009, 15, 100, 107, 200.)

For consumers, the social web has become a space for stories, creation and attention (Stenros 2012). Postmodernism sees stories everywhere and in everything that makes sense: in a piece of text or a sign, a tattooed human body, or in unbranded commodities (Gabriel 2000, 17). According to Metz (2012, 2) these creations are social objects: *"something that people look at, discuss, and pass from person to person, putting their own stamp on it"*. In other words, by creating traffic and interest, the online content increases with social capital (Aitamurto et al. 2011, 147-148). This also applies to brands as well as news and entertainment contents which are being discussed and socially filtered (O'Reilly 2006, 77; Matikainen 2011, 135). In the end, the amount of attention gained defines a content creator's value and demand in a market where people can call themselves "authors" long before they have even published a book (Ekholm & Repo 2010 37-38; Schultz Nybacka 2011, 177). Therefore, power in the network society is about abilities to access networks and control the flows (Barney 2004, 30).

The most trusted source in an online environment is a "person like me", who is not perhaps someone you know but someone who shares your interests (Greenberg 2012, vi). Recommendations, reviews, "link juice" (linked web sites) and other viral means used by a "person like me" have the biggest influence on content access and purchase decisions overriding traditional experts, brands and ads (Funk 2009, 11, 14-16; Matikainen 2011, 112; Qualman 2011, 91). Therefore, the most original, meaningful and interesting product, service or content is the one created by like-minded individuals and peer-groups (Mokka & Neuvonen 2009, 145-146). Consequently, it has become nearly impossible to have a control over brands since there is more trust in these horizontal relationships than in vertical ones (Kotler et al. 2010, 30, 39). But people's sense of belonging is strong: in order for a brand to become a trusted member of the community it needs to clearly and sincerely state what it stands for (Sinek 2009, 53-54; Kotler et al. 2010, 4, 173). Only then can there be a pool of likeminded consumers, tribes and fan bases which are connected to an idea, purpose, a spirit and a related emotional values of brands and their leaders (Kotler et al. 2010 33-34; Aitamurto et

al. 2011, 165; Godin 2008, 1, 3). These communities *"exist not to serve the business but to service the members"* (Fournier & Lee 2009).

1.2   Developing Online Strategies and Business Models

The new economy has heightened the importance of Relationship Marketing (RM) and Customer Relationships Management (CRM) because the segments of one (individuals) and groups of like-minded people launch transactions and own the discussion (Gummesson 1999, 1, 6; Metz 2012, 34-35; Mokka & Neuvonen 2009, 59-60). "Social CRM" is a business strategy that has a customer ecosystem as a core of the business ecosystem; it focuses on supporting meaningful conversations with the customer (Greenberg 2009, 36). Therefore, it can be stated that Web 2.0 has provoked the 'Relationships' of CRM, and in the era of social customers, the new form of advertising is conversation (Benhaouya 2011, 89; Kotler et al. 2010, 32, 65; Qualman 2011, 175).

The rules of social media and engagement need to be established in an organization (Bottles & Sherlock 2011, 69-70). Metz (2012, 63, 137, 140) stresses that in order to have successful discussions, the social media strategy should follow the rule of *"listen before talking and engaging"*. Indeed, people seem to be more polite when they know someone is listening (Israel 2009, 65; Qualman 2011, 248). The rules of social media and engagement are about the social nature of human beings (Rogers et al. 2007, 173): *"When you reduce it to its fundamentals, social media strategy is not complicated. It's social. It's about establishing and nurturing authentic relationships in ways that will build loyalty to your institution"* (Bottles & Sherlock 2011, 69-70). Therefore, in order to succeed with Social CRM activities, companies should avoid focusing too much on technology (Merčun & Žumer 2011, 14; Hayes & Kent 2010, 121; Kracklauer et al. 2004, 9, 11) (see Attachment 1).

Another interesting phenomenon related to human and social digital networks is the "sincere request" (Aitamurto et al. 2011, 21). This helped the author of the book *Twitterville,* who asked people to tell good stories on various topics through Twitter. As a result, tweeters generated about three-fourths of the stories reported in the book. (Israel 2009, 8.) Thus, not only world catastrophes trigger people to donate money, but also crowdfunding services (e.g. Kickstarter.com, Mesenaatti.me) are utilized by open innovation, research and especially creative economy (Kallionpää 2013). Hamel (2000, 184) states that *"A great cause is as important as a great business case"* in the values-driven era. In American business thinking there is a concept called "double bottom line" emphasizing the noble purpose, values, and emotional capital (intangibles), where in addition to monetary results the socially responsible company reports the amount of good they have provided for their people and community (Aitamurto et al. 2011, 166; Joni & Beyer 2009, 52-54).

Thirdly, the shifted bargaining power from producers to consumers – so-called "prosumers" coined by Alvin Toffler (1980) - has led brands to compete with the collective power of tribes and to build co-creation models with consumers (Prahalad & Ramaswamy 2004a, 5; Hamel 2007, 10; Normann 2007, 28, 137; Kotler et al. 2010, 3-4, 7, 9-10; Owsinski 2009, 73; Brown 2006, 11; Hsu 2009, 51). For instance, *Lord of the Rings – The Fellowship of the Ring* was a production experience co-created with the fans: New Line Cinema provided a community including 400 fan sites with insider tips, channels to influence costumes and production details, and a direct access to the production team in general (Prahalad & Ramaswamy 2004a, 8). Hence, markets have converted into forums for dialog and co-creation among consumers, companies, consumer communities and networks of companies (Prahalad & Ramaswamy 2004b, 122; Normann 2002, 46). The change is drastic: although digital services allow customer choices through customization and generate offerings targeted according to user profiles, customers are increasingly and actively interested in their own role in the value creation process (Åman 2006, 248-249; Greenberg 2009, 35). The new concepts and practices around co-creation, prosumers and social curating (gathering, categorizing, bundling and distributing contents online) require companies to participate in the customer's processes, not vice versa (see Attachment 2). This means that companies need to create enabling logic into their processes and thus provide customers with the knowledge and tools necessary for them to perform the tasks. (Aitamurto 2011 et al., 27; Normann 2007, 37,121, 138; Van der Duin 2006, 15; Normann 2002, 58, 101, 129,-130.)

If companies do not empower customers into co-creation, customers may turn into competitors: Do-It-Yourself (DIY), hobby craftsmen communities and amateur journalists can stand out from professionals with their output (Carbonaro & Votava 2010, 61; Normann 2007, 82; Israel 2009, 185; Shirky 2008, 56, 71). Open source service platforms and self-production tools such as 3D printing (e.g. Sorrel 2008) will reshape the existing co-creation models where consumers can bypass the whole value chain of existing service provider (Funk 2009, 11). Hence, the old segmented society ("closed system") has been replaced by dynamic and interdependent networks of production, power and experience ("open system") (Van der Duin 2006, 13-14; Castells 1998, 370). Again, companies need to restructure and redefine the logic of the whole service ecosystem with the new approach of interconnected collaboration between companies, consumers, suppliers, and channel partners to create meaningful end-to-end solutions for various customer needs (Kotler et al. 2010, 32-33; Normann 2007, 28, 44, 136-137).

In concrete terms, the fourth strategic question relates to the position and influence model in the value networks, which can provide companies with knowledge and resources, new business potential, and an innovation boost as part of the collaboration (Camarinha-Matos &

Afsarmanesh 2004, 4; Kaukomies 2002, 40; Hamel 2000, 89; Prahalad & Krishnan 2008, 28). Together with other organizations, companies may end up providing a particular piece of a complete ecosystem and thereby do things in the modular way (Doz & Kosonen 2008, 12, 57; Florida 2002, 52, 54). Further, they can create innovation labs (virtual and public beta labs) and Living labs (users innovating in real life contexts) to share new tools and to test, play, design, and validate new ideas (Gordon-Murnane 2011, 15; Guzman et al. 2013, 29; Westerlund & Leminen 2011, 14). Indeed, the vision of the future has to do with groups of cells (swarms) working together in the hyperconnected and interdependent economy, where collective action is taken by the companies, as well as influencing the companies from the outside (Kotler et al. 2010, 10-11; Gartner 2010).

The target-oriented collective action (groups acting as a whole) and facilitating it is the most demanding mode of social media practice even after crowdsourcing (collaborative production) (Shirky 2008, 109, 143). Although rapid experimentation is feasible and economical in new platforms of collaboration, and crowdsourcing approach has been effectively applied (e.g. open-source software developments, business innovation, grassroots campaigns and large data projects), there is still unused potential for companies in harnessing crowdwisdom (Funk 2009, 10; Prahalad & Krishnan 2008, 243; Aitamurto et al. 2011, 87; Lankinen 2007, 124; Evans 2002, 15; Hamel 2007, 10; Tekes 2010, 15). Communities and collective action do not just appear; they need to be activated and managed by people with different roles (connectors, experts, evangelists, and active engagers), they need to be established around key principles (shared identity and goals, knowledge sharing, empathy and mutual contributions) and more importantly, they need to nurture trust (Mäkelä 2002, 156; Lankinen 2007, 92-93, 102; Preece 2000, 228, 268; Bottles & Sherlock 2011, 70; Bernel 2009, 103; Kanter 2001, 8; Preece 2000, 10, 81, 188). Bernel (2009, 234-237) suggests a roadmap towards creating an innovative ecosystem: 1) Set-up communications skills and capabilities into the organizational culture, 2) integrating more social features and partners into value network, and finally 3) utilize the culture and capabilities for the purpose of innovation.

The sixth topic deals with online monetary business models. Many online shops are hybrids of business models containing advertising and collaboration with partners, as well as affiliates and brokerage deals. Online contents and service software are sold with subscription models, download fees and software applications that are hosted and delivered on demand. In different communities, together with the earlier described "network effect", the "Freemium" model provides users with basic level access and experience, whereas pro-level functionalities carry a price tag. In gaming communities, the business models include membership, game advertising and small fees (micropayments) that players pay for upgrades and virtual items. (Funk 2009, 5, 53, 64, 81, 84-85, 87-90; Hsu 2009, 172-174, 176; Anderson 2010, 24-27, 148; Osterwalder & Pigneur 2010, 96.)

Bundling, too, has become a common business model, particularly for online media content. Bundling means that a company offers the customer a whole range of items as a package deal (e.g. e-news subscription together with a tablet device). Bundling is also related to the theory of "Economics of Free" and "Creative Commons" that encourage content owners, such as musicians, to submit some of their infinite products (music) free of charge for their fans to share (word-of-mouth model), whereas scarce products (concert tickets, CD's and merchandise) serve as price carriers for free or "pay as much as you like" items in the bundle. (Matikainen 2011, 98; Normann 2007, 41; Owsinski 2009, 49-50; Hsu 2009, 174; Anderson 2010, 13, 153-154; Levine 2011, 49, 70, 77, 103.)

Finally, going back to social web discussed in the first place, it can be stated that the web is independent of time and location and always in a virtual "space of flows" (Castells 1998, 1; Barney 2004, 28-29). However, mobility brings the location back to the core of business: while the E-business of the mid-1990's brought about dynamic business applications and online transactions, today's M-business leverages the time and location advantages of mobility. In other words, physical locations leveraged with time, privacy, preference and other metadata are transformed into virtual portals which bring the customer new relevance and loyalty by the actors who deliver value propositions to the right person at the right time in the right place. Therefore, places like airports can transform into virtual service portals. (Evans 2002, 13, 71, 76-78; Gupta & Savard 2011, xi; Hsu 2009, 119.) Normann (2007, 147) envisions that *"The future will belong to those who can reintegrate the virtual world and the physical world."*

1.3   Paradigm Shift – The Service Economy

The internet can be seen as an infrastructure of service economy where social networking is a regular part of ongoing business processes and thus enables transformation (Westerlund & Kaivo-oja 2012, 145; Hsu 2009, 1, 30). Aitamurto et al. (2011, 140) suggest the following approach to transform Finnish economy: 1) economy is about services 2) services are digital 3) social media is the best way to create added value to digital services. In addition to network society discussed earlier, they refer to post-industrial society where services are the *"primary economic activity and source of wealth"* and where crucial economic resources are about *"exploitation of information and knowledge, as opposed to labor and capital"* (Barney 2004, 6, 9). "High tech and high touch" is being referred when describing such a successful service, a service company or an information society in which technologies are accompanied by both high-quality and highly individualized services (Mager 2004, 7; Berry 1999, 189).

Normann (2002, 161, 167-168, 170) claims that business offering development has three strong directions: servitization, networks and experiences. Technology, networks and customer engagement have led companies to go beyond mass customization towards co-

creating unique value propositions with customers and investing in the delivery of experiences. Therefore, companies consider the symbolic and immaterial values of products rather than material and functional qualities. (Prahalad & Krishnan 2008, 24, 26-27; Vandermerwe 1992, 298; Brown 2009, 112, 192; Hamel 2000, 84; Carbonaro & Votava 2010, 54.) Vargo & Lusch (2004) originally determined the Service-Dominant-Logic as the basis of all social and economic change that builds on intangible resources, the processes of co-creation of value, relationships, and moreover, service provision rather than product exchange (Payne et al. 2008, 85-86). Therefore, the research regarding innovation in services and service innovation originated in the early 1970's have also steered focus toward pushing boundaries in terms of the interactive nature of innovation and the role of the consumer (Howells 2010, 68-73, 78).

Increasing complexity is the trend in service business and in services. As consumers enjoy greater freedom, they manifest increasingly varied expectations and thus, more complex service concepts are required as a solution (Normann 2007, 25). Further, services themselves are complex because they are interactions that evolve through different encounters forming hybrid systems with people, places, organizations, networks and other related service systems (Mager 2004, 20, 23; Manzini 2011, 1). This living and evolving nature of service systems is also recognized by Normann (2007, 55), Lovelock & Wirtz (2011, 40-43) and Grönroos (2010, 56) who regard services as (social) processes and further, by Tyagi & Gupta (2008, 4-5), who describe services as transactions or experiences.

Research and science in general have paid more attention to understanding and modeling the complexity of life, which shows, for instance, in complex system theories, swarm intelligence, wisdom of crowds, network theories and qualitative research methods in general (Koskinen 2007a, 40). Mitleton-Kelly (2005, 45) points out her concept of Complex Evolving Systems (CES), which highlights the connectivity, interdependency and co-evolvement of emerging conditions in social, cultural, technological and organizational systems overall. Consequently, it has been highlighted that the next economy is likely to be about facilitating and creating these targeted and purposeful systems which are interlinks of multiple services or complex "system of systems" that service(s) science aims at understanding and modeling (Manzini 2011, 2; Patricio & Fisk 2011, 14-15; Chesbrough & Spohrer 2006, 40).

In addition to the complexity and the systems approach, there have been attempts to simplify and clarify services by comparing them with product characteristics. Zeithaml, Parasuraman & Berry (1990, 15-16; also Zeithaml et al. 2009, 20) arrived at the so-called IHIP model: services are intangible, heterogenic, inseparable, and perishable. Particularly the immaterial characteristic is highlighted in service business literature, and also the fact that services are simultaneously produced and consumed experiences. Marketing perspective of services

concentrates on the latter: services can be regarded as acts of marketing because they are purchased, produced, experienced and evaluated simultaneously. (Zeithaml, et al. 2009, 20, 60.) Services are also called product-service components ("solutions") (Vandermerwe 1992, 298). Barcet (2010, 58) suggests that any service offer begins as potential promise. Therefore, whether it is about service, product or combined solution they can be called "value propositions" where consumers have become increasingly active resources (Manzini 2009, 45).

Gallouj & Djellal (2010, 9) claim that contemporary economies have two fundamental characteristics. Since services account for over 70 % of wealth and jobs in most developed countries, they are service economies. Secondly, the economy is based on innovation in all its forms, from scientific and technological to organizational and social. This service paradigm shift means a huge change in approach: for instance, understanding management as a service (not as a position) or seeing a service company selling not only services but also its culture (Katzy et al. 2004, 35; Normann 2007, 8, 20). Hence, pursuing a service strategy in today's business is vital because it is a way of differentiating the offering and creating a competitive advantage in a world where *"strategies converge because success recipes get slavishly imitated"* (Hamel 2000, 49; also Grönroos 1992, 9; Normann 2007, 9). From the service management and business success perspective, the following changes of perspective need to be thoroughly understood: 1) from the product-based utility to total utility in the customer relationship, 2) from short-term transactions to long-term relationships, 3) from core quality of the outcome to total customer-perceived quality in enduring customer relationships, and 4) from production of the technical solution as the key process to developing total utility and total quality as the key process (Grönroos 1992, 10).

1.4   Transition in Book Industry

The book industry, with its value chain, is in a mature phase in its lifecycle (e.g. Normann 2007, 169), and it has reached the phase of redefinition especially due to technology-driven changes discussed in previous chapters: the internet is zeroing out transaction costs, distribution monopolies are challenged, and commissions of dealers and agents are diminishing. These changes, however, work for bloggers and writers who do not need an existing value chain to reach their readers. (Hamel 2007, 49-50.) Although book industry monitors and reacts to market realities, they need to be ready to change and renew their strategies through the eyes of the changing customers and practices - the networked readers (Koistinen 2007, 63; Jussila 2006, 137; Eskelinen 2011, 88). Secondly, according to Eskelinen (Ibid.) *"in terms of social media and the internet book publishers seem to be factories and not service companies"*.

The book industry is in the midst of change in creative, cultural and commercial sectors. For instance, literary publishing business is regarded as graphical mass media together with magazines and newspapers (Nordenstreng & Wiio 2001, 25). However, literary publishing can be included as part of the entertainment economy (Wolf 1999, 1), the experience economy (Pine & Gilmore 1999, 4, 12; Van der Ploeg 2004, 5), and a sector of the cultural and creative industry (Hesmondhalgh 2002, 4-5; Throsby 2001, 4-5). Further, with the advent of digitization also book publishing is about digital content industry and increasingly about services: literary publishers, book stores and e-reading device sellers have already entered the web shop reality and are realizing opportunities with different recommendations and bundled offers (Ekholm & Repo 2010, 105). Although the media sector wants to embrace socially and culturally motivated innovation it is – like literary publishing - a part of the evolution where markets are becoming highly cultural and culture is being market-oriented (Tarkka 2002, 16; Schultz Nybacka 2011, 82; Eskelinen 2011, 87). *"The number is the new letter"* (Karila 2012), announces a Finnish newspaper about the paradox of the cultural and market-oriented book industry which, according to O'Reilly (2006, 74), is an exercise in the social production and distribution of art where publishing houses spread the business risk by building a portfolio in the value chain.

Despite the multiple placeholders and challenges, the book industry has a good placeholder in the creative sector, which is increasingly dominant since it has been recognized as an important contributor to future economic output and quality of life (Kotler et al. 2010, 18-19; Miles & Green 2010, 178). In addition to traditional cultural and creative sectors, creative economy includes business sectors that utilize design, marketing, communications and software services in their operations (Työ- ja elinkeinoministeriö 2011, 16-17). In the so-called "new economy", the creativity of business and technology is increasingly combined with the creativity of art and culture. In other words, media culture has become a hybrid where culture, business and technology meet. It is expected that crossing these hybrids of interfaces and from these combinations also innovations, innovative environments and new competence are born. (Inkinen 2006, 20; Miles & Green 2010, 178; Tarkka 2002, 17; Florida 2002, 20; Koskela et al. 2007, 7; Matikainen 2011, 111.) Matikainen (Ibid. 39) highlights the fact that innovations needed cannot be created in development departments and in management teams: (media) businesses need to involve and engage employees, networks, and especially customers in the innovation process. Here, the key challenge among businesses is to question, challenge and deconstruct organizations and their operational traditions in order to radically innovate business (Ibid). This requires new approaches and point-of-views in thinking and doing. The challenge is, according to Hamel (2007, 43), that deep change is nearly always crisis-led and *"rarely opportunity-led, continuous, and a product of the organization's intrinsic capacity to learn and adapt."*

Karkulehto &Virta (2006, 140-141) state that integrating and utilizing creative sector with other business fields is a key question in Finland. They ask: *"How to enable current technology- and device oriented Finland into creative economy where material resources driven production should be enhanced with immaterial knowledge and meaning through content, products and services?"* This question is still valid. Book industry with its existing value chain needs what Van Alstyne (2010, 74) and Garland (2011, 50) highlight with futures and what Eskelinen (2011, 86) underlines: alternatives for the future to broaden perspectives, to face uncertainty and to recognize new assets required for the future of (e-)reading. In this thesis alternative and co-existing paths are being studied in order to respond to the book industry challenge and to find vision, novel services and assets to transform the book industry.

2 Purpose and Flow of the Study

This thesis aims to create and contribute to a new vision of the book industry by 1) innovating new value (co-)creating services and identifying business opportunities in the digital context and, 2) identifying the strategic business assets for the digital era transformation that the previous item 1 outcomes and vision require. The following chapters explain further the related questions, framework, limitations and the materialized schedule. Further, it illustrates the contents and the structure of this document.

2.1 Objectives, Scope and Research Questions

The study focuses on writers: Finnish literary authors in fiction and non-fiction categories and the increasing number of semi-professional writers and bloggers. In other words, although literary publishing can involve editors, production people, agents, copy editors, publicity people, booksellers, and distributors (O'Reilly 2006, 74), the research scope has been narrowed down to investigate the existing creative, cultural and commercial value chain through the eyes and minds of the literary authors. Here, Finnish sources have been utilized heavily to build understanding for the national book industry and its past, current state and discussion on future directions.

Literary publishers can be regarded as links between production (authors) and consumption (the readers) (Ibid.). However, digitization and servitization have already changed the cultural production and created the potential for closer relationship between literary authors and readers. Therefore, this study takes an abductive and a solution-oriented design thinking approach by asking: what if there was a specific 'Digital Service Space' ('DSS') for authors, books and readers to encounter and interact? The ambition level of the study also followed innovation-driven service design: what is this digital marketplace or readership community in terms of its actors, contents and value propositions? (see Figure 2).
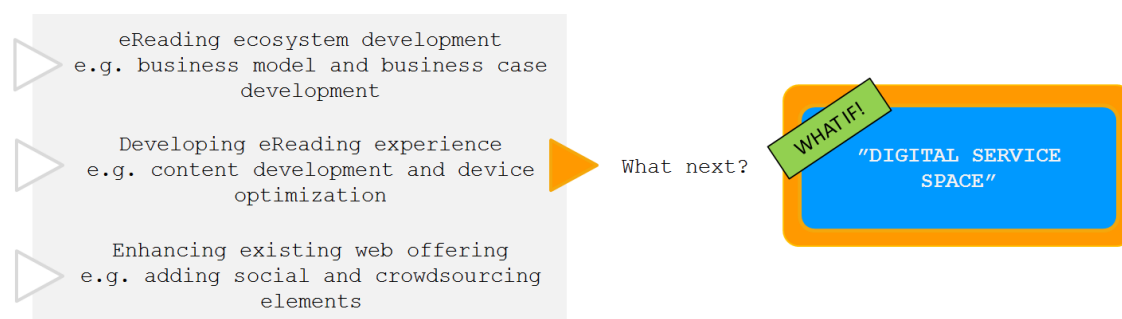

Figure 2: Thinking Approach

The potential for new interactions between authors and readers in the context of 'DSS' is the core of the research. The interaction, however, has a third important element: the book (the story) that currently both creates and challenges its boundaries in digital transition (Schultz Nybacka 2011, 187). Acknowledging that genres (fiction, non-fiction, text books, comics, children's books, poetry, detective, memoires, science fiction etc.) are difficult to lump together because the *"motive, critique and audience is not similar"* (Hypén 2007, 107). The study focuses mainly on text-based fiction or non-fiction literature (excl. educational material).

The concept of the digital book is examined through the story creation process by the authors as well as through the interaction and readership between the story and the reader. Furthermore, the concept and future of the enhanced book is examined by focusing on interaction models between the reader and the story. From the needs of these interactions and relationships the target is to create new value propositions: to identify seeds for new digital services and story formats in the context of 'DSS' and its users. These new digital services are independent of device, technology and content formats. In other words, the services are not designed to support specific content management systems, publication formats, or operating systems in different portable devices (mobile phones, pads, laptops, e-reading devices etc.).

To summarize, the research focuses primarily on identifying interaction needs between literary authors, stories and readers in order to create new value creating digital services (service design) and to envision the 'DSS' readership community where people, rich content and businesses meet (see Figure 3). Moreover, based on the service design process outcomes this study reflects the realized vision of the 'DSS' and identifies strategic business assets for the transformation that the vision requires. Therefore, in order to respond to and to meet the objectives, the following research questions are being discussed in this thesis:

Objective 1: To create and contribute to a new vision of the book industry by innovating new value (co-)creating services and identifying business opportunities in the digital context.

- What is the purpose and the target of the 'DSS' readership community and how does it contribute to the new vision of book industry?
- What kind of authors, readers and stories benefit from and interact in the 'DSS' now and in the future?
- What are the value propositions that the 'DSS' readership community can offer its users, that is, authors, readers and businesses?

Objective 2: To create and contribute to a new vision of the book industry by identifying the strategic business assets for the digital era transformation that the previous item 1 outcomes and vision require.

- What the 'DSS' readership community with its mission, users, story formats and value propositions means: what is required of the existing value chain in order to transform the business towards the digital age?

Figure 3: Key actors, primary research questions and service design goals

2.2 Framework and Limitations

The thesis framework includes three elements in the context of book industry: 1) the transition caused mainly by the technology driven changes in the operational environment, 2) services as a source of innovation and new value (co-)creation, and 3) strategic assets as a source for business transformation discussed below (see Figure 4).

"Transition" in book industry is caused by technology trends (e.g. Web 2.0) and consumer trends (e.g. networking) which continue to cause both challenges and opportunities in the existing value chain. The driving forces for digital transition are being discussed especially from the social networking and community point-of-view. Further, the element of "transition" includes the concept and paradigm shift of Service-Dominant-Logic (Vargo & Lusch 2004), which relates closely to transformative digital infrastructure where many of the innovative services are being created. This thesis utilizes future trends through desk research and expert interviews in order to identify driving forces and to make sustainable statements about the future. One should bear in mind that future cannot be predicted, which is why futurists usually refer to alternative paths to multiple futures (Hiltunen 2010, 6; Garland 2011, 50; Mannermaa 2004, 184). Therefore, this study takes an evolutionary approach with

an insight into existing trends and generations and thus, excludes creating future scenarios, ethnographic trends research, trend extrapolation or quantitative methods.

The element of "innovation" in the framework is approached through discussing the various sources of innovation and the system of innovation. Further, innovative methods are harnessed in the process of responding to the research questions: the study utilizes a multifaceted service design toolkit which also highlights the strategic approach of design thinking and service design principles (Michlewski 2010, 276). Although digital services and interactions are clearly visible in the study, the functional paradigm (what services represent and can offer) instead of interaction paradigm (how services are performed) is being followed (Meroni & Sangiorgi 2011, 16-17). Therefore, the thesis is not about interaction design *("discipline focused on defining the form and behavior of the interactive products and systems."* Goodwin 2009, 5) but rather service design: a process, a method and a discipline that highlights the understanding of the customer's needs, value creation and elements of value in the service process (e.g. Mager 2004; Moritz 2005; Maffei et al. 2005; Miettinen et al. 2009/2011; Koivisto 2007; Stickdorn et al. 2012; Tuulaniemi 2011; Polaine et al. 2013).

"Transformation" is being considered according to Burns et al. (2006, 21): *"transformation design seeks to leave behind not only the shape of a new solution, but the tools, skills and organizational capacity for ongoing change"*. Therefore, the transformation is approached through the concepts of strategic intangible assets or capabilities, business strategy and innovative business models. The framework excludes tangible business resources as well as monetary business models and capital. In addition, the study identifies key elements of the intangible concepts but does not elaborate the roadmaps or action plans for business transformation.
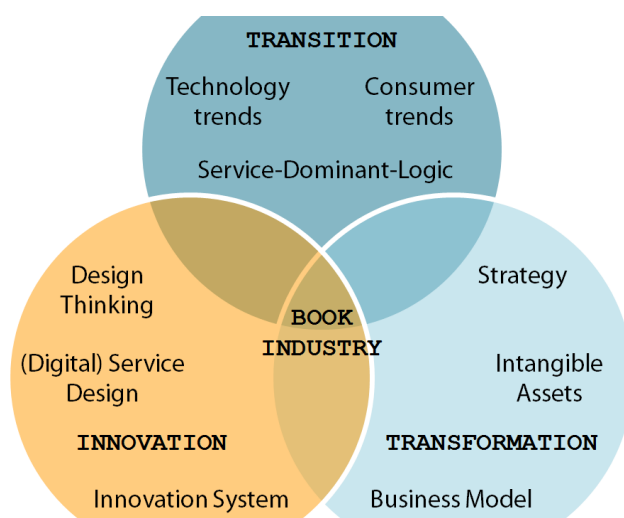
Figure 4: Framework

2.3 The Flows

Figure 5 below illustrates the structure and flow of this study. It also highlights chapters that are beneficial for designers/practitioners, researchers/students, or managers/executives to look into.
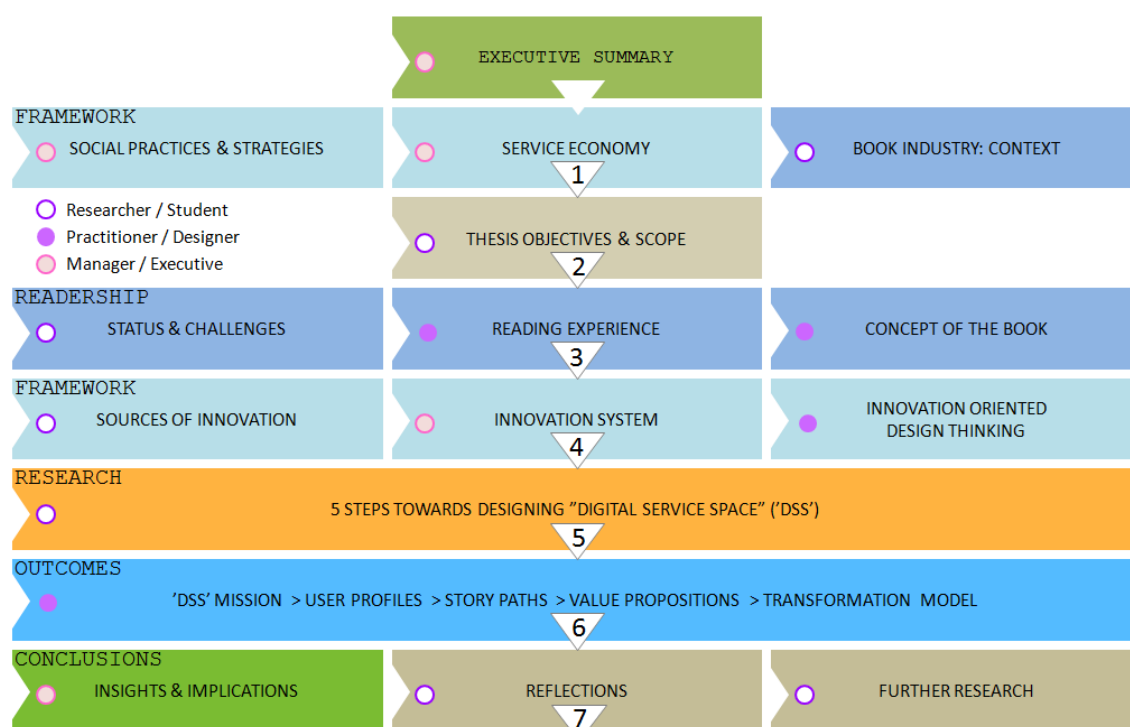
Figure 5: Structure and reading guidelines

Chapter 1 focuses first on the digital context: it presents technology and consumer trends that influence the business environment and blur the roles of service providers and consumers. It highlights the power of target-oriented networks, horizontal relationships and ongoing discussions that are major driving forces for business transition, business model innovation and transformation. The introduction chapter also discusses the paradigm shift of service economies and servitization which relates closely to transformative digital infrastructure where many of the innovative services are being created and launched. The final part of the chapter introduces book industry with its multiple placeholders and potential in the cultural, creative and commercial economy.

Chapter 3 introduces the second context of the study: books and reading. In this chapter the transition in book industry is being discussed from the business challenges perspective, reader's point-of-view and in terms of blurring concepts, formats and converging categories

of the digital book. Chapter 3 concludes that understanding different reading cultures is the key, in addition to rethinking the book in the digital space.

Chapter 4 discusses the multiple external and internal sources and resources of innovation. It states that innovation is not only technical and tangible, but innovations are increasingly interdependent solutions and social systems. The innovation resources are approached from the strategic intangible assets point-of-view as well as through presenting business concept and model. Design thinking is introduced as a systemic approach to innovation, while service design in Chapter 5 is presented as the discipline, process and set of adaptive methods thriving on the principles of design thinking.

The primary research and service design process conducted for the purpose of this thesis is described and reflected in Chapter 5. Qualitative methods utilized for the primary research were semistructured empathic discussions with authors and bloggers, expert interviews (incl. story probes), reading diary surveys (probe kit), and persona workshop with experts and stakeholders (incl. storytelling games). The data captured from the primary research supported by grounded theory approach of "everything is data" (e.g. Glaser & Strauss 1999) was coded, categorized and clustered in different affinity walls for the purpose of designing the artefacts and outcomes.

Chapter 6 describes and illustrates the results of the data analysis and synthesis work. The outcomes of the study respond to the objectives and related questions stated in this chapter and thus, include the following outcomes for the 'DSS': strategic design guidelines, mission and purpose for existence, co-existing and evolving author and reader profiles, story format evolution paths (the future paths for the digital book), value propositions for authors and businesses, service ideas for readers, and the business transformation model.

The final chapter of the thesis – Chapter 7 – presents key insights from the study overall as well as the outcomes and implications for the (book) business. It also reflects the contribution that this thesis brings into the service design field in terms of strategic service design and business design (transformation and business models). Next, the credibility of the process and quality of the outcomes are being reflected. Finally, the concluding chapter lists recommendations for further research by encouraging to both continue and process what is being done and also to select and aim for more radical perspectives for e-reading.

The timeline for the thesis in general was long (see Figure 6). However, the primary research and service design process was an intensive half-year period, mainly between June 2011 - December 2011. Preliminary results were presented in December 2011 and published in a series of articles titled "eReading advertising and value creation best practices – Outlook

2010-2011" By Laurea Publications in August 2012 (Nousiainen & Leminen 2012). The second round of desk research concentrated on strategic assets, innovation and business transformation. Since a more strategic approach to the service design was discovered through both the primary and secondary research, the study focused on the business transformation. At the same time – during 2012 - the study of futures-enhanced service design process was conducted by Ojasalo, Koskelo & Nousiainen (Koskelo & Nousiainen 2013). This novel topic had synergy with the second round of thesis-related research and supported to crystallize the key messages during the summer of 2013.

Figure 6: Timeline of the process

3   Books – The Story So Far and Beyond

This chapter introduces the second context of the study: books and reading. This chapter brings out the current status and key challenges in the book markets. Moreover, it discusses the readers and the readership: the value and values of reading. Finally, the evolving concepts of the book are introduced. Indeed, *"Reading has always been about change",* as Ekholm & Repo (2010, 17) point out.

3.1   Status and Challenges

The Finnish reading culture originated in the work of Bishop Mikael Agricola in the mid-16th century when he started to translate religious texts into Finnish. During the 19th century and with the slow evolution of literacy, the first publishing houses and The Finnish Book Publishers Association (1858) were established. The first book club was established in 1969, but it was not until the 1970's that books were allowed to be sold in other places apart from book stores. (Nordenstreng & Wiio 2001, 155; Hällbig 2007, 75-76; The Finnish Book Publishers Association 2013a.)

During the economic depression of the 1990's, the publishing sector was heavily shattered by business refocusing and internationalization – developments that continue to this day. For instance, Finland's biggest book store chain called 'Suomalainen Kirjakauppa' was recently sold to a national publishing house Otava (Kallionpää 2011). Some bigger publishers established the markets in terms of volume and sales (incl. Sanoma, Otava, and Gummerus) and different communications and media organizations transformed from magazine, music and TV houses into multimedia talent houses. Being a medium-sized organization was challenging, and a merger between similar organizations or bigger players was likely to happen. However, the number of small and medium-sized entrepreneurial publishers has been increasing both in terms of amount and influence: they have a differentiated focus and an open ideology in the markets and they are eager to utilize technological developments. (Nordenstreng & Wiio 2001, 35, 159, 280; Niemi 2007, 18-19.) Also smaller companies, learning institutions, academic organizations, and associations have started to make publications because smaller editions have once again become more economical. Indeed, new entrant into publishing business has become easier with the light technological investment required, but staying in the business has become more challenging. (Nordenstreng & Wiio 2001, 18-19, 159, 267, 275; Ekholm & Repo 2010, 146.)

Self-publishing is not a totally new development: William Blake and Virginia Woolf among others published their own books. However, the trend is accelerating due to availability of easy-to-use desktop publishing software and the worldwide attention space. (Brown 2006, 11-

12.) Today, bigger book stores can print and publish private people's books for sale, and people can get their own ISBN number for their book to place it onto Amazon.com. These books are usually digitally stored ready to print Books-On-Demand. The rise of self-publishing both blurs the difference between writers and readers and makes amateur authors' books available together with professionally published ones. (Chandler 2006, 168; Schultz Nybacka 2011, 22; Paavonheimo 2006, 95-96; Marshall 2010, 139.) Digital crowdfunding communities encourage self-publishing and are changing the traditional publishing value chain by cutting out the middleman - the publisher - by introducing authors to the audience directly: both professional and amateur writers utilize the services (Jones 2011; Pilkington 2012). Well-established writers are also collaborating (e.g. Finnish Crime Time) and bypassing traditional publishers by utilizing their brand capital (Eskelinen 2011, 87).

Not only has the process of producing and publishing a book changed, buying one has changed, too. Population considered the Finnish bookstore network continues to be one of the most extensive ones in the world: in addition to small stores and chains, books are sold in hundreds of kiosks and other outlets (The Finnish Book Publishers Association 2013a). However, online bookselling changed the retailing horizon completely: especially Amazon revolutionized the range, the prices, the personalization software, the return policy, the used book option and the whole experience (Brown 2006, 6). The story continued after the emergence of the Kindle e-reading device in 2011 when Amazon presented "shorter than a book, longer than a magazine" Kindle Singles (see also TED Books 2013) and announced its entry to publishing business. A longtime agent and an e-book publisher stated in New York Times: *"It's an old strategy: divide and conquer."* (Streitfeld 2011; Gough 2013.)

Anderson (2006, 27) writes: *"culture was local before the industrial revolution"*. Indeed, everything is available on the internet, which refers to the term "long tail" (Anderson 2006): the endless shelf space of the internet with the niche and the marginal together with the masses and the mainstream (Anderson 2006, 22; Anderson 2010, 3-4; Owsinski 2009, 54). However, the abundance of published books and the fact that it is getting increasingly difficult to attract readers' attention leads to "grey literature": a big part of book titles are ignored by the audience. If book titles are always available for purchase on the internet, the lifecycle of the book in the physical store is short - approximately one year. Consequently, the forthcoming titles have to be introduced to the book stores during the previous season for pre-ordering and in order to get shelf space. The second challenge is the second edition: although the number of book titles increase, there are still less book titles that manage to get second editions out. Due to the strongly seasonal nature of book sales and limited marketing efforts, the existing value chain actors create events to increase the sales during off-season and to direct attention to less familiar authors and titles by organizing national book days, loyalty programs, awards and campaigns. (Nordenstreng & Wiio 2001, 157-158; Ekholm & Repo

2010, 58, 119, 122, 162; Koistinen 2007, 59-61; Owsinski 2009, 19, 54; Levine 2011, 53; Koskinen 2007a, 28; Kallionpää 2011.)

Despite the challenges in the book industry, Finns have always been keen readers (Repo 2008, 3; SVT 2009b). There are book fairs, reading circles, book tours, competitions, trips, lectures and workshops around books and reading (Koistinen 2007, 50; Brown 2006, 11). In 1998, when the Finnish book celebrated its 500th anniversary, there were already over 10 000 titles published (Nordenstreng & Wiio 2001, 157). The Finnish Book Publishers Association (2013b) announces that their members account for about 80 % of commercially published titles and over 90 % of book sales in Finland, and they publish approximately 4 000 new domestic and translated titles a year (excl. educational materials). Total sales during the past few years have been approximately €200 million a year (excl. textbooks) (Ibid.). Fiction is more visible in media compared to non-fiction, but the volume increase in book titles has truly been non-fiction-driven since the 1970's, and the sales of non-fiction and textbooks cover almost 70 % of the sales (The Finnish Book Publishers Association 2013c; Ekholm & Repo 2010, 119; Nordenstreng & Wiio, 2001, 157) (see Figure 7). Overall, fiction novels, crime, history and memoirs, and children's books are the most familiar and popular genres among Finnish readers (Repo 2008, 4).

Breakdown of sales by type of literature 2012, netsales without VAT 262,9 m€

- Fiction literature 41,2 M€ 15,7%
- Children and Youth… 12,8%
- Comics 12,0 M€ 4,6%
- Non fiction books 87,0 M€ 33,1%
- Textbooks 89,2 M€ 33,9%
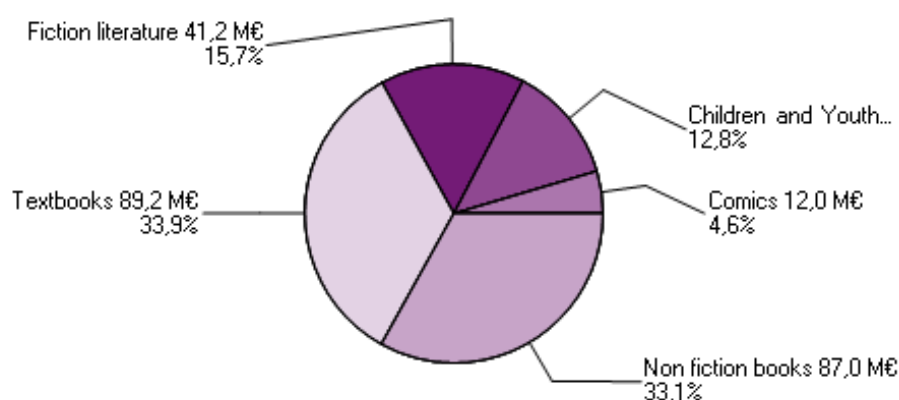
Figure 7: Book sales in 2012 (The Finnish Book Publishers Association 2013c)

3.2   Practice and Value of Reading

The book is both a material and a cultural object, and a center for a diverse range of practices (Schultz Nybacka 2011, 177, 187). "The Concept of Cultural Value" connected to artifacts (Throsby 2001, 28-30) lists value types that, according to Van Der Ploeg (2004, 6), could also be applied to books: a) Aesthetic value incl. beauty, harmony, form, style, and

taste, b) spiritual value incl. religious context or people's inner qualities, c) social value incl. a sense of identity, social belonging, or the nature of society, d) historical value incl. connection to history and its reflection from past to present, e) symbolic value incl. cultural objects that exist both as repositories and conveyors of cultural meaning, f) authenticity value incl. the real, original and unique artwork. According to Bianchi (2008, 244), people reflect cultural values depending on their capability of "change, novelty and self-renewal".

"Literature is an industry of dreams" (Ekholm & Repo 2010, 85) and yet, by reading both fiction and especially non-fiction stories, people learn about life in general and find reflections and aspects for their own experiences in life (Schultz Nybacka 2011, 349; Shankar 2006, 119; Linko 2010, 162-164). According to a reader study by Schultz Nybacka (2011, 349), rather than compensating for what readers do not have, they complement and produce a contrast to what they already have. For instance, *"gloomy moments call for 'lighter' books"*. The experience can be very strong and gripping; one of the respondents stated that *"it [reading] works better than pain killers"* (Ibid.).

The relationship between the reader and his book is personal, relaxing and time-consuming (Koistinen 2007, 63; Van der Ploeg 2004, 5) (see also Attachment 3). The experience and the time spent on reading can be as important for people as the content of the book at hand (Paavonheimo 2006, 131; Repo 2008, 5). Reading is mobile: it can be fitted into the lives of people, their activities and related environments including the so-called "third places" (cafés, libraries, pubs and other intermediary places that are neither home nor work) that people frequent with their reading materials and devices (Marshall 2010, 15-16; Watson 2010, 126). Thus, reading as a practice has a space of its own (Schultz Nybacka 2011, 139). De Certeau (1984, 117) makes a distinction between the concepts of space and place: place belongs to a distinct location and space can be regarded as a "practiced place". It has been stated that one's own space and slow media experiences will be luxuries in a hectic, post-modern rhythm of life (Watson 2010, 6, 171; Paavonheimo 2006, 90).

The history of reading has included both reading out loud and reading in silence; in ancient Greece and Rome, there were public readings and reading circles in people's homes, whereas the inward motion of reading is expressed in 12th century (Schultz Nybacka 2011, 208, 377). This traditional reading is not considered passive, but rather interactive by nature (Niemi 2007, 21). As Rentola (2003, 32) states, *"any text that is read is understood like a hypertext: it forms links, associations and connections to places that awaken images and needs in us"*. Fiction does not only appeal to the reader's emotions but also to his intelligence, imagination and thinking (Watson 2010, 96): the interaction between the book and the reader is like slow food for the brain (Koistinen 2007, 63). It also leaves marks: annotations on book pages or a memo book (Marshall 2010, 38-51; 82-88) (see Figure 8).
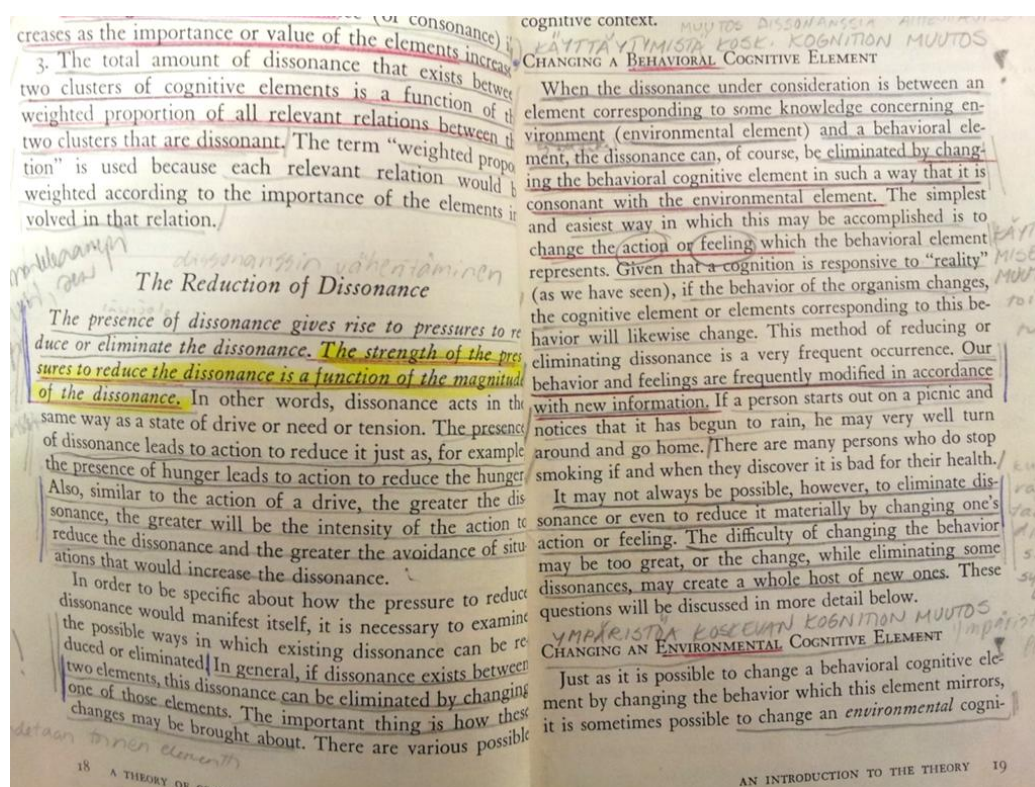
Figure 8: Reading is interactive (purpose-oriented reading and annotations)

Reading is social and interactive (Marshall 2010, 16). Being in a group makes peoples' experiences different and more emotional compared to individual reading, which relates to the key tribal characteristic, which Maffesoli (1996, 1) calls "puissance": the energy and force of masses of people (as opposed to the original institutions of power). For instance, although people in the book group read individually, the other members of the group influence how the book is read and interpreted: while reading, people can think of other readers and their opinions about the story and its characters. In other words, the other is 'omnipresent' in the reading experience which both enhances and complicates the reading experience. (Shankar 2006, 116, 120-121; Brown 2006, 12.)

The book will not be fully consumed in personal use; every reading has a cumulative effect on the book as it is reflected in new and different ways (Marshall 2010, 20; Schultz Nybacka 2011, 380). Reading is regarded as a cumulative experience also because it grows with repetition (Schultz Nybacka 2011, 28, 339, 380). Each year, 2 million Finns check out at least one book from the library and in addition, 650 000 people buy more than 10 books a year, which totals 54 % of all books. These active readers are therefore the ones who buy most of the books for themselves or to their family, utilize multiple sales channels, attend book fairs, and are likely to be members of book clubs. The majority of them are women and they use

the internet regularly. The age of active readers varies between 30 - 59 years. (Ekholm &
Repo 2010, 46, 50; Hällbig 2007, 75-76; Repo 2008, 4, 6.)

Yet reading is erosive: when reading, *"our forgetfulness makes us incapable of stockpiling
our readings"* and we buy the book to remember the reading experience (Schultz Nybacka
2011, 342-343). Cultural digital products and their distribution do not involve natural
resources as much as their physical artifacts (Åman 2006, 249). Today, however, an average
person living in a developed country possesses more than 10 000 objects which sink fast into
oblivion without a meaningful relationship (Carbonaro & Votava 2010, 54). Interestingly,
Holbrook (1987, 128, 130) and Normann (2002, 125-126) make a distinction between two
meanings of the word "consume": the negative connotation means to "destroy", "use up" and
"waste" and the alternative ("consummate") means to "complete" or "perfect". Lehtonen
(2008, 35) reflects the meanings and discusses whether people are materialistic enough in
terms of the positive connotation of consumption. These environmental aspects together with
immaterial values and digitization are leading younger generation in particular to consider
their consumption habits. For instance, communities are being created around recycling
books: Bookcrossing.com gives people advice on how to mark their books with a unique
identity number through their website and to leave the registered books in cafes, pubs, trains
and other places to be discovered by a new reader. Here, reading becomes circulative.
(Ekholm & Repo 2010, 13; Brown 2006, 3; Shankar 2006, 126.)

3.3   Blurring Concept of the Book

The appearance of the printed book changed with technological advancements and
innovations when Penguin paperbacks and, more recently, the pocket-sized 'dwarsligger'
entered the markets (Brown 2006, 11; Richardson 2010, 79; Dwarsligger 2012; Helsingin
Sanomat 2013). Printing books at home also affects the appearance of the physical book
(Strang 2001, 99). Interestingly, the ideas about the "social printer" and "the papernet"
(contents from digital sources are aggregated and curated into printable guides and story
artifacts) are examples of a book in which digital contents and paper meet (Davies 2009, 44).
The digital literature, on the other hand, has been dissected by Koskimaa (2006, 122-123) as
follows: 1) digitization of existing printed literature where Google is doing its brave
"digitizing the world's libraries" effort (Hamel 2000, 114, 264), 2) publishing new digital
literature, 3) hypernovels, interactive poetry and multimedia reference books which utilize
the new digital possibilities, and 4) online literature, around which multiple and diverse value
chains are being developed. Further, The Finnish Book Publishers Association (2013d) monitors
the digital publications of their member organizations in terms of the following categories: 1)
CD, DVD or other recorded books, 2) e-books and books that can be downloaded from the
internet, and 3) publications that can be read on the internet. Figure 9 illustrates new digital

releases (including learning materials, which is the biggest category in the new e-book releases).
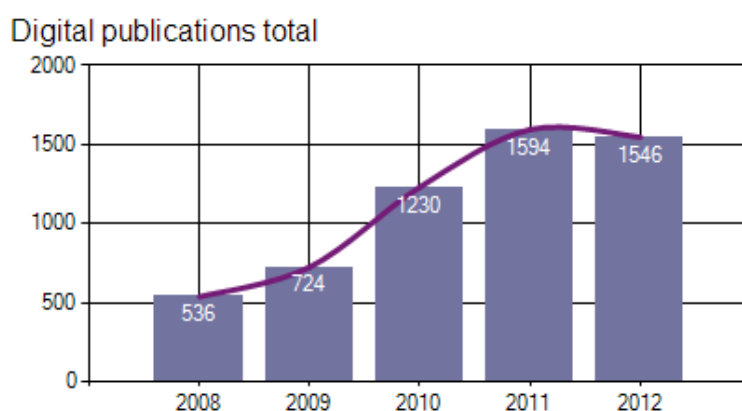

Figure 9: New digital releases (The Finnish Book Publishers Association 2013e)

According to Heikkilä & Helle (2011, 29), interactivity in digital publishing can be divided into four categories: 1) Rich interfacial interactivity and navigation, 2) Social interaction with other users by sharing and producing content, 3) Adaptive interactivity with personalization of content, automatic adaption to user needs, and 4) Creative interactivity with a possibility to create individual, editorial-type content. Furthermore, a digital book can be connected to other media, contents and functionalities and thus, different hybrids can be created. These hybrids may combine and connect print and digital media, or embed and link interactive elements in the book itself (Paavonheimo 2006, 92-94, 98, 102).

The so-called cross-media (or multicontext environment) means that the same content can be delivered through different media and thus, the ultimate experience can be born through utilizing as many contexts as possible (Kaukomies 2002, 36; Nousiainen 2002, 54). For instance, having a song included in a game is a new medium for the song and an additional source of potential revenue for the artist (Owsinski 2009, 116). It can be stated that cross-media is a sustainable approach in cultural content creation where current technological solution does not limit the cultural artifacts, and the artifact has been designed to wander between different platforms and contexts (Mäkelä 2002, 154). The development driven by convergence of media (i.e. traditional boundaries merge and possibly become one) is expected to be automated and standardized in a way that finalized artifacts can be smoothly divided between various channels, platforms and contexts (Paavonheimo 2006, 57).

Not only do content formats converge and blend in technical terms, book genres have also followed the same development pattern with their new genres and subgenres. For instance, faction, infotainment and edutainment invite practitioners to have a different reading

experience compared to academic literature (Krohn 2007, 27; Koskinen 2007, 24a). It is difficult to categorize converged entities, yet those who create these artifacts are inspired by the combinations and digital possibilities. According to Nelson (2013), a digital poetry pioneer, digital poems are about technology, poetry and all multi-media elements such as sounds, images, movement, video, interactivity and words that result in new poetic forms and experiences. Since people nowadays refer to not only reading books but also "wearing" or "listening" to books, digital publications may not be called "books". Consequently, the distinction between books and different digital publications will become clearer (Schultz Nybacka 2011, 288-289; Ekholm & Repo 2010, 126; Paavonheimo 2006, 57).

Cross-media, multimedia, and hypermedia all challenge traditional reading and learning practices. Reading on the web ("viewing", "browsing") is argued to replace quality with speed and the so-called "squirrel strategy" (Ekholm & Repo 2010, 15-16, 100). But viewing is also continuation of extensive reading: when books became a mass product, and the purpose was to find information, the practice of reading changed from intensive reading (deep and focused) to extensive and active reading (Paavonheimo 2006, 114-116; Marshall 2010, 18-19). Reading non-linear hypertexts and dynamic cybertexts is also demanding: it offers participatory elements for the readers and requires continuously selecting between alternative paths ("ergodic reading") (Aarseth 1997, 1, 3; Paavonheimo 2006, 124). Further, a new relation is expected when readers do not simply accept the authorial version – instead, they interact and create new versions and new content elements (Borgerson & Schroeder 2006, 57; Linko 2010, 40). The concept of the "unbook", for instance, is an open source book that invites people to comment on, contribute to and create new versions (Davies 2009, 44).

The death of the book has been predicted since the 1920's, especially due to visual development, *"which kill[s] people's imagination and fantasy"* (Nordenstreng & Wiio 2001, 163), and professionally published printed books have been predicted to become "luxury artifacts" (Paavonheimo 2006, 46; Thompson 2011). However, the actual fear is not that books will disappear altogether; what is more worrying is the loss of cultural conditions and the desire for intensive, deep reading in particular (Levy 2001, 108-109; Nordenstreng & Wiio 2001, 163; Schultz Nybacka 2011, 22). Rather than discussing the 'end', understanding different reading habits and different reading practices - as well as realizing the co-existence of traditional and digital texts - is a topic to concentrate on in order to find new opportunities in the transition (Ekholm & Repo 2010, 16). Lloyd (2008, 1-2) states that the very nature of the book needs to be rethought in the digital networked era by approaching the book from the content point-of-view (versus a product or category approach) as well as placing the book at the center of a network (versus at the end of the production chain). Or, as Hamel (2000, 142) points out: *"Why did people think the internet would kill newspapers? Because they saw newspapers as a form rather than as a function."*

4   Business Transformation – (Re)sources

This chapter discusses the multiple external and internal sources and resources of innovation. It states that innovation is not only technical and tangible, but innovations are increasingly interdependent solutions and social systems. The innovation resources are approached from the innovation system model, strategic intangible assets as well as business model point-of-views. Finally, design thinking is being introduced as a systemic approach to innovation.

4.1   Placeholders for Innovation

Innovation is a process from an idea or insight to invention and all the way to exploitation (Brown 2009, 111; Richardson 2010, 149). Innovation is rather social than technology-oriented. For instance, Dubrov's (1979, 79, 82-83, 85) three-dimensional technological entity has software and orgware included; software refers to methods and orgware to organizational arrangements. Technology-driven innovation without addressing people and value tends to be market-pioneering and beyond what buyers are ready to pay for (Kim & Mauborgne 2005, 13; Drucker 2007, 30; Carbonaro & Votava 2010, 52). Innovative companies therefore create something different that transmutes values through non-incremental or discontinuous innovations, which do not fit into the existing structure or product portfolio of the company, but bring a different - and differentiating - value proposition to the market (Drucker 2007, 19-20, 31; Zillner 2010, 383). Kim & Mauborgne (2005, 4-5, 12, 37) encourage companies to go beyond competing by creating a leap in value and thereby opening up new, uncontested market space (the so-called "blue oceans"). Hamel (2007, 15) endorses taking the leap: *"Real progress demands a revolution. You cannot shuffle your way onto the next S-curve."* whereas Trías de Bes & Kotler (2011, 4) remind that in the end, continuous incremental innovation is likely to lead to radical innovation.

Doz & Kosonen (2008, 10; also Hamel 2007, 9) discuss the era of industry convergence where the whole industry will find itself transformed with new business models and new rules. Competing effectively in the new industry requires companies to re-position themselves for new markets, new customers, new products and services, new competitors, and new regulations. A survey on "wicked problems" (a term originally coined by Rittel & Webber 1973) listed the following business challenges in 2008, all pointing to innovation: 1) balancing long-term goals with short-term demands, 2) predicting returns on innovative concepts, and 3) innovating at the increasing speed of change (Neumeier 2010, 15-16). Further, Richardson (2010, 2, 105) talks about the innovation challenges: disruptive competition, the blurring of industry boundaries, demanding experience-oriented customers, and the aim to build integrated systems from tangibles and intangibles where the resulted ecosystem is as strong as its weakest link.

Managers need to be in a state of almost constant adoption, and to look beyond traditional metaphors of existing business structures. Davis & Meyer (1999, 6-7) call this "Blur" in order to describe the increasing and combined effects of speed in the connected and interdependent business environment, as well as the rise of intangible value (versus tangible mass). Having said that, in a turbulent, converging and intangible business environment *"Change happens. Transformation, however, is planned."* (Sapp & Gilmour 2003, 14). In other words, innovation should not happen by chance or remain a spontaneous effort in the companies; innovation management needs to be recognized as a key capability in creative firms with systematic innovation, analysis of the opportunities and an iterative trial and error approach (Fliegel 2010, 395; Drucker 2007, 31, 122-123, 125; Miles & Green 2010, 188, 193). A company that can sense and react to changes in its internal and external environment, and continuously match the portfolio of internal strengths and competency with the portfolio of emerging market opportunities, can seize new revenue opportunities, control costs and build a foundation of new business architecture (Evans 2002, 5; Gharajedaghi 2010, 347).

Drucker (2007, 32) presents sources for innovation by dissecting these internal and external events and thus, by focusing on identifying change. Therefore, unexpected internal success or failure is something to analyze. However, with unexpected failure, executives tend to call for more study and analysis while they should go out and listen instead (Ibid. 44). Unexpected changes can also take place in company processes, which are another major source of innovation. Thirdly, incongruity or a mismatch between what is and what ought to be in economic realities or assumptions is often hard for the "insiders" to realize (Ibid. 52, 56). The forth source of innovation is changes in industry or in market structures, which require further evaluation of "what is our business" (Ibid. 69). External sources of innovation include changes in and insights into demographics and further, changes in people's perception, mood and meaning where the facts do not necessarily change but their meaning does. The critical problem in this perception-based innovation is timing: it is rather dangerous to exploit a change in perception prematurely, and on the other hand, time works against new knowledge, science and technology-based innovators (pioneering). However, in knowledge-based innovation, the innovation truly brings about the change while all other innovations exploit a change that has already occurred and thus, satisfy a need that already exists. (Ibid. 95-96, 111, 115; Terego & Denim 2006, 157.)

Innovative concepts and solutions can relate to various things: products, services, technologies, business and organizational models, operational processes and operational methods (Meristö & Laitinen 2009, 5; Tekes 2007, 9). Hamel (2007, 19, 21, 32-34) distinguishes between operational innovation (company's business processes), product innovation (fasten product lifecycles and technology), strategy innovation (business model),

and management innovation (the way managers operate to enhance organizational performance). Each makes its own contribution to success, but management innovation provides the most sustainable asset for business success. The ones who can re-innovate make the entire business concept the starting point for innovation and thus, inject innovation into the components of their business concepts (see Figure 10) rather than individual products and services in order to create wealth generating strategies, business models and value networks (Hamel 2000, 15, 20, 65-66, 70, 94; Banahan & Playfoot 2004, 123).
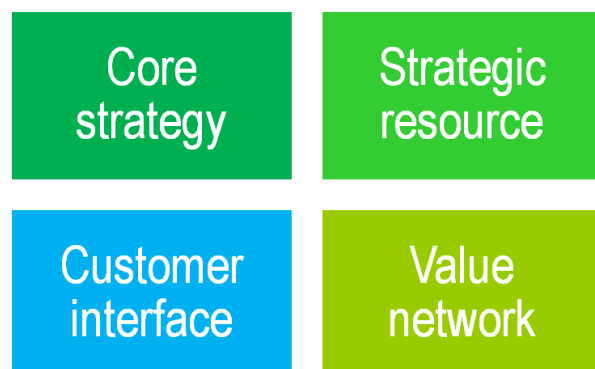
Figure 10: Business concept components: Business model (Hamel 2000, 15, 20, 65-66, 70, 94)

Service innovation brings customers and customer experiences into the source of innovation. Customers, in fact, have taken the role of competitors as main source of innovation. (Tekes 2007, 15.) Although service innovations are often social innovations and therefore remain abstract compared to product innovations, the service sector is considered to offer the highest potential for economic growth, new work and innovations (Mager 2004, 7; Normann 2007, 27; Barcet 2010, 66). According to Maffei et al. (2005, 3-7; also Grönroos 2012), innovation in services can take place in 1) processes and organization's capacity to deliver value, 2) product and service value offerings, and 3) service delivery interfaces. The service quality elements and the service management system can also be regarded as a diagnostic scheme for analyzing the service and knowledge-oriented organizations and thus, identifying sources for innovation. The service management system with quality aspect includes 1) The market segment and clients, 2) The service concept with its core and peripheral services, their quality and physical or psychological benefits, 3) the quality of the production, delivery and interaction processes in the system in terms of personnel, client's role, technology and physical support, 4) the quality, image and perception of the company, and 5) the quality, culture and philosophy of the social processes in the company. (Normann 2007, 58-60, 76, 80, 197, 200.)

Innovations are often interconnected solution innovations, which come in clusters and receive input from more than one source in the system. Indeed, as in all systems, there is a challenge

of interdependence: when changing one thing it will impact on something else and thus, executing a fundamental rethink of the whole system and strategies is critical (Carnaby 2010, 20; Normann 2007, 221). Therefore, fluid digital service environments require analyzing and understanding the complexity of the operational systems, constraints and interdependence with other services, objects, actors and their relations on the relevant business context and models (Barcet 2010, 62-63; Van Der Duin 2006, 53-55; Tekes 2007, 8). For instance, the transformation towards online music stores necessitated a radical remaking of the music business model which was more drastic compared to the earlier shift from stereo records to CD's, where only the medium was changed. Selling digital music online completely changed the means, the ends and the processes of the business model and required completely new combinations of resources. (Shamiyeh 2010, 5.) Normann (2002, 22, 75-76, 87) states that prime movers and transition leaders influence the whole ecosystem of value creators: they not only react but also create and realize their own vision.

4.2   Intangible Assets in Innovation System

Evans (2002, 13) argues that business is moving from E-business and M(obile)-business to I-business - intellect, ideas and innovation - where virtual companies have gained a similar level of technology and agility, and are therefore competing solely for intellect and corporate strategy. In other words, an organization's ability to create radical business concepts is the real "capital" for innovation in the new economy (Hamel 2000, 272; Drucker 2007, 220). Further, the trend away from a product-driven economy towards a knowledge and service economy means that organizations create sustainable value from leveraging these intangible assets. Intangible strategic assets are therefore knowledge that exists in an organization to create differential advantage, the capabilities of the company's employees to satisfy customer needs and thus, the ability to create crucial results from customer relationships. Therefore, human capital, information systems, internal processes, customer relationships, brands, innovation capabilities, and culture are intangible assets for sustainable value creation and for reinventing the business. They account for more than 75 % of a company's value, though they are not measured by a company's financial system. (Kaplan & Norton 2004, 3-4, 202-203; Normann 2007, 24, 35-36; Banahan & Playfoot 2004, 123; Nunes & Breene 2012, 32.)

Business transformation in the intangible era requires new strategic assets and new abilities where *"competitive advantage is derived from organizational adaptability rather than organizational efficiency"* (Banahan & Playfoot 2004, 124). Success elements can be found in the innovation system (see Figure 11). The elements of the system should be injected into industries' and service organization's DNA (Chatterjee 2010, 185). The following chapters discuss further the intangible elements of the innovation system.

STRATEGY
incl. vision

CULTURE
incl. people

ORGANISATION
incl. structure

Figure 11: Crucial elements for a successful innovation system (Fliegel 2010, 396)

4.2.1   Strategy

Saco (2011, 80) writes: *"The craft of strategy is fundamentally about creating change."* Strategy usually includes a business mission, a vision, a purpose, a value proposition, a market and customer scope, a basis for competitive differentiation and related objectives (Hamel 2000, 70-74; Kotler et al. 2010, 21). However, the emphasis in the dynamic and converging world should be placed on understanding what the company and people are about, why the company is in the business as well as what the company wants to become (Kotler et al. 2010, 21) because *"A company that cannot re-imagine its deepest sense of what it is, what it does, and how it competes will be soon rendered obsolete"* (Hamel 2000, 209). Therefore, like creative people, companies should think about their self-actualization beyond material objectives and focus on "what they know" (intangible assets) rather than "what they own and what they do" (tangible assets) (Kotler et al. 2010, 21; Hamel 2000, 247).

Kim & Mauborgne (2005, 49, 55, 61, 65, 70, 75, 103-104) give several paths to rethink "What is our business?" including 1) looking across alternative industries, products or services that have different functions and forms but the same purpose, 2) looking across strategic groups within industries that pursue a similar strategy, 3) looking across the chain of direct and indirect buyers and influencers of buying decision, 4) looking across complementary product and service offerings that affect the value proposition, 5) challenging the functional-emotional orientation of the industry, 6) looking across time from the value a market delivers today to the value it might deliver tomorrow, and finally 7) looking at key commonalities across noncustomers (buyers who minimally purchase or do not consider using your industry's offerings) and existing customers.

Drucker (2006, 170) argues that businesses could learn from successful nonprofits and start with a mission: a company's basic purpose for existence is established when the company is

founded. However, defining a good mission means introducing a business perspective that can transform the lives of the customers, and therefore a good mission always includes change, transformation and making a difference. Hamel (2000, 69) concludes: "What is not different is not strategic." Therefore, companies have to continuously rethink how to pursue their targets in a transparent, networked world where consumers sense the "social tattoo" of the brand by listening to the continuous flow of the stories. Customers evaluate the authenticity of companies: only when the mission is successfully implemented in customers' minds, hearts and spirits, the customer makes the emotional brand mission their mission (Kotler et al. 2010, 41, 53-54, 59, 78, 80; Kaplan & Norton 2004, 32; Qualman 2011, 48; Kelley 2005, 42; Doz & Kosonen 2008, 172). According to Sinek (2009, 37-39), only a few organizations - the successful ones - can tell why they do what they do and thus, what the ultimate purpose of the company is. Kanter (2001, 69) states that internet-born companies in particular have succeeded in bringing passion into their mission.

The mission remains fairly stable over time. Company vision, on the other hand, is about looking into the future, setting the direction into the future and inventing the future: what the company aspires to become and to achieve (Kaplan & Norton 2004, 32, 34; Kotler et al. 2010, 41; Kanter 2001, 155). The focus of strategy is to identify and excel at the critical and differentiating value-generating processes that are the most crucial ones for creating and delivering the customer value propositions today and in the future. These few critical strategic processes are often organized as strategic themes, which allow organizations to focus actions and to provide a structure for accountability. Hence, internal processes drive the strategy and describe how the organization will implement its strategy. The strategy evolves over time to meet the changing conditions set by the external environment and internal capabilities. (Kaplan & Norton 2004, 12, 32, 47, 49.) Having said that, the future is not being created by outside forces but rather by individuals, communities and companies who aim at being future fit (future alignment) or forerunners (future influencing) (Mannermaa 2004, 183-184; Gordon 2009, 6, 25). Here, futures research and foresight help make better decisions and link current status, strategy and scenarios about operational environment. Often the most important thing for future researchers under entrepreneurial strategic visioning work is to present as many alternatives and point-of-views as possible for decision making (Shostak 2005, 66-67; Mannermaa 2004, 184; Meristö et al. 2009, 13; Van Der Duin 2006, 23, 161; Mintzberg et al. 2008, 16, 130).

4.2.2 Culture

All organizations and all social systems possess a culture. Culture is a history and context-based *"set of beliefs, norms and values which forms the basis of collaborative human behavior and makes human actions to some extent predictable and directed towards the*

achievement or maintenance of some commonly accepted state" (Normann 2007, 214). Cultural revolutions in larger social systems are quite rare because beliefs and values take time to change and cultural change requires a fundamental rethink of the whole system (Normann 2007, 214; Carnaby 2010, 20). From the strategy point-of-view and according to the cultural school, the firm is a bundle of resources (both tangible and intangible) where the culture is the organization's mind (Mintzberg et al. 2008, 277, 293).

Storytelling can be an asset to the company if it is used to find out what the organizational culture is about, and to spread and sustain cultural heritage among the members of the organization through living stories of the brand, about the little heroes within the company and experiences of controversial or uncomfortable topics (Gabriel 2000, 88; Boje 2001, 3, 17; Kelley 2005, 245, 246, 255; Normann 2002, 23). The organization has to work hard for the culture, since culture can be a barrier or an enabler (Freiberg & Freiberg 1996, 144; Kaplan & Norton 2004, 281). Freiberg & Freiberg (Ibid. 64, 155) encourage companies to *"Hire for [the right] attitude, train for skills"* and to *"Measure, reward, and recognize people who protect and promote the culture"*.

The promotion of a culture of change and empowerment is rising due to faster cycles of change and the risk of remaining in "business as usual" or "status quo" (Shamiyeh 2010, 5; Kaplan & Norton 2004, 281; Drucker 2007, 31; Dyer et al. 2011, 68-69). This means building a company that is *"as nimble as change itself"* (Hamel, 2007, 41) and nourishing the culture of being greedy for radical ideas (Drucker 2007, 140; Neumeier 2010, 15). In order to do so, companies need to be sensitive to change, and to perceive change as an opportunity rather than a threat (Teece 2007, 1319; Hiltunen 2010, 3; Drucker 2007, 138) and thus, to *"become an opportunity seeking missile"* (Hamel 2000, 57). Again, this requires foresight: Techniques of foresight help open people's mental models in order for them to think about and to prepare themselves for different possibilities, as well as to spot patterns and to understand their implications (Hiltunen 2010, 19; Richardson 2010, 200-201).

Service organizations are probably more sensitive to the quality of their management and leaders than any other kind of organization, since service is a social process and management is the ability to direct these social processes (Normann 2007, 55, 60). An increasingly disruptive world calls for new organizational and managerial capabilities where strategic management - activities aiming to align an organization's ambitions with the internal resources and the external settings it is facing – plays a key role in tactics and actions navigating through change (Hamel, 2007, 11; Kotler et al. 2010, 41; Sturm et al. 2004, 132). Strategy-making as a creative process is called "strategizing" in order to emphasize the dynamic and open nature of the process, but "entrepreneurial strategizing" translates uncertainty from a challenge into an opportunity with its welcoming and exploitative attitude

to change (Grand 2010, 332; Bones 2007, xiii-xiv; Drucker 2007, 21). Indeed, entrepreneurial thinking and acting has been argued to be one of the best approaches in dealing with the uncertainties and ambiguities that companies face in innovation and change (Grand 2010, 331; Tekes 2007, 15). Drucker (2007, 10) has stated that *"The new technology is entrepreneurial management."*

Freiberg & Freiberg (1996, 319) highlight the fact that leaders are in the business of change driven by curiosity and opportunity. Of the leaders it requires a holistic and a conceptual approach, a future-focused set of skills and orientation, and courage to challenge existing beliefs and approaches (Wright 2010, 186; Joni & Beyer 2009, 51-52). In other words, it requires what foresight demands from its facilitators and participants: "unthinkable thoughts" which are only made possible by changing the minds and mental models of the people (Van Alstyne 2010, 78). Further, according to Govindarajan & Trimble (2012, 34), leaders need to 1) Manage the present, 2) Selectively forget the past, and 3) Create the future. Therefore, being sensitive to change, anticipating change and seeking compelling alternative options increase the organization's readiness to transform by minimizing strategic inertia caused by the status quo culture in decision making (Kotler et al. 2010, 172; Kaplan & Norton 2004, 138; Hamel, 2007, 40, 43-44, 46).

4.2.3 Organization

Technology has opened possibilities for anytime and anywhere knowledge sharing, events, and communications across time zones, cultures, and organizational boundaries. Active and high quality internal dialog around key strategic commitments is essential. Companywide discussions lead to finding strategy and forming strategy with multiple related scenarios and experiments (compared to single script strategy development in traditional terms). However, continuous discussions are also needed. Social media and social networking tools help organizations to reveal, capture and manage unstructured tacit knowledge (e.g. Nonaka & Takeuchi 1995) as well as to keep discussions going in co-creating service experiences and related innovation between customers and suppliers. Google, for instance, has invested a lot in making it easy for the employees to share ideas, poll peers, recruit volunteers, and form constituencies in favor of change (Tekes 2010, 15; Doz & Kosonen 2008, 23, 76; Hamel 2007, 116; Chesbrough 2011, 23, 54, 130; Sturm et al. 2004, 133; Hamel 2000, 311; Kanter 2001, 9, 106-107).

In order to both increase knowledge within themselves (sensemaking of the emerging opportunities) and to maximize knowledge exchange with the outside world (co-creation of knowledge through exploration), companies cooperate more and more beyond dyadic relationships creating dynamic interorganizational networks. This is the so-called "network

paradigm" of business management. (Normann 2007, 38; Doz & Kosonen 2008, 56; Meroni & Sangiorgi 2011, 122; Kanter 2001, 10, 135.) Here, "open innovation" replaces the secretive "lab is my world" mentality by a "world is my lab" approach where social media and trust play key enabling roles (Fliegel 2010, 402; Kanter 2001, 156). Therefore, it can be stated that social media has democratized innovation, and social networking continues to have the greatest impact on innovation (Tekes 2010, 15; Aitamurto et al. 2011, 146, 161). Hamel (2000, 296) writes: *"the larger the community of co-developers, the quicker problems and opportunities for improvement are identified"* and further, the power of crowdwisdom - the tendency of a group as a whole to be smarter than an individual in it (Surowiecki 2005, xxi) - takes the effect.

Organizations in the creative networks age (vs. the industrial age) will not seek to control their environments by planning, managing and organizing, but they set an inspirational vision and motivate people with the enabling conditions of diversity, independence and decentralization (Surowiecki 2005, 22; Banahan & Playfoot 2004, 128; Karkulehto & Virta 2006, 156). Wilenius (2004, 28) writes: *"Networks is the mode of social organization in the new era, cultural capital is the essence of its key competence and creativity its impetus."* Indeed, new disruptive business models often stem from diversity and variety (e.g. new types of customers, cross-functional teams) and from substance experts and futurists, who focus on clarifying the new and the change (Doz & Kosonen 2008, 39, 56-58; Kaplan & Norton 2004, 142, 154; Hamel 2000, 280; Bell 2005, 111; Dyer et al. 2011, 120-121, 128-129). Further, unexpected problems, random discussions, childlike openness and unconventional thinking give birth to profound insights. Therefore, significant innovations can be found in discontinuity and in creative chaos supported by inspiration and intuition. For instance, making mistakes is essential for discovery and invention, because through mistakes one can encounter accidental discovery, or so-called serendipity (Hamel 2000, 135, 144; Watson 2010, 39, 41, 87; Koskinen 2007b, 179; Inkinen 2012, 88-89). Hamel (2000, 11, 23, 120) asks if we can turn serendipity into capability which thrives on the ability to dream and imagine new destinations for the organization and its people.

4.3   Innovation-oriented Design Thinking

Martin (2006, 10) states that design and business are converging, and traditional actors need to reinvent themselves towards designers. Brown (2009, 160; also Van Alstyne 2010, 82) motivates the combination from the practical point-of-view: business thinking is integral to design thinking because it gives concrete constraints for designers to get inspiration from. Brown (Ibid.) goes on to say that design solution can only benefit from the sophisticated analytical tools that have evolved in the business sector and therefore defines design thinking as *"a discipline that uses the designer's sensibility and methods to match people's needs*

with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity" (Brown 2008, 86). Compared to traditional product and service processes constraints, issue and solution driven design thinking brings its distinctive and entrepreneurial principles of empathy, multidisciplinary and diverse thinking, co-creation and value network engagement into the core of business development which is driven by deep customer understanding (Miettinen et al. 2011, 13; Brown 2009, 49; Lockwood 2010, xi; Stickdorn 2012a, 28; Moritz 2005, 17; Saffer 2010, 74; Trías de Bes & Kotler 2011, 10).

Innovation is a dialog-based process executed by creative minds where an organization could be seen as an organism in the creative problem-solving process, and divergent design thinking is utilized in finding multiple novel solutions to new problems (Brown 2009, 67; Florida 2002, 186; Watson 2010, 70-71; Kronqvist 2006, 134; Inkinen 2006, 35). To avoid stability and to control unbridled creativity, openness to lateral thinking and change, passion for the future, and collaborative ideation are needed for myriad divergent solutions and for continuous invention and learning (Van Alstyne 2010, 82; Lockwood 2010, x). Indeed, the most fundamental difference between design and science is that dynamic design thinking revolves around what does not yet exist and thus, creates feasible wholes from infeasible parts, whereas scientists try to find similarities between things that are different and deal with explaining "what is and why" (Liedtka 2010, 300; Gharajedaghi 2010, 108-109). In other words, solution-oriented design follows primarily an abductive method of reasoning (something may be, a term coined by Peirce 1839–1914) in order to foster something completely new, compared to deduction (something must be) and induction (something is operative) (Shamiyeh 2010, 32; Liedtka 2010, 300-301; Martin 2006, 10). Martin (2012, 8) suggests a new managerial wisdom based on abduction: *"If you can't imagine it, you will never create it."*

It can be said that design thinking aims at so-called deep thinking which is associated with creating new ideas that move the world forward. It is inherent in strategic planning, scientific discovery, and artistic invention due to its rigorous, focused, considered, independent, original, imaginative, broad, attentive, and reflective nature (Watson 2010, 3-4). But in order to be fully grounded and to avoid surplus innovation (company has more ideas than they can implement), one needs to move from analytical thinking to experiential making and thus, visualize, model, build a prototype, or tell a compelling story about the alternative design solutions or ecosystem (rapid systeming) (Hamel 2000, 131-132; Richardson 2010, 18, 136). In addition to traditional design visualization skills, communication regarding design requires strong storytelling and storycrafting skills in order to organize and prioritize ideas into a coherent, concise, and persuasive narrative (Goodwin 2009, 21; Iljin 2006, 83, 88, 99; Gruen 2000, 1, 5). Hence, an effective design story has elements of a compelling movie, novel, or

short story (Gruen 2000, 2; Åman 2006, 254). Further, Liedtka (2010, 300) writes: *"Design is most successful, then when it creates a virtual world, a learning laboratory, where mental experiments can be conducted risk-free and where investments in early choices can be minimized."* Therefore, design thinking embraces rapid, agile and low risk experimentation through the practice of co-creation, which is familiar in the software development: end users constantly provide input and validate new applications in small pilot groups (Evans 2002, 22-23; Kotler et al. 2010, 33; Van Dijk et al. 2012, 196-197; Richardson 2010, 43). For instance, Virgin did not wait for their competitors to teach them - they put together an experimental portfolio which they run like small companies (Hamel 2000, 269; Reddick 2002, xv).

More and more companies (and public sector) have realized the power of versatile design thinking and its methods which help to find new solutions for the changing operational contexts and new opportunities in the challenges (Miettinen et al. 2011, 15; Miettinen 2011, 25, 28). Moritz (2005, 17; see also Brown 2009, 85) refers to Worldviews of Design (2004) and illustrates different levels of activities where design can be applied: 1) Features, 2) Client experiences, 3) Processes and systems, and 4) Strategies, philosophies, policies and ideologies. Further, Borja de Mozota (2010, 66) has identified the following four powers of design in the context of management science: 1) Design as differentiator: a source of competitive advantage on the market through brand equity, customer loyalty, price premium, or customer orientation, 2) Design as integrator: a resource that improves new product development processes and project management, 3) Design as transformer: a resource for creating new business opportunities and to improve the company's ability to cope with change, and 4) Design as good business: a source of increased sales and better margins but also design as a source for sustainable design. With these contexts in mind, designers can be facilitators, researchers, co-creators, communicators, strategists, capability builders and entrepreneurs in co-creative service experience design, service systems development, customer relationship strategies, empathic service oriented policies, experimenting collaborative platforms, and transformation (Meroni & Sangiorgi 2011, 26, 211-212).

Brown (2009, 149) states that *"Design can help to improve our lives in the present. Design thinking can help us chart a path into the future."* Indeed, design approach becomes the very essence in today's strategic thinking because its goal is to make a shift from current reality to desired future, to transform business (Shamiyeh 2010, 10). Imagining alternative paths and designing optional future states for business is a critical strategic asset in a turbulent business environment where solution-oriented design thinking aims at discovering unmet needs and opportunities in the markets (Neumeier 2010, 17; Lockwood 2010, xi-xii). Not only reacting but also influencing the external environment and thus, becoming a forerunner, innovation and design processes require a strong focus on the future (Koskelo & Nousiainen 2013, 7). In other words, in an environment of constant change, the real challenge is not a current issue

but rather the question how to design transformation by means of continually responding, adapting and innovating the tools, skills and organizational capacity for ongoing change (Burns et al. 2006, 21; Lockwood 2010, 93; Liedtka 2010, 296). According to Burns et al. (Ibid.) *"transformation design seeks to leave behind not only the shape of a new solution, but the tools, skills and organizational capacity for ongoing change"*.

To conclude, in order to innovate, companies need design, business and futures competency (see Figure 12) where according to Kim (2010, 126) 1) Foresight leads to the selection of specific set of value attributes which accommodate future needs of customers, 2) Business innovation is the process and ability to lift current value attributes (and the organization) to a higher level to meet the latent needs of the customers, and 3) Design implements the innovation and thus, implements the value attributes.
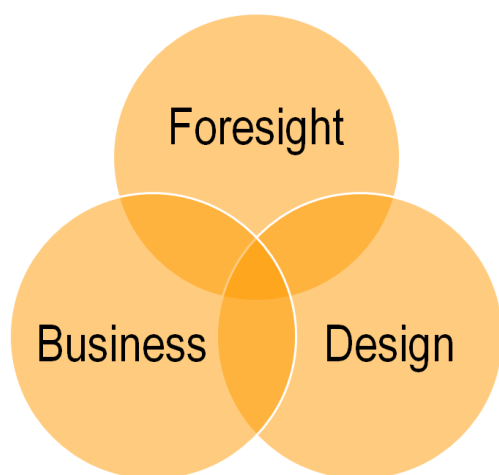

Figure 12: Innovation competencies (Kim 2010, 126; see also Shamiyeh 2010, 86: Strategic foresight and innovation model by Strategic Innovation Lab)

5   Designing Innovative Digital Services

The focus of this chapter is to carefully describe the primary research and service design process conducted for the purpose of this thesis with its five steps, adaptive methods and related reflections. Qualitative methods utilized for the primary research were semistructured empathic discussions with authors and bloggers, expert interviews (incl. story probes), reading diary surveys (probe kit), and persona workshop with experts and stakeholders (incl. storytelling games). The methods follow the design thinking principles that Drucker (2007, 123) highlights in his entrepreneurial thinking: *"Innovation is both conceptual and perceptual. Go out to look, to ask, to listen."* The data captured from the primary research supported by the grounded theory approach of "everything is data" (e.g. Glaser & Strauss 1999) was coded, categorized and clustered in different affinity walls for the purpose of designing the artefacts and outcomes.

5.1   Service Design Discipline with Adaptive Methods

"The mission of design thinking is to translate observations into insights and insights into products and services that will improve lives" (Brown 2009, 40). Service design utilizes the principles of design thinking (discussed in the previous chapter) for service innovation: to create completely new value propositions or to improve existing services (Moritz 2005, 6). According to Mager (2009, 35), service designers bridge the gap between business, technology and design perspectives by visualizing, choreographing and transforming their insights and observations into possible future services. Service design is a holistic process, method and discipline that focus on understanding people's practices, complex interactions, diverse contexts, latent needs, emotions, expectations and hidden motives and thus, highlight the understanding of the customer's value creation and elements of value in the service process (Miettinen et al. 2011, 13; Saffer 2010, 75). Therefore, customers and users are the essential source of information, creativity and innovation because people are part of the service experience and moreover, services are co-produced. Distinguished service organizations design services with people - not just for them – and creative designers search stimuli for innovation from customer experiences, nuances and margins by methods of co-design. (Polaine et al. 2013, 24, 46; Florida 2002, 166, 284, 186; Ojasalo & Ojasalo 2009, 102; Richardson 2010, 19, 39).

The work of service design is holistic and interdisciplinary by necessity because services are complex systems with multiple interfaces and relations that need to be studied and mapped in order to understand and identify problems and potential solutions (Mager 2009, 37-38; Tuulaniemi 2011, 67; Vaajakallio & Mattelmäki 2011, 79). Further, high-end design always considers the overall environment or context of the design task, such as the company's goals

and strategies, the market and customer, the needs and effects, economic and ecological framework conditions, as well as psychological and technological aspects (Mager 2004, 28). Bearing in mind the given business context and constraints, service designers define financially viable products, services, and environments that meet practical, physical, cognitive, and emotional needs of a wide range of people (Goodwin 2009, xxvii). It can be said that the ambition level of service design is high and holistic: *"The goal for Service Design is to design offerings that are economically, socially and ecologically sustainable"* (Tuulaniemi 2011, 25).

Service design is not only offerings design: new value propositions evaluate the company strategy, while the strategy influences organizational attitudes and culture towards the creation of new value propositions (Ojasalo & Ojasalo 2009, 102-103; Saffer 2010. 91). Flu (2011, 55) writes: *"service transformation is service design on steroids, as it combines service design with business design and change management, to implement and imbed the new customer experience into the organization"*. Therefore, service design is likely to kick-off transformation in multiple domains of the business: people, policies, processes, procedures, practices and systems (Ibid. 58). Meyer (2011, 62-63) demonstrates that a design project with a sustainable outcome has always strategic effect and organizational change involved. Similarly, Richardson (2010, 5) states that the business needs to realize that they cannot fully separate strategizing about new offerings from conceptualizing and designing them.

The complex nature of services as artifacts requires a somewhat unique mindset for designing services compared to more static products. Although people are at the center of both product design (object) and service design (journey), the complex nature of service systems and touchpoints highlights the importance of alignment in service design. (Lockwood 2010, xv.) Patricio & Fisk (2011, 15) believe that combining design thinking driven service design and systems thinking oriented service(s) science is crucial for designing complex service systems and innovation. Service design also encapsulates a comprehensive approach to development and innovation of the augmented service offering (including accessibility to service as well as the interaction between the service provider and other customers of the service package experience) (Grönroos 2000, 164, 166; Grönroos 2010, 187). A concept of "service ecology" (the system of actors and the relationships between them that form a service) emphasizes the same holistic approach: service ecologies include all direct and indirect actors affected by a service experience and they acknowledge the role of the customer as an value producer. *"By analysing service ecologies, it is possible to reveal opportunities for new actors to join the ecology and new relationships between them."* (Live I work 2011.)

The service ecology or service system thinking is especially applicable in digital services (or digitally connected services) where value is created in networks of collaboration (Hsu 2009, 6). Many of the early design researchers have a background in interface and interaction design and thus, service design has grown among digitally native professionals (Blomkvist et al. 2012, 308; Goodwin 2009; Maffei et al. 2005, 5; Polaine et al. 2013, 18). However, designing digital artifacts is not purely technical: IT-related usability focus has transformed towards user experience design and moreover, user-centered design has been replaced by human-centered design (HCD) with the emphasis on cultural, social and sociological aspects. In other words, designers need to manage the techniques and patterns to understand both humans and experience-related software, interactions, graphics and architecture (Tarkka 2002, 90; Meroni & Sangiorgi 2011, 38; Goodwin 2009, xxiii; Polaine et al. 2013, 86). The direction of service design is towards "ambient design" where service providers create and design experiences in service touchpoints that capture all human senses by transdisciplinary and intertwining fields of design, communications, marketing, arts, technology and science (Koskinen 2012, 159; Koskinen 2006, 262, 264). Due to converging technologies and omnichannels (co-existing and blurring physical and digital spaces) the process approach of designing digital services applies to non-digital solution design, and vice versa. That is to say, although networks, organizations and technology evolve, the service still needs to deliver a firm experience for the customers. (Polaine et al. 2013, 86; Goodwin 2009, 5; Stenros 2012.)

Many of the basic tools utilized in service design have been inherited from non-design fields such as marketing, leadership and engineering. This is partly due to the relatively young field of service design and the fact that the first service design researchers were all trained in other disciplines and moved into service design gradually. Today, co-creative methods, visualization techniques and digital tools have been the focus of service design process and tools. (Blomkvist et al. 2010, 308, 310, 312-313; Saffer 2010, 74.) When it comes to deep understanding of users - which is central in service design in particular - qualitative, empathic, adaptive, and participative methods are generally far more effective and insightful than quantitative techniques for the service design inspiration; a large interview sample with quantitative data analysis is unlikely to result in better design (Goodwin 2009, 55, 184; Koivisto 2007, 78; Meroni & Sangiorgi 2011, 41; Saffer 2010, 75). Moreover, no single method should be trusted; a combination of various, even contradictory methods create foresight and "lead us to those rule-breaking, game-changing, paradigm-shifting breakthroughs" (Brown 2009, 40; Aaltonen & Sanders, 2005, 34).

5.2   Process for Designing the 'Digital Service Space'

It is challenging to define a standardized procedure or appoint one process model to the evolving field of service design and to its multifaceted design projects (Stickdorn et al. 2012, 120; Koivisto 2007, 72). However, there are common elements in the approach of the

documented design processes: first of all, all models emphasize human centricity and further, there are no rules regarding the order in which the stages of the process should be carried out; the rule tends to be that stages interlink and overlap with each other and can therefore take place simultaneously and in a flexible order (Moritz 2005, 123, 149; Koivisto 2007, 72). In other words, the qualitative research in service innovation and design process follows a nonlinear and circular model and brings out the discovery in research through its cyclic and iterative model (Stickdorn 2012, 124c; Van der Duin 2006, 53-55; Gharajedaghi 2010, 109; Miettinen 2009, 11). Successful service design process provides tools ranging from increasing the customer understanding through empathy to ideating, visualizing and evaluating novel solutions together with the stakeholders, all the way to evaluating and supporting service launch and post-launch business realities (Tuulaniemi 2011, 100, 110-111; Miettinen 2009, 14).

There are plenty of innovation-oriented processes described in the fields of futures research and foresight, business management, and design (Koskelo & Nousiainen 2012). The service design framework proposed by Moritz (2005) includes four stages with six different tasks (see Figure 13). The stages have two functions: They serve as a simple and generic framework and, in addition, they encourage a different mind-set and skills in every stage while the design project evolves. (Moritz 2005, 115, 121, 123, 155.)

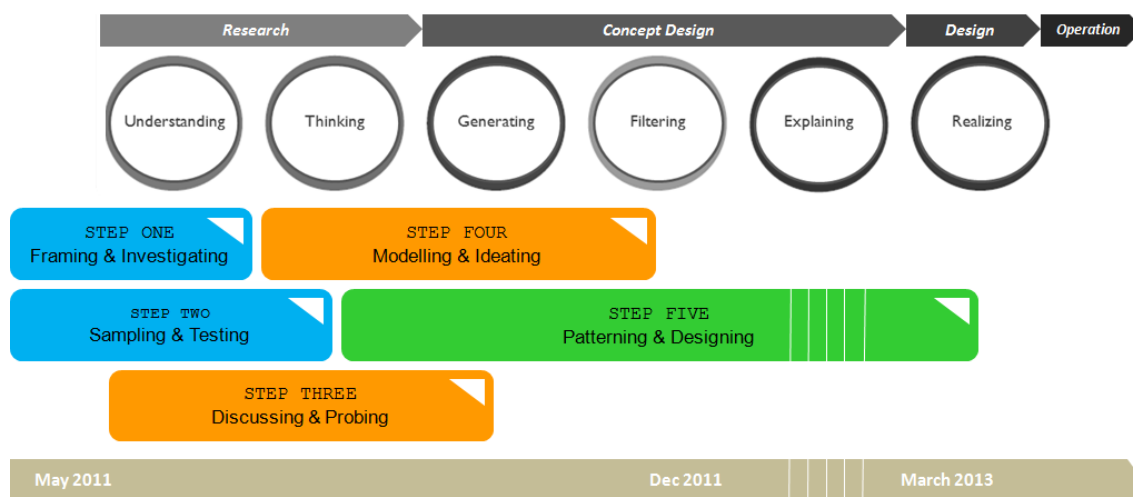Figure 13: The process by Moritz (2005, 123) and realized 'DSS' process steps

The research and design process for 'DSS' covered almost the whole process by Moritz with the emphasis on "Research" and "Concept Design" stages during which multiple and simultaneous tasks were being performed (see Figure 13). The following chapters concentrate on explaining and discussing the resulted five (5) steps of the 'DSS' process.

5.2.1 Step One: Framing & Investigating

The Next Media research program is part of Tivit´s SHOK program. It was activated in 2010, and for the four following years it aims at *"innovations which by means of new business models, concepts and technology, meet people's insatiable need for engaging and activating media experiences"* (Tivit 2012). Therefore, Next Media program brings together research organizations and media sector companies in Finland - coordinated by Sanoma plc, the largest national media group – in order to find radical innovations and renewal to existing business challenges within the media sector (Leminen & Nousiainen 2012, 22-23).

Part of the Next Media research program is the eReading Services project of Finnish publishers and researchers. The project members include national publishing companies (e.g. Sanoma, Alma Media, Otavamedia, and Talentum), research institutions (e.g. Technical Research Centre of Finland called VTT) and universities (e.g. Aalto University and Laurea University of Applied Sciences). The target of eReading Services projetc is to create consumer-oriented means and sustainable business models for distributing newspaper, magazine and book content on electronic reading devices. (Leminen & Nousiainen 2012, 22-23.) This study was initiated in eReading Services project and with its key stakeholders to respond to book publishing challenges in digital transition in Finland (discussed in chapter 1). The project was called "Future Digital Service Space – Digital Era Storytellers" and its intermediate results were presented in December 2011 (Nousiainen 2011) and published as part of Laurea publication (Nousiainen & Leminen 2012). This thesis elaborates and explains the project and its outcomes further and moreover, from service innovation towards business transformation.

Kick-off discussions with the project stakeholders in Next Media were initiated in May, 2011. The first discussion was held around the desired outcome in terms of existing key challenges that the authors – the main customer of the design project – face in converging and digital book business arena. Although it was quickly acknowledged among Next Media researchers that the current major problem for authors in the digital era is the Intellectual Property Rights (IPR), the decision was made to explore more future-oriented solutions through service design thinking and innovative methods due to following reasons:

- The author of this thesis and study holds a strong background and toolkit in developing business assets and processes, designing and concepting digital and mobile solutions as well as innovating company offering as a futurist.
- Quick solutions and ideas for the future were a means of sparking discussion and enthusiasm among Next Media stakeholders towards creating alternative and optional visions for the book industry in the digital era.
- There were many promising projects going on in the Next Media program to tackle the existing challenges and opportunities. However, the lack of "what next" and "what

if" questions were missing from the research agenda to inspire thinking outside the box.

- Design thinking approach gives ground for radical thinking (versus incremental improvement) which was the best approach to take for the ongoing business transition in the Finnish book industry.

Goodwin (2009, 38) highlights the fact that understanding the problem thoroughly is the key to solving the problem. However, these problems do not necessarily need big solutions; instead, they might need complete reframing through challenging norms (Lockwood 2010, xiii). The "Research / Understanding" (Moritz 2005 / see Figure 13) is a critical step in the service design process because it needs to give ground for proactive solution design and thus formulate crystallized design drivers. Therefore, service design takes an abductive approach right from the beginning by creating "what if" assumptions and evaluative "if … then" implications which produce new alternatives and search for new, exciting possibilities. In this phase, user centricity and holistic approach are essential: the design processes start by understanding the end-user (latent needs, motivations, values, goals, and unrealized problems), the service system and context, the business (constraints, strengths, vision, resources) and challenges. (Koivisto 2007, 70, 72, 77-78; Moritz 2005, 124-126, 155; Ojasalo & Ojasalo 2009, 101-102; Gharajedaghi 2010, 108; Shamiyeh 2010, 32.)

Every creative design process is usually initiated with a broad vision, with a suggestion for a very general "ideal" future state – yet there is room and an opportunity to recreate a completely new model (Shamiyeh 2010, 116). Hence, after the kick-off discussions, a proposal was made for Next Media audience about the abductive approach and the idea of investigating literary authors by designing "a Service Space for Digital Era Storytellers". The research proposal and plan was presented to the Next Media audience at the eReading miniseminar on the 14th of June, 2011.

The stakeholder discussions took place in Next Media seminars and as scheduled meetings. It is advised that the stakeholder discussions should be conducted individually to let different viewpoints surface. The purpose of the stakeholder meetings was to identify risks and opportunities based on their knowledge and insights. (Goodwin 2009, 67, 71, 189.) Understanding of the existing business context was gained especially through stakeholder and expert discussions as well as through desk research in the areas of future trends, the Next Media programme reports, digital services, and social networking and reading practices. However, the strategy from grounded theory was applied where according to Glaser & Strauss (1999, 46, 35) "seeing around" and utilizing theoretical sensitivity across categories is the target in finding multiple sources for the investigation.

The concept of cognitive dissonance (Festinger 1957, 1) and thus, consistency towards a researcher's personal beliefs and worldview was acknowledged and avoided by focusing on the areas of discomfort and less knowledge. For instance, the biggest insight from the preliminary investigation was the following dimension: the slow traditional book (reading) meets the fast digital media (browsing). Paavonheimo (2006, 58) explains the relation as follows: *"What if the slowness of the book happens to be the benefit and thus, plug off the readers from the online world."* Further, one of the stakeholders (14.06.2011) wondered: *"How to cherish the heritage and the culture of the book in the fast digital world"*. Instead of thinking "slow" and "fast" separately, the research took an alternative approach by following what Brown (2009, 85) regards as integrative thinking: resisting "either - or" in favor of the "both - and" inspiration.

The idea collection was initiated from secondary sources covering existing online offerings and concept ideas. Having said that, too much time was not spent on searching what is available: Goodwin (2009, 197) writes: *"Companies that spend more time analyzing their competitors than understanding their customers are likely to be followers rather than market leaders"* and further, Fraser (2010, 43) suggests that in order to find radical new solutions to unmet needs, one needs to take the leap and think beyond what is immediately provable and imagine what could be possible. Therefore, the focus was kept on primary selection (Morse 1998, 73; Tuchman 1998, 237): understanding the authors and their creative process as well as their relationships with the readers as sources of inspiration.

To summarize the first step of the 'DSS' service design process, the preliminary investigations in terms of stakeholder discussions and secondary research provided the tools to make the following decisions: 1) An alternative view for the research was found with integrative design thinking (slow media meets fast media), 2) Options for the primary research methods were created to best serve the purpose, goal and timeline of the project (focus on author, reader and book interactions), and 3) Future-oriented design guidelines (presented in chapter 6) were created in order to inspire and direct the following phases of the project.

5.2.2   Step Two: Sampling & Testing

The second step extended the "Research / Understanding" activities (Moritz 2005 / see Figure 13). Here, the goal was to identify suitable authors and bloggers to engage with the project and secondly, to involve readers in sharing their reading experiences. Thirdly, the study needed experts to reflect especially the desirability, viability and functionality (ref. Brown 2009, 18) of the 'DSS' concept idea. Finally, the target was to get feedback for the related research methods, materials and primary selection informants before launching the research for the final sample (Saffer 2010, 81; Morse 1998, 73; Tuchman 1998, 237).

Sampling strategies emerge not only in the recruitment phase of the research process but also later with the decisions about data sampling and sampling within data (which part of the research material should be further treated and selected for detailed interpretation). In an interview study, for example, the sampling starts by considering which persons to interview (case sampling) and from which groups they should be taken (sampling group cases). (Flick 2002, 61.) Gradual strategies of sampling are mostly based on "theoretical sampling" developed by Glaser & Strauss (1999, 45-48), where case sampling and group sampling decisions are made in the process of collecting and interpreting data. Sampling may be approached either on the level of the groups to be compared, or they may focus directly on specific persons. However, in both cases the sampling of individuals or groups is not based on the statistical sampling criteria where the representativeness of a sample is guaranteed by random sampling or by stratification. Rather, individuals and groups are selected according to their expected level of new insights and by considering the question of what data to collect next and where to find it. (Flick 2002, 64; Glaser & Strauss 1999, 47.) In addition to these purposive sampling strategies, 'DSS' project also considered the frameworks of 1) extreme or deviant cases, 2) typical cases, 3) cases that are as different from each other as possible, 4) critical or important cases, and moreover 5) convenient cases in terms of limited resources (Patton 1987, 52-57).

The recruitment focused on so-called primary selection of participants or best informants: Those who are most capable of reflecting and articulating relevant thoughts, experiences and ideas, and who also have time and are ready to participate in the study (Morse 1998, 73; Tuchman 1998, 237). Further, the positive attitude in making things differently and openness to change were far more important in the future-oriented 'DSS' research than digital and social networking experience as such. Therefore, enthusiastic and interested professionals and (serious) amateurs were looked for (Goodwin 2009, 90-91). The overall objective was to ensure that the sample is broad enough to reveal likely variations in behavior and needs to avoid biasing the sample towards uncommon behavior and at the same time, the sample should not be so large that time will be wasted with irrelevant white noise (Goodwin 2009, 85, 87, 91; Samalionis 2009, 126). A common factor with sampling was national culture and language: since the research was about reading, which is a strongly cultural practice, the study concentrated on Finns and Finnish speaking participants in order to understand thoroughly their motivations and needs (ref. Goodwin 2009, 146).

Considered purposive sampling strategies and preliminary research led to the identification of the following writer groups: 1) Best seller writers (regular publishers, who can be considered full-time writers), 2) Experienced authors (published more than two books, which makes them eligible for The Union of Finnish Writers) (The Union of Finnish Writers 2013), 3) Authors who

have published their first novel, and 4) Successful bloggers. The decision made with author and blogger sample placed more focus on the fiction category, primarily compared to the non-fiction category. This was due to the fact that non-fiction literature already holds the bigger portion of sales and secondly, the difference between fiction and non-fiction literature is significant enough to lead to misleading generalisations. The subcategory of the writer or the book was not determined further (e.g. children's stories, crime, poems, fantasy, science fiction, short stories).

In the end, best seller authors were left out from the primary research sample based on the preliminary investigation which led to the conclusion that the idea of 'DSS' is more potential and relevant to those who are building their career and thus, building their brand as authors. To summarize, the recruitment profiles and key interest points for the test round were as follows:

- A primary profile from the project objective point-of-view is "a forward looking experienced author, who is willing to discuss the creative process, familiar (not necessarily active) with social media and digital life, understands the existing value chain and challenge of book publishing industry in Finland, eager to continue with new fiction titles, willing to have a closer relationship or interaction with the readers and finally, interested in new ways to make money as an author". For the purpose of creating an effective discussion structure, two (2) bold and challenging authors were recruited from the horizontal networks and by peer-recommendations to test the flow. One of them had created a blook (a traditional book edited based on a blog).
- The focus with bloggers was especially on motivations, drivers and skills: how they achieve cultural capital in the attention economy and create social objects to pull the traffic. The target was to identify key assets of an ambitious free-time blogger and to understand the role of the reader in the process. One (1) blogger from the peer network who had also self-published a book was invited to test the research agenda and to consider the need for a bigger sample. The power of blogs is evident in the social networks, and bloggers may already have more readers than best seller authors.
- After having a discussion with the stakeholders and getting familiar with the facts and statistics in Finland (incl. 15/30 Research and YLE 2011) a strong assumption about the beneficial reader profile was born: female readers between the ages of 30 - 45 who are active in reading fiction and in social media. To proceed with reader-targeted research and related survey material design one (1) reader and one (1) expert of qualitative research methods were recruited from the peer-groups to test the digital and printed research toolkit.

- Expert interview profile included the following characteristics: "Finnish speaking, futures and digital technology oriented researchers, who are acknowledged experts in their own field with business understanding." An interview structure and related email information were tested with one (1) expert familiar with the context of the research. In addition to futurists, researchers, social media and online media experts, different "storytelling" entrepreneurs and start-ups were included in the expert profile.

Convenience sampling or opportunity sampling (recruiting friends and acquaintances) as a strategy is sometimes the most effective way to proceed with the project schedule in mind (Goodwin 2009, 108; Curedale 2013, 230; Patton 1987, 57): Familiar and trustworthy people provided valuable, timely and high quality feedback. Recommendations by the peers and stakeholders also gathered the final sample for the 'DSS' study. The second success factor in sampling and recruitment was expectations management: each potential participant was told about the project targets and background briefly beforehand and they were told exactly what was expected of them and also motivated into taking part in the research.

To summarize, in the second step of the process, the final sample profiles and related research materials were iterated and finalized in terms of authors, bloggers, readers and experts. The initial plan did not change that much – instead, testing with all participant groups crystallized the priorities and core questions. First of all, the primary selection profiles proved to be the right ones in the context of 'DSS' concept idea with emphasis on the fact that *"reasons and motivations to write are an essential topic for all writers"* (Author A1 / see Attachment 4). Secondly, the test round - especially with the authors – helped thematize the research (Kvale 1996, 95-98): it was realized that detailed questions were not needed, but the topics, highlights, the check list and selected reference points were enough to support the discussion flow and data gathering. Thirdly, the self-documentation set for readers was improved and the participants got better instructions on how to work with the materials. The first look at the research data provided directions and references for where to go next, although further qualitative content analysis was not initiated. In general, the test phase showed that the study had found its unique approach and targets that inspired people.

5.2.3   Step Three: Discussing & Probing

The primary research (Moritz 2005 / see Figure 13) with primary selection of informants started after each participant group and related methods were tested and iterated. The research methods, process and sample addressed specific key questions (but did not ask the informants directly) and thus, challenged and tested the idea of 'DSS' readership community. Discussions with stakeholders, authors, bloggers and experts were conducted in respondent's native language and therefore related excerpts from the discussions utilized in this report are

translated from Finnish to English. The following chapters describe and reflect each of the key questions below:

1. What are the targets, motivations, skills, networks, needs, and frustrations from the perspective of authors and bloggers: what challenges could 'DSS' solve in the creative and commercial process?
2. What are the potential story categories and elements which initiate interaction and dialog with readers: how could 'DSS' improve or enhance new interactions and relationships between the readers and stories?
3. What kind of an ecosystem of e-reading do experts expect to take shape, with its touchpoints, actors and business models: what does the business concept of 'DSS' require in order to be desirable, feasible and viable?

5.2.3.1   Individual Semi-structured Discussions with Authors and Bloggers

There are different types of research questions. According to Bude (1995, cited by Flick 2002, 50), research questions are directed either towards states or those describing processes. With states, it should be described how a given state (which type, how often) has come about (causes, strategies) and how this state is maintained (structure). With the process descriptions, the aim is to describe how something develops or changes (causes, processes, consequences, strategies). Research question types also influence the extent to which they confirm existing assumptions or the extent to which they are able to generate and discover new ones (Glaser & Strauss 1999, 47). Further, an ethnographer would state that interview questions can be either descriptive (identifying important things, concepts and activities in selected domain) or structural (understanding how things, concepts, and activities are related). Contrast and open questions help clarify descriptions and relationships by asking how things are different. (Goodwin 2009, 60, 123, 128.)

In semi-structured interviews there can be both open and closed questions, but the idea is that same topics are covered with preplanned questions in each interview, and the interviewer probes the interviewee to continue discussion until no new relevant information is forthcoming. Open questions are ended by a confrontational question which responds to the theories and relations the interviewee has presented during the discussion and aim to critically re-examine these notions as well as to reveal competing alternatives. (Silverman 2006, 110; Flick 2002, 81-82; Rogers et al. 2007, 299.)

An effective interview does not just provide useful facts with the right questions, but it should also help to understand how the interviewee sees the world. This requires the right attitude and approach of the interviewer: having a conversation instead of an interrogation

and being the learner and not the expert. Even though the research is solution-oriented, the researcher should avoid asking the interviewee for solutions but rather learn first what is being said. Indeed, empathy translates traditional interviews into conversations where not only objects, things and tasks are being discussed but also reasons and frustrations – that is, emotions – of the interviewee in trying to achieve his goals. During the discussion, the researcher needs to understand what the goals are, how they are being done, why they take the action, what is the frequency and importance of the action, and what are the roles and relations of related products, services, and people. At the same time, all the information should be validated in order to avoid self-reporting errors. (Raijmakers 2011, 64; Goodwin 2009, 118-119, 122, 124, 128, 134-136, 138-139; Saffer 2010, 75, 81.)

The selected research method with authors and bloggers was to aim for empathic discussions with the generative approach where the creative writing process and post-launch process were the most crucial things. However, the researcher focused on the motives, meaning, emotions, success and challenges in the process of writing and post-writing and thus, aimed to form an empathy map (Osterwalder & Pigneur 2010, 130-131; Gray et al. 2010, 65-66). The agenda followed a semi-structured interview approach including directive storytelling, broad descriptive key topics, and further questions (why's, confrontations and subject-related statements) (Flick 2002, 80-82; Silverman 2006, 110; Goodwin 2009, 124-125; Saffer 2010, 87) (see Attachment 5). The 'DSS' project was introduced at the beginning of the discussion in order to glue together the overall project targets and the forthcoming topics. However, time and focus was placed on the participant rather than 'DSS' concept ideation: the reflection in terms of 'DSS' took place at the end of the discussion, and the interviewee was encouraged to think of new ways to interact with the audience. A similar flow was applied with bloggers, but since the blogging platform is completely different from the traditional printed book, the focus was more on states than processes including available Web 2.0 tools and needed skills that bloggers find effective, useful and successful especially with reader monitoring, interaction and instant feedback activities (see Attachment 5).

The purpose of the author and blogger discussions was to meet as many informants face-to-face as possible in order to understand and to record nuances and details of each person (ref. Curedale 2013, 186). A clear decision was made to not have group interviews because of the personal nature of the creative writing process and because of the risk in facilitating a territory of multiple opinions and multiple personalities (Kvale 1996, 101; Flick 2002, 113-120; Saffer 2010, 82). However, the readiness for supplemental remote interviews (via phone and Skype) was tested since some of the potential interviewees lived outside the metropolitan area (ref. Goodwin 2009, 147-148).

Further, there was no specific non-fiction-focused interview set and it was therefore conducted during the discussion with the authors who were experienced with both fiction and non-fiction categories. This was needed because non-fiction authors' motivations and competences proved to be different from those of fiction writers in the context of the research. For instance, people writing about facts are likely to have more competences and understanding of business and marketing mentality as well as digital benefits compared to fiction writers. Consequently, fiction writers are more interested in - yet uncomfortable with - the idea of digitization and Web 2.0 enablement overall, and digital native bloggers were very interested in writing a traditional non-fiction book since it was highly regarded in professional life.

Before conducting the semi-structured discussions, the topics of ethics and confidentiality issues (e.g. Kvale 1996, chapters 7-9; Saffer 2010, 83) led to an anonymous approach with the participants and their input (unless otherwise agreed) and to formulating invitation emails and research materials in a specific manner. However, formality was not followed when choosing the meeting place for the author discussions: the participant was able to suggest a restaurant or a café as a meeting place for the discussion lasting 1,5 – 2 hours (30 minutes extra was reserved for the meetings that took place in a restaurant as opposed to a meeting room). The background noise in public places required an excellent voice recorder and a traditional note book as a "back-up copy" (instead of a rather disturbing laptop) (ref. Saffer 2010, 83, 85). The discussion agenda supported the restaurant or café service process with matching topics for ordering, serving and eating situations. Although observational and context based interviews provide more accurate data in terms of self-reporting error (Goodwin 2009, 55, 118) the restaurant and café environment and the joy of food helped discussions to take a more empathetic and thereby a more open route.
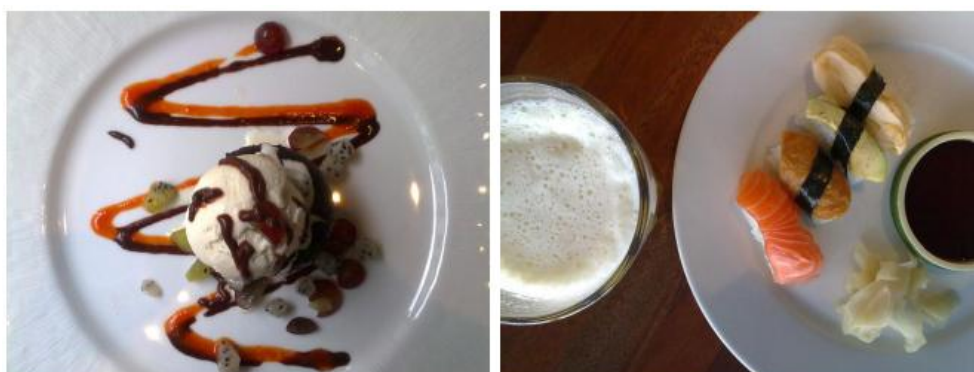

Figure 14: The Author and blogger discussions took place in public restaurants and cafes

In the end, six (6) fiction and four (4) non-fiction (N=10) authors participated in the study. They were recruited according to the profiles for primary selection of informants and with

the help of two (2) local publishing houses. Email recruitment was successful: 90 % of the invited authors responded almost immediately and 70 % responded positively. In addition, two blogger (N=2) discussions were conducted, including a male blogger who ran one of the most popular blogs in Finland as early as 2006, and female blogger who had a passion for history and genealogy (a very popular topic among Finns) and who had already written a self-published book. The information about blogging and bloggers was also available through the authors and experts since many of them had their own blog and therefore the sample size for blogger discussions in particular was not increased.

To summarize the key insights resulted from the author and blogger discussions they both revealed the processes of story creation and delivery, and quickly strengthen the assumption of 'DSS' benefits between different author and writer profiles including blogger-columnists, fiction, non-fiction, first timers, and best sellers. Moreover, the information and data for the purpose of persona creation (discussed in step 4) was achieved. Furthermore, the research supported the idea of challenging the existing "one size fits all" publishing and identified opportunities in finding different digital content formats for different kind of stories (children's books, fantasy, thriller, non-fiction etc.) in order to reach its core target audience.

5.2.3.2   Self-documentation with a Reading Diary

By interviewing book readers the researcher would have to rely on the participant's memory of past activities and utilize artifacts (e.g. books) to prompt his memory. However, periodical activities and hard-to-interrupt activities - such as reading - require self-documentation tools. (Goodwin 2009, 149, 188.) These tools require careful preparation with understandable and motivating instructions so that the participants are able to reflect, express and document their thoughts in the form of a diary, for instance. (Mattelmäki 2006, 40; Van Dijk et al. 2012, 168-169; Polaine et al. 2013, 64; Miettinen & Koivisto 2009, 21; Saffer 2010, 90; Marshall 2010, 105.) Therefore, paper bookmarks (as well as digital editable attachment) were created for the participants of this study (readers) to keep a diary of their reading experience.

The bookmarks were in Finnish (the native language of the participants) and therefore related excerpts from the bookmarks visible in this report are translated from Finnish to English. The bookmark design focused on the dialog and actions that the story evoked on emotional and cognitive levels (e.g. Brown 2009, 54) (see Attachment 6). Bookmarks were materialized in twosided and folded A4 sheets including the following sections: 1) Instructions, 2) Characteristics: a short questionnaire with check boxes and open-ended questions focusing on descriptive participant background information, reading habits and experience on e-books, 3) Free-form entry to further describe and write down thoughts on Post-it notes while reading

the book, 4) Structured checklist to guide thinking and to give alternative perspectives, and 5) Statements about anonymous and confidential processing of data (ref. Silverman 2006, 110; Rogers et al. 2007, 313; Goodwin 2009,189; Kvale 1996, 114-115).

The bookmark design aimed to be simple, mobile and focused on a few things in order to decrease dropout rates which are relatively high among diary respondents (Goodwin 2009, 188; Rogers et al. 2007, 338-339). Therefore, the participants were able to either take a questionnaire mode with the bookmark or diary mode with Post-it notes. A digital version (an email with an editable bookmark attached as PDF) of the bookmark was also created for the purpose of e-books or participant preference. However, a possibility for setting up a mobile application or utilizing social networking sites like Pinterest.com are likely to inspire bigger (and younger) audiences, as opposed to an editable PDF attachment or a paper bookmark. For the purpose of this study and in the light of the primary selection profile, the bookmark designs were effective and useful enough to cover active readers.

The postal research set included two (2) bookmarks, Post-it notes and a return envelope. The recruited people were not found in bookstores and libraries as initially planned, but again, convenience sampling and recruiting through networks and recommendations took place: in a Facebook post, people were asked to recommend active female fiction readers and social media users to take part in the research. The recruitment turned out to be quick and easy, and the probe research took place in July and August 2011, when a total of 13 subjects received the bookmarks, three (3) of them returned the digital bookmark by email and nine (9) returned the bookmarks by mail. Additionally, two (2) respondents wrote about their thoughts in a separate email. Hence, only one (1) research set was not returned, and the total number of bookmarks was 15 (N=15). The respondents varied between 25 – 50-year-old women who read 10 - 200 books a year (50 books a year on average). All respondents shared an interested in fictional and fact-based novels.

Self-documentation research both crystallized and supported initial reader profiles and reading habits discovered in desk research, and it also evoked needs and potential for increasing interaction between the reader, the story and the author. For instance, the bookmark as a probe proved to provide lots of ideas on how to categorize books for the digital "search" purposes, it pointed out the elements for potential total offering around a story, and revealed topics for social reading in the strongly internal reading experience. A follow-up interview is recommended with diary or probe tools and further, group discussion could have been very much suitable for the research for participants to compare and contrast their experiences (ref. Goodwin 2009, 149, 188). However, due to time constraints and long distances between the participants, neither digital platforms nor face-to-face discussion fit into the project schedule.
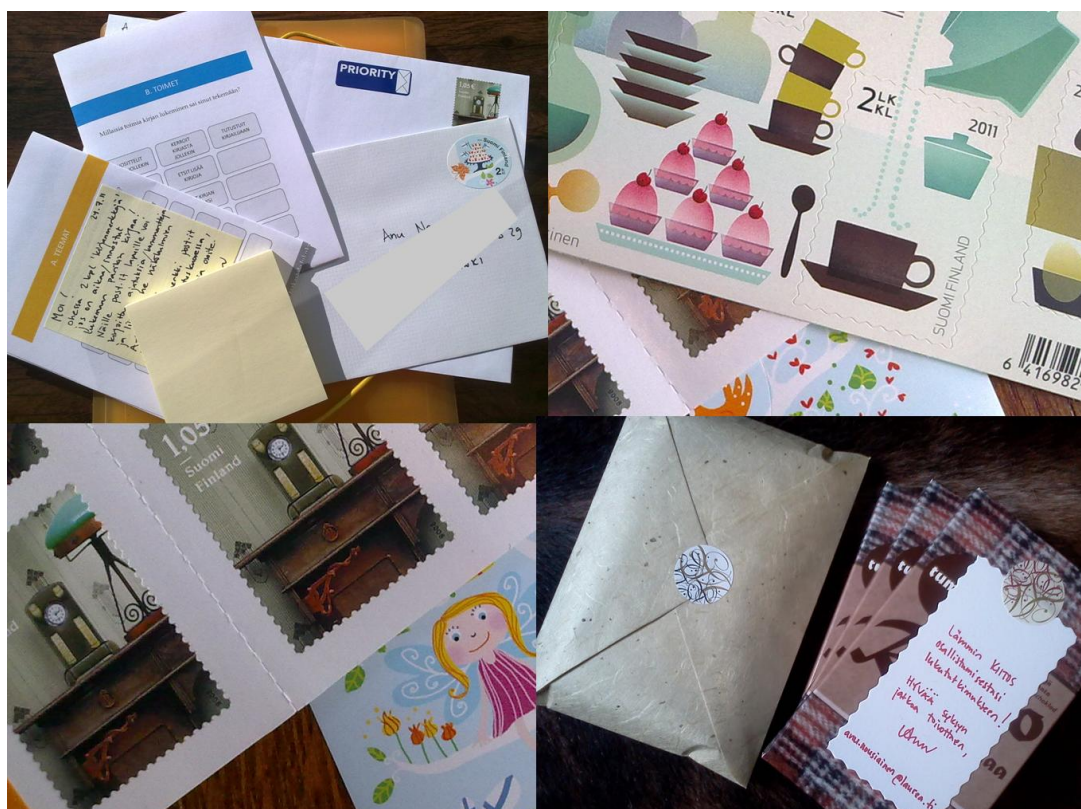
Figure 15: The Probes settings and sending

5.2.3.3   Sharing Future-Oriented Statements with (non-)Experts

Experts from different fields were approached to contribute to the idea of 'DSS' and the future of reading. Topics and materials for a directive expert interview guide and a recruitment plan were created. Experts in this study were considered *"not as a single case but representing a group of specific experts"* (Flick 2002, 89). Further, they were considered from the non-expert point-of-view: in futures research and scenario thinking in particular, these "non-experts" became the source of "thinking the unthinkable". As early as the 1970's, Shell utilized artists, politicians, citizens, and vagabonds - people who were not linked to the oil industry – as a source of alternative thinking. (Van der Duin 2006, 32-33.) Indeed, when talking to successful entrepreneurs, designers and artists, they seem to continuously evaluate, validate, and reflect on their initiations and experimentations of past activities and future ideas (Grand 2010, 341).

Experts on the fields of literature and books as well as experts from digital solutions, social media platforms and futures were invited to contribute to the discussion of "the future of reading" through peer-networks. A series of structured individual interviews (face-to-face, Skype and email) were conducted with a total of 12 (N=12) experts between May and

December 2011. Skype interviews required more preparations, and concentration proved to be a convenient way to get professionals to participate (considering their busy schedules and multiple locations). Furthermore, a combination of online voice calls and messaging is very convenient, since one can share web sites and show the other person materials simultaneously and immediately when referring to something that can be presented online and in a digital format.

Each participant received an introductory pre-reading email a couple of days before the discussion, including project goals, background, stakeholders and motivations to engage their time and thinking in the project. The email also included different statements on the topic of e-reading for their motivation, inspiration and perusal. These five (5) statements about the futures and a couple of open questions presented the actual agenda for the expert discussions and made it possible for the respondents to reply by email (see Attachment 7). Thus, experts were able to comment on each of the topics and statements in writing before and after the discussion. The statements were based particularly on the report of "eReading services, business models and concepts in media industry" (Leminen & Salo et al., 2010). Because of the familiar context of the study and partly familiar participants, the email also acted as a standalone tool for the experts to contribute to the study (ref. Curedale 2013, 214).

Alternatives for the individual expert interviews and the email survey would have been the Delphi method (a group of experts are involved in a few question rounds concerning a given topic whose possible, probable and preferable futures are being researched, e.g. Bell 2005, 262-264) or focus groups (e.g. Goodwin 2009,195), both of which were difficult to arrange due to the holiday season in Finland, busy experts and the project schedule overall. Although it was time-consuming to prepare insightful statements for the expert discussions, the five stories proved to evoke interest and commitment among experts. Another notion that came across in the expert interviews was that "the more you interview the more questions you get": experts are both holistic and narrow in their thinking and thus introduce more and more interesting topics to investigate and consider further. Consequently, one needs to keep in mind the scope of the research and to understand how much - that is, how little - it is possible to get out from a single research. However, experts are excellent reference points to gain more understanding on specific issues, to evaluate new concept ideas as well as to discuss the evolution of things.

5.2.4   Step Four: Modeling & Ideating

Figure 16 summarizes the sample, data formats and methods of the study before proceeding to the next step of the process.

Figure 16: Summary of sample, data formats and methods

In September 2011, the primary data of the 'DSS' study (captured from the stakeholders, authors, bloggers, readers, and experts) had the following formats:

- Voice recordings from the author and blogger discussions: a template based on the interview structure was created and key notes recorded into a Microsoft Word document including time tags to audio file.
- Written documentations from the stakeholder, author, blogger, and expert discussions: written documentation was in the format of hand-written notes, Microsoft Word recordings, Skype messaging, and emails. The data was transformed and captured in categorized notes (notebook and Microsoft Word) where, for instance, ideas were marked with an asterisk, important issues were marked with an 'exclamation mark', underlining sentences and words were a sign to revisit the topic in question, and an arrow was an action point to be dealt with/performed promptly.
- Reading diary: 15 bookmarks (incl. paper and digital) were coded and transformed into Post-it notes. The data was prepared for single and cross-case analysis (discussed

later in this chapter) concentrating on the differences and commonalities between respondents.

The second step in the framework by Moritz (2005 / see Figure 13) is "Research / Thinking". In this step, the main activities are interpreting complex raw data, identifying problems and possibilities, finding relevant insights and focus, and setting and reviewing requirements (Moritz 2005, 128-129, 132-133, 155). The "modeling & Ideation" step focused on the key target group of the study: different types of authors. The target was to model author personas based on the data at hand and to ideate novel services with the help of personas. Hence, personas are research data originated fictional user profiles which help to understand the potential service users. These archetypes describe the various goals and behavior patterns in unique groups of individuals. Usually two or more distinct types can be identified from the research data which can be used for defining and designing the service, communicating with stakeholders about the potential customers, building consensus and goals among the project team members, and for developing and prioritizing the service elements. Above all, personas are design tools which help to envision what users most need from the service. A primary persona is the representative of most of the needs and also holds the best market potential, whereas secondary personas have similar needs but require a different level of sophistication or level of support. It has to be noted, however, that personas are not market segmentation models, service user roles, or average users of the service. (Goodwin 2009, 215, 229, 231-232, 236-237, 276-277; Miettinen & Koivisto 2009, 21; Van Dijk et al. 2012, 178-179; Polaine et al. 2013, 219.)

Personas primarily result from a process consisting of cross case analysis and inductive reasoning (Goodwin 2009, 229) (see Figure 17). Data analysis is challenging: designers and researchers have to be able to distribute general meanings from individual ones and to evaluate single and cross case meanings while designing and sustaining the big picture (Hämäläinen & Vilkka 2011, 66). Here, single case understanding (one individual and related data) was gained before grouping and comparing them to cross case analysis (to identify trends and patterns) (Flick 2002, 186; Goodwin 2009, 208, 215).

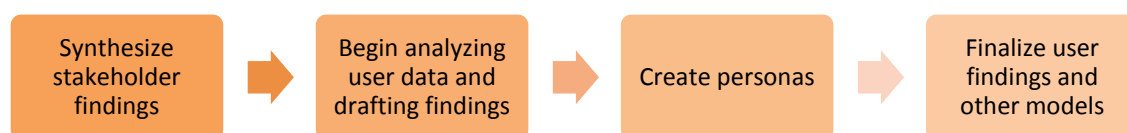| Synthesize stakeholder findings | → | Begin analyzing user data and drafting findings | → | Create personas | → | Finalize user findings and other models |

Figure 17: Overview of activities during the modeling phase (Goodwin 2009, 202)

Several approaches were tested with the data reasoning in order to identify personas. First, deductive reasoning started by creating a secondary research based statement or assumption

and tried to find supportive data from the primary research data. For instance, the best seller author profile was based on desk research and informants reflections about best sellers: the analysis compared these notes and consequently, pointed out the differences between the single cases. With inductive reasoning, on the other hand, a statement was derived based on the primary data and explanations for the statement were tried to be found in the secondary research. This was applied especially with the more future-oriented author profiles. Thirdly, continuums were created from the single cases and the primary spectrums related to the range of digital skills (weak – strong) and range of writing practices (single focused – multi focused) among single cases. These spectrums ended up to be the key variables for proto-personas. In the end, similar single cases were identified and divided into three (3) different groups. These groups were analyzed both in terms of similarities and differences with a key focus on understanding end goals and motivations. (ref. Goodwin 2009, 208, 215, 229, 247, 252, 256, 266-267.)

The most common inductive approach is an affinity diagram which was utilized in identifying the personas. All recorded codes (e.g. 'targets', 'challenges', 'solutions', 'experiences', 'interactions', expressions of 'feelings' and 'attitudes') were written on Post-it notes which were clustered into similar categories and sub-categories identifying aspects and the existence of common resources such as 'drivers', 'skills', 'time' and 'people'. The clusters were formed around the three personas that were overarching superclusters on the affinity wall. In the end, the most important thing was to understand and find responses to "why people say what they say" (hints of people's mental models, related taxonomy and resulting patterns) and "what are the relationships among various goals, attitudes, and characteristics". (Goodwin 2009, 213-214, 215-216, 222-223, 247; Saffer 2010, 84; Osterwalder & Pigneur 2010, 130-131; Gray et al. 2010, 56-58, 65-66.)

A persona holds the most critical behavioral data for designers and stakeholders to remember and relate to. A good persona description, therefore, is a narrative which effectively helps people to get inside a persona's head. Pictures, quotes, collages, and diagrams enrich persona descriptions and make them easier to remember. Names, goals, frustrations, mental model environments, skills and capabilities, feelings, attitudes and aspirations, interactions and relationships with other people, tasks, products and services, demographics, and relationship among personas breathe life into the persona descriptions. (Goodwin 2009, 229, 268, 270-272, 282-283, 288.) These carefully created personas are extremely helpful, especially in new service ideation. In the "Concept Design / Generating" (Moritz 2005 / see Figure 13) phase, these ideas and solutions are being created, developed and combined into concepts that are relevant, intelligent and innovative. Generating ideas requires professional creativity in finding the right people, and an inspiring environment to create a huge amount

of ideas for future solutions, concepts, experiences, interfaces and processes in creative workshops. (Moritz 2005, 133-135, 155.)

Co-creative methods fuel inspiration and service ideation: in co-design, users, experts and other actors from different fields are being engaged in the diverse service ideation as a heterogeneous stakeholder group. Co-design also supports a sense of co-ownership for the further development among potential service system actors or service value network (Miettinen 2009, 11; Mager 2009, 38; Koivisto 2007, 70; Vaajakallio & Mattelmäki 2011, 77, 79; Stickdorn 2012b, 38-39). Therefore, the real 'DSS' ideation was culminated in a multidisciplinary service design workshop in early October, 2011, when 14 participants (incl. experts on music, marketing, mobility, social media, books, technology, journalism, events, new entrepreneurs etc., see Attachment 4) and four (4) facilitators were invited to spend (4) hours with the research topic. The workshop consisted partly of people who were involved in the project before, but mostly of people who were not engaged in the project previously but were potential actors in the future value network for book industry.

Figure 18: Service design workshop based on personas and storytelling games

By basing their actions on the concept idea of 'DSS' and especially by familiarizing themselves with three (3) different author personas (see Attachment 8), each of the three (3) groups completed a set of exercises according to persona brainstorming (Curedale 2013, 303). An effective brainstorming session should be a safe place for people to share all kinds of ideas because sometimes the silliest ideas lead to the most powerful ideas. The participant groups had two targets: firstly, to generate ideas through divergent thinking (generating options) and

secondly, to converge and co-design solutions based on the persona understanding (making choices by evaluating and building synthesis) where the latter is more crucial than generating information from different perspectives. (Brown 2009, 67, 69; Gharajedaghi 2010, 108; Van Dijk et al. 2012, 180-181; Goodwin 2009, 308; Polaine et al. 2013, 60.)

Exercises resembled the storytelling game: participant groups discussed their own persona by changing perspectives each round and continuously recorded ideas (see Attachment 9). For instance, the "brainwriting" exercise aimed at spontaneous first ideas whereas "what if" situations and probe-like tasks were used to inspire thinking and to get rid of real world limitations (Van Dijk et al. 2012, 182-183, 202-203; Polaine et al. 2013, 60, 62; Vaajakallio 2012, 158; Miettinen & Koivisto 2009, 24; Miettinen 2011, 94-96,149; Dyer et al. 2011, 77-78; Silverstein et al. 2009, 111-113; Osterwalder & Pigneur 2010, 140-141; Gray et al. 2010, 82-83).

The workshop ended with three stories: each team presented a selected an approach for their writer persona including a name, goals, challenges and moreover, prioritized solutions which they ranked according to author, reader and business potential (ref. Gray et al. 2010, 67-68). Each presentation was recorded for further perusal and analysis, and materials from the groups were gathered and analyzed with the help of facilitators (ref. Polaine et al. 2013, 62). The workshop was successful from the point-of-view of the research and project goal: it challenged the personas and yet proved them to be emotional and thus, inspiring (*"I don't like this writer persona at all! Why does he think like that?"*, Participant, WP 13), and further, the personas proved to be actionable and resulted in both surprising and convincing service ideas in the spirit of a lively discussion. An additional step could have been to arrange a persona validation workshop with stakeholders and participants (ref. Goodwin 2009, 292). Though the personas were introduced to stakeholders, there was no time for a systematic review of the personas. Nevertheless, modeling personas was one of the key success factors and tools in the 'DSS' design process.

5.2.5 Step Five: Patterning & Designing

The final step of the 'DSS' design process focused on the key deliverables that the project aimed to capture and present for the Next Media stakeholders on the 14th of December, 2011: 1) Key actors of the 'DSS', 2) a purpose, value propositions and examples of service ideas that the 'DSS' can offer its key actors, and 3) strategic guidelines for 'DSS'. Related tasks were supported by primary data, secondary data and grounded theory principle of "everything is data": that is, the analysis takes advantage of all information and experiences available, not just what is said in interviews or surveys (Glaser & Strauss 1999, 6, 252). The following tasks were performed:

- Three different reader profiles were identified based on reading survey input and secondary data sources about reading cultures. The process followed persona creation methods discussed in the previous stage (Step Four: Modeling & Ideating).
- The expert interviews and insights into existing knowledge of future concepts of reading were processes into three different alternatives of the digital book. This required "pattern experience", a form of intuition when a practiced mind can spot patterns and understand their implications (ref. Richardson 2010, 200-201)
- A synthesis and a framework around the different author, reader and story format was created by utilising a comparison between groups and comparative studies of groups based on previous knowledge and secondary research (ref. Glaser & Strauss 1999, 21-22, 25, 47-48). Further, the design guidelines created in the first stage of the process (Step One: Framing & Investigating) directed the creation of mental models in the framework (in terms of value for the community and motivation for staying in the community). Again, patterns and mental models we identified.
- Value propositions and service ideas for the 'DSS' interface were identified and created. The following chapters focus on this specific task and describe the process from data to service ideas and value propositions.

Qualitative content analysis is one of the classical procedures for analyzing and reducing material, and for identifying recurring patterns and themes from the data (Flick 2002, 190; Rogers et al. 2007, 373). The essential features of qualitative content analysis are coding and categories. Coding is used to categorize, reduce and organize each comment, idea and note. As discussed earlier with persona creation, the categorizing process is both deductive and inductive in nature, and the codes are likely to reflect the original research questions. The researcher should take advantage of various analytical approaches and spend plenty of time with the data in order to find a reliable categorization scheme so that the analysis can be replicated (Flick 2002, 190; Goodwin 2009, 128, 201, 207, 209; Rogers et al. 2007, 378).

In the final stage of the 'DSS' research and design process, the primary data was gathered in stakeholder discussions, author and blogger discussions, expert discussions, reading diaries and finally, in the persona workshop described in the previous stage. In order to capture all ideas from the data, every data entry was coded into Post-it note (see Figure 19). There were data entries that had multiple meanings (e.g. they provided input for both author persona and for the service ideas) and were therefore replicated. The coding also distributed ideas for different actors: authors, readers, business users, existing value chain members, future value network members and readership community owners. An affinity diagram leveraged thinking from individual cases to cross-case view and connects themes coming through from the data. Therefore, Post-it notes were coded, clustered (affinity), categorized (taxonomy), and finally filtered: more weight was put on the ideas that came from the persona workshop and those

supporting the key customer (=literary author) and the 'DSS' mission. The categories were tested by reorganizing data based on new relationships between and among themes, but the original service idea targeted coding, affinity clusters and categories seemed to be effective. (Goodwin 2009, 215-216; Evenson 2011, 69-70.)

Figure 19: Affinities and categories

"Concept Design / Explaining" (Moritz 2005 /see Figure 13) is also about translating initial ideas, concepts and solutions in a more tangible and understandable format (e.g. sketches, mock-ups, scenarios, models, videos, role play) that can also be shared outside the core design team. Potential service concepts need to be forward-looking, justified, and relevant, and they need to present customer value and benefits as well as business potential in terms of related solutions and business models. (Moritz 2005, 140-143, 155; Miettinen 2011, 119; Tuulaniemi 2011, 106.) The "Concept Design / Filtering" (Moritz 2005 /see Figure 13) selects the best ideas and takes them further to the designing and realizing phases. Key experts and decision makers reflect the design guidelines from the earlier stage and utilize specific criteria for ranking the ideas, for instance 1) feasibility: what is functionally possible with in the foreseeable future, 2) viability: what is likely to become part of a sustainable business model, and 3) desirability: what makes sense to people and for people. (Moritz 2005, 136-139, 155; Brown 2009, 18.)

Here, it has to be emphasized that by deciding between the service concepts, companies are making a strategically important decision. Meroni & Sangiorgi (2011, 28, 156-157) write: *"Services are used as tangible manifestations of wider and systemic transformation"* and further, *"innovation gives design a purpose and is measurable by value propositions"* (Hsu 2009, 19). Therefore, the final step in the study overall was to describe the different key users of 'DSS' (authors and readers), to illustrate forms of e-reading and so-called enhanced e-books as well as visualize service ideas and explain resulting value propositions around the business concept and the mission of 'DSS'. By understanding the resulted service ecology elements around the readership community, the final analysis concentrated on the requirements that the community with its value propositions holds. The outcome of the analysis was a model based on the study outcomes and a desk study which explains the strategic assets needed for business transformation towards the digital era.

6   Outcomes – 'Digital Service Space'

This chapter focuses on the objectives of the study: 1) to create and contribute to a new vision of the book industry by innovating new value (co-)creating services and identifying business opportunities in the digital context, and 2) to create and contribute to a new vision of the book industry by identifying the strategic business assets for the digital era transformation that the previous item 1 outcomes and vision require. Further, the objectives are being approached by responding to the related research questions (as specified in Chapter 2).

6.1   Strategic Guidelines and the Mission

The first research question addressed "What is the purpose and the target of the 'DSS' readership community and how does it contribute to the new vision of book industry?". The question is responded by using the concepts of "design guidelines" and "mission", both of which direct the design of new value generating services. The creation of design guidelines was heavily based on technology and consumer trends in the digital age (chapter 1) and expert research (chapter 5). The second key source of design guidelines was stakeholders (discussions and Next Media seminars in 2011 and 2012) and literature review on the development and challenges of book business as well as creative economy (chapters 1 & 3). There are plenty of consumer and technology oriented trends that are likely to affect the future of the digital book and consequently, the development of 'DSS'. Key elements are already mentioned in the project name: Digitization ("Digital") and Servitization ("Service") of business and blurring concepts of place and space ("Space") due to technological development. In the digital era, communities and space have increasing influence (the so-called cyperspace paradigm) not only on how people communicate but how we act in general and how our perceptions change when the internet and technology converge in our minds (Paavonheimo 2006, 34; Lankinen 2007, 132).

The design guidelines for creating 'DSS' specific offering ideas were heavily trends and future oriented for multiple reasons: 1) many development projects in the Next Media eReading programme were already taking place in order to improve the existing (ref. incremental innovation) and therefore, there was a lack of a more innovative approach that design thinking and service design could provide, 2) when business is in transition, the decision makers usually look for short-term and medium-term quick wins and neglect the strategic vision work, and 3) one of the similarities between futures thinking and design thinking is their target to create alternatives and options for decision making, which seemed to be well received among existing book publishing value chain actors: *We truly need more people with creative yet tangible ideas."* (Stakeholder, 18.10.2011).

The four guidelines presented below not only served the 'DSS' design but also proved to be strategic ones: inspirational statements that stakeholders considered as thought-provoking sources towards a new vision of the book industry.

- **From digital to mobile interactions.** The business is not only turning into digital space but it is going to be mobile, too. The biggest potential from the consumer's point-of-view is the location-based services approach, providing them with more meaningful and contextual offerings and value in the communities and tribes they are part of. From the business point-of-view, this is the discussion regarding "big data": capturing user data, making sense of it, and providing new service experiences. In order to capture data – to listen, that is - companies need to engage in conversations. Further, mobility and communities mean more non-linear and discontinuous "on the go" practices (ref. web browsing) than linear and static presence (ref. printed book reading). Hence, mobile services and communities need to encourage and invite users to revisit and spend time with the offerings in simple and effortless ways.

- **From contradistinction to co-existence.** The digitization and servitization of business has led to the big question of "the future of the traditional printed book". However, the research quickly indicated two promising aspects of relevant co-existence: reading, with its long history, is in transition with the paradoxical existence of both fast and slow media. Further, the value of reading attempts to reclaim nostalgia and simultaneously yearns for innovation. Moreover, there needs to be an understanding and acceptance of the co-existence of different generations and thus, of different reading cultures. Therefore, a design thinking attitude of "both - and" (vs. "either - or") applies in the study and vision of 'DSS'.

- **From book production to story optimization.** Book business is in storytelling business. Rethinking the product, the traditional book, by transforming it into digital content elements provides an opportunity to rethink its channels, delivery and total experience. This means, for instance, that the story, its originator and its characters can be productized and servitized into modular elements which create the total experience. In other words, by freeing the story from its format and exploring it from multiple perspectives provides an opportunity to prolong its lifecycle, to discover new means for marketing as well as consider related price tags – all of which represent the current top challenges in existing value chain of actors.

- **From value chain to value networks and service systems.** In order to advance as forerunners, book industry operators need to move from collaboration improvement

and servitization to "new creative economy" and "systems thinking": in other words, co-creation of new value among ecology of partners in the context of multiple service systems. The change in the roles of the service provider and the customer in particular is crucial, and it was a big revelation for many stakeholders: organizations bring value to people's lives by understanding and supporting their processes and enabling them to co-create value. In a similar way, brands should be equal members of people-created or co-created communities with a strong purpose. These communities and purpose-oriented networks (swarms) will be the biggest asset for rapid innovation and for building sustainable service systems together with the best experts, entrepreneurs, companies and consumers.

The value and practices of reading (Chapter 3) and social media thinking provided the biggest input for creating a mission and a purpose for 'DSS'. The focus here was on how to create influential, lively, trustworthy and value-increasing space for authors and readers, which is not only based on best sellers, recommendations and big-scale offerings (Amazon.com). The answer was to consider what Dust & Prokopoff (2010, 209-211) suggest as an experience-driven (as opposed to a purchase-driven) approach: 1) design for people, not parts of the system, 2) consider the whole ecosystem stickiness, and 3) convince people to give back to the system. Therefore, 'DSS' wants to be seen as an ongoing book exhibition full of surprises and serendipity, rather than a purchase-oriented online shopping experience (ref. Ekholm & Repo 2010, 102, 105, 161). 'DSS' wants to inspire tribal behavior and does not only include writers, stories and readers but also the characters of the stories for them to meet, interact and co-create with. Its biggest vision is to "support and enable writers and readers to evolve" and it wishes to provide "services with a personal touch" that bring writers closer to their readers. Hence, the purpose and mission of 'DSS' is described as follows (see Figure 20):

Digital Service Space
A readership community and ongoing exhibition embracing new **E**ncounters and rich **E**xperiences

..through **E**nchanting stories and characters,

..through features of **E**xpress service and delight,

..through enabling different paths to **E**volve,

and with a placeholder for **E**nticing serendipity!

Figure 20: The purpose and mission of 'DSS'

6.2   Profiles and Paths

The second research question was about key actors of the 'DSS': what kind of authors, readers and stories benefit from and interact in the 'DSS' now and in the future? In order to propose new value generating services to support the mission of 'DSS', different authors (in this case, storytellers) and readers as well as digital content types were identified (see Figure 21). Materialized storyteller profiles include insights gathered from the stakeholder discussions, author and blogger discussions, desk research, personas and persona workshop. Reader profiles are based on desk research around reading practices and cultures as well as the reading diary study. Digital content types were created based on expert interviews, extensive desk research and previous knowledge.
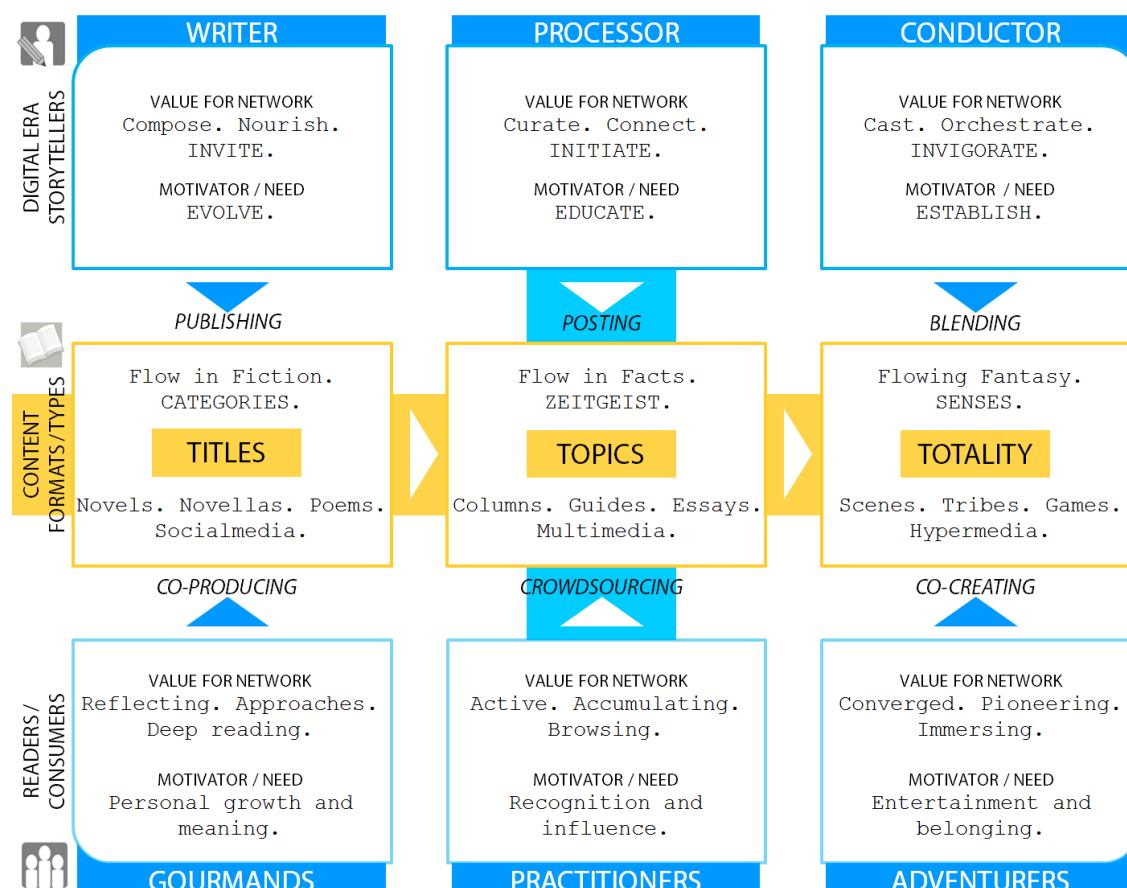
Figure 21: 'DSS' Profiles and Paths Framework

In addition to profiling different storytellers and readers, the illustration in Figure 21 highlights their different "motivations and needs" as well as their "value or contribution" to 'DSS' readership community. The evolution aspect in the illustration is created strongly based on digital content types development (from "social media" to "multimedia" and to "hypermedia"), evolving e-reading concepts, and generations approach, where all profiles

have their distinctive experience but are still present in our society both simultaneously and consecutively (e.g. Matikainen 2011, 8). The study indicates that there is more and more representation in the next generation profiles (towards the right-hand side of the framework). Today, the most rapid growth occurs with "Processors" and "Practitioners" who are skilful and active in creating relevant and topical digital stories (incl. bloggers).

It has to be noted that the illustration in Figure 21 does not make a distinction between fiction and non-fiction specific data but holds both categories in each profile and content type. It was concluded in the study that, for example, hypermedia seems to support rich and multilayered stories such as fantasy, but it has strong potential in learning and education as well. Overall, it was found out in the study that it is hard to dissect the converging categories of fiction and non-fiction. First of all, as one of the experts (E10 / see Attachment 4) stated, *"Fiction is needed in non-fiction as creative ingredient to engage the reader with the information, and facts are needed in fiction if the storyteller wants to create a believable story"*. Further, there are categories that combine both fiction and non-fiction: travel books, memoires, tales inspired by history, and different lifestyle and hobby books (Hiidenmaa 2006, 220). In fact, the words "novel" and "news" share the same roots in the Latin word "novus" (meaning "new") (Lehtonen 2006, 245). However, the contemporary tendency among (print) professionals seems to be to clearly separate non-fiction from fiction, because the content update needs, motives, critique and audiences are different (Jussila 2006, 141; Hypén 2007, 107). In digital context, category lines continue to evolve and blur.

6.2.1 Digital Era Storyteller Profiles

According to Hypén (2002, 30), the Finnish tradition recognizes two types of literary author. The first one, from the 19th century onwards, has been a romantic artist who reflects the national, common experience. Hannu Kankaanpää (2007, 40), a Finnish poet, writes: *"I'm not an industrial text producer but a word artisan"* and further, *"I sort of write to myself."* With the advent of profit-oriented publishing and free pricing in the 1970's, there was a pre-state of the second author type in Finland, a "branded author" (Niemi 2007, 14). But at the end of the the 20th century the media started to heavily influence literary authors and thus created "media authors" (Hypén 2002, 33, 40; Niemi 2007, 13-14). Indeed, the media started to serve the postmodern celebration of celebrity: celebrities writing books, authors becoming famous, and show business-style competitions such as Literary Death Matches (Brown 2006, 7; Literary Death Match 2013). Authors can be divided into two types of celebrity: the traditional figure of the hero who is favored for his works (big person), and the contemporary celebrity who is being read about because of his personality (big name) (Boorstin 1992, 57-58, 61, 162; Linko 2010, 66-67). Today, the contemporary roles of literary authors hold both cultural and commercial types: they are cultural producers and social commentators as well as brands that

need to understand their target groups and thus face commercial realities of the publishing industry (O'Reilly 2006, 73-74, 77; Makkonen 2006, 150).

6.2.1.1 "Writers"

In Figure 21, "storytellers" is used as the generic term for "literary authors" in order to highlight the digital age and its democratizing effect: authorized authors are not the only ones getting publicity, all sorts of storytellers can gain attention and social capital. "Writers" are close to "branded authors" discussed earlier. They are the ones who have taken or are willing to take the contemporary route to book publishing in order to build their brand and status as professional and acknowledged authors in the eyes of their "Gourmand" audience (discussed in the next chapter). In other words, these novelists first consider themselves as literary authors and focus on their next "Big Bang Book", even though they have other projects going on as well. "Writers" tend to work without the benefit of market research or a sense of their target audience and thus write for themselves. The most important connection for the "Writer" is his editor whom they hold in high regard and with whom they want to sustain a long-term relationship, because they understand that passion can overcome inexperience when it comes to talented editors (O'Reilly 2006, 74; Owsinski 2009, 36; Koistinen 2007, 54).

In the digital era, "Writers" with a brand and with value networks of their own are able to manage the whole production chain under their entrepreneurial control. They also have their own agent in the value network to manage the broadening market spectrum and working space (Ekholm & Repo 2010, 142-143). However, having self-standing power in the digital era, "Writers" need to examine themselves as "writers when anyone can be a writer" - in the same way that professional photographers do. The challenge and opportunity with "Writers" is to realize the power of their brand, not only by publishing "Titles" but also by delivering unique, personal and surprising stories and further, to raise awareness of the digital space by providing surprising, meaningful and niche experiences through tribal means (Dixon 2007, 153).They also have the greatest influence on nourishing the reading culture that they believe in by, for instance, co-producing stories together with book lovers who both consume and consummate literature. This requires "Writers" to get out of their own personal writing space. Having said that, "Writers" get a strong inspiration and motivation by *"writing more and writing more"* (Author A6).

Both known and unknown "Writers" have a strong motivation to evolve: *"to find their own recognizable style and tonality in the stories"* (Author A6). "Writers" who still have to work on raising awareness of their brand try to avoid getting a grey literature label on their stories. Hence, they are *"eager to understand and realize all the possibilities of the digital space and*

the attention economy" (Author A4). Although "Writers" realize the potential, and some are able make it happen, their motivation and ultimate goals relate to self-development: to publish better books than the previous ones. *"The easiest and the most economical way is not what I want: I want to create new things"* (Hämäläinen 2012).

See also Attachment 8: THE_STORYTELLER.

6.2.1.2   "Processors"

The "Processors" (see Figure 21) are motivated by the message they want to share with their audience - with other "Practitioners" whom they consider their evolving peer group. They are not that interested in which category they are in and what that category means (as opposed to "Writers") but they use fiction and non-fiction, and they mix categories in order to release "Continuous Creations" about topical matters (Topics in Zeitgeist). Therefore, "Processors" consider their outcomes as short stories, essays and stories on topics that matter. They want to *"examine the prevailing time through snapshots and phenomena"* (Author A8), discuss the topic through a narrative and guide people through it - and perhaps *"solve things or bring up new and fresh approaches"* (Author A9).

Writing as such is a means to do more. *"A published book is an excellent way to get new projects and consultation requests"* (Author A10; also Anderson 2010, 159). "Processors" are like project managers in their writing activities: they connect with a lot of sources in order to build their stories, and at the same time, these digital natives *"continuously post things in social media"* (Author, A8) in order to tell people about their latest projects and inspiring topics in order to seize more opportunities to work on (Watson 2010, 13). Hence, "Processors" are experts on multitasking. They are curators who make initiations in their networks and quickly manage and crowdsource big amounts of information into a compelling story. They can manage several story lines and networks simultaneously with other projects and feel that *"a variety of actions supports their creative process rather than disturbs it"* (Author A5).

"Processors" can be professors or hobbyists: they are audience sensitive - they connect stories and people - and although "Processors" ignore categories, they are keen on utilizing the right channels and formats for their stories. Therefore, they do not prefer just one format but they want to utilize all there is in order to wrap up and deliver the story. Basically, they are frustrated by the amount of opportunities: if they process stories for their audience, who would evaluate the quality and the importance of past and future stories? "Processors" would like to find their own gurus and heroes in the sea of storytellers and thus *"get feedback from those who matter most"* (Blogger B11).

See also Attachment 8: TEXT_PRODUCER. This profile was heavily based on Bloggers B11 / B12 and Authors A8 / A10 (see Attachment 4).

6.2.1.3   "Conductors"

The third and final storyteller profile is the one that is likely to grow with Generation Y (people born between 1980 and 1999) (e.g. Watson 2010, 13) who share an experimental mindset and find means to operate in a creative economy. These storytellers are called "Conductors" (see Figure 21). They orchestrate and invigorate story production with the help of their swarms and tribes. They seek high levels of participation from the free flow and exchange creative ideas and search for new capabilities to do things they were not able to do before. Moreover, "Conductors" embrace self-expression, the reality of mutability and hybrid approaches. (Neal & Jaggars 2010, 55-56.)

"Conductors" consider themselves more like story artists, directors, and designers than authors or writers as such, because they feel they are co-creating narrative experience spaces together with other "Adventurers" out there. Stories are "Totalities", "Never-Ending stories". "Conductors" are post-modern hyper-realities themselves: they do not ask who they are but *"which combination of my selves am I today and what is it that makes me that"* (Barney 2004, 18).

With the help of hypermedia, gaming and ambient design "Conductors" create means for the reader to both experience and influence the story and its space. They establish the story and its script and yet, simultaneously free the story from its linear and one option path by blending all the options there are - and let their audience create more. Therefore, the reader does not only experience the story but immerses himself in it and co-creates it together with other visitors of the story space. "Conductors" want the story to be experienced with all senses and make the omnipresence of other people real. Their ultimate goal is to establish and reconnect the deep reading experience in virtual spaces, where stories are not bodies of text, movies or games, but something they cannot think of in ready-made "words" but rather in evolving and co-created "worlds".

See also Attachment 8: SECOND_REALITY_ARTIST. This profile was heavily based on Author A3 (see Attachment 4).

6.2.2   Reader Profiles

The reader profiles in the Figure 21 are "Gourmands", "Practitioners" and "Adventurers". The insights into "Gourmands" are strongly based on the reading diary survey and the desk research while the "Practitioners" profile is based on blogging and blogger insights, the non-fiction category, and target-oriented and extensive reading cultures. Further, "Adventurers" have insights into gaming, interaction design and e-reading practices.

6.2.2.1   "Gourmands"

Miettunen (2010, 42) estimates that working women, who are active readers - and as pointed out earlier, active social media users - are likely to become the most potential group for e-books. Further, the majority of the first reader profile called "Gourmands" represent women who took part in the reading diary survey. They are deep and intensive readers who give a strong meaning to the reading and the time spent on reading. Those who read constantly *("I always have a pile of unread books – without it I feel a bit anxious"* – Reader R8) seems to appreciate her personal reading space, and those who read as much as she does can truly concentrate on the story and have a lot to share about it *("The book reminds me of every story I've encountered on the topic of immigrants.",* Reader R10).

"Gourmands" are the ones who compare what they read with their own life experiences and meaning systems. They are delighted to look at life from different points-of-view in order to realize meanings in their own lives and in their identities *("How lucky I am to be a woman living in Finland!"* - Reader R5). For them, literature and text is therefore highly interactive (Paavonheimo 2006, 125, 131). For instance, one of the common topics among the reading diary study participants was people living outside their homeland, culture or comfort zone. Understanding other cultures and people through stories seemed to evoke strong emotions, empathy (*"The book evoked anger because of the inequality"* - Reader R1), inspiration and respect among readers who would love to read about similar experiences, discuss the book, and discover more.

"Gourmands" have a specific taste in books and yet give new titles and authors a chance if they are inspired by the story (*"Now I want to Google the places to go and look for books about Berlin on Amazon",* Reader R4). They also have a strong need to share their reactions and experiences with other people and to recommend a book to someone they know ("*I can recommend this book to my friend because it is an unconventional memoire"* - Reader R11). "Gourmands" want to take care of the best books and the most meaningful stories by keeping them alive. That is, by also following the storylines in other formats than books. "Gourmands" are demanding readers and continuously balance between their expectations:

"This writer has always been very good at reflecting and understanding human relationships" (Reader R7). / *"I truly hope that the other books by this author are not as 'light' as this one"* (Reader R9).

6.2.2.2 "Practitioners"

The second profile of readers is "Practitioners" who are active, target-oriented and thus extensive readers (Paavonheimo 2006, 114-116). They browse all kinds of stories and sources concerning their topics of interest and through people and communities they are connected with. "Practitioners" do not consider reading as an invisible practice and they do not want to stay a grey mass of readers. Instead, they want to be recognized as educated readers *("I contacted authors and pointed out an error in the concept that they had presented"* - Reader R9) and to make sure they have made the right conclusions *("I want to hear that I have understood everything correctly."* - Reader R9).

If the traditional library culture has served modern customers who admire organized and trustworthy information, "Practitioners" are part of the hyperlink culture who want to create multiple associations and multidisciplinary approaches to build broad connections (Paavonheimo 2006, 37-38) supported by their multitasking and parallel processing skills (Watson 2010, 20). What "Practitioners" want from a story is quality, which they easily spot: well-written, clever, useful and successful blogs are as important as other written media including books, magazines or articles. Even today, "a branded blogger" can have more readers than a "Writer" with a brand. Reader engagement and reader influence will evolve, and the blurring role differentiation between writers and readers is not an issue for "Practitioners"; they are more interested in what is being created and funded together.

A UK-based think-tank defines Generation Y as those who *"want it all and expect to get it now"* (Watson 2010, 13). The "Practitioners" can change their position from readers to writers in the digital era (Niemi 2007, 22). Hence, they can be part of producing crowdsourced literature, engage with "Conductors" in co-creative projects, and become "Processors" themselves - or even self-standing "Writers". The traffic from reader to writer position will increase especially with this profile, because they have the bold Millennial generation spirit: to become a writer is possible with the help of social capital, which only accumulates when you are active and give back to the communities.

6.2.2.3 "Adventurers"

"Adventurers" - the third and final reader group in Figure 21 - want to co-experience and co-create things with their tribe. Millennials and the next generations have technology deeply

embedded in their lives (Watson 2010, 28; Law 2010, 3): The places become spaces when the virtual world and the real world are regarded as one. Hence, "Adventurers" do not thinks in terms of virtual versus physical, since the words converge in their minds.

"Adventurers" have a low threshold for testing and trying out new things – they want to be pioneers and co-create new experiences for their community or tribe that they are keen on. They have a strong sense of belonging and commitment in the worlds they choose to be part of, but they are demanding and expect stimuli and inspiration from the members of the community and rapid development and new experiences from the ecosystems.

"Adventurers" do not categorize things. Learning is also regarded as entertainment (edutainment) since it happens through gaming and sensorial, ambient experiences. "Adventurers" prefer the abstract, art and visual inspiration: indeed, in the future people's interaction with technology is likely to be predominantly oral and visual when people ask questions, and technology will answer (Watson 2010, 22). Surely "Adventurers" *"will listen to literature and watch books"* (Watson 2010, 22), but they also take the position of experiencing the "Totality" of the story by immersing themselves in it many times and always with a new approach, with their own control over the storyline and with a co-created experience.

6.2.3   Future Paths for the Enhanced Book

In Figure 21 there are content formats and related evolution paths illustrated with "Titles" (social media), "Topics" (multimedia) and "Totality" (hypermedia). This chapter discusses the different paths to the future of reading in the digital context. Hence, it presents three approaches towards enhancing the e-book and thus enriching the reading experience: 1) layered book, 2) co-created story, and 3) hypermedia path (see also Attachment 10).

6.2.3.1   "Layered Book"

Bloomsbury Academic has been developing a subscription model for an "enhanced" e-book following the "Economics of Free" thinking: the e-book takes the core content of the book (core service) and adds additional functionalities and content (peripheral services) on top of it (Pinter 2010, 96). In this study, the equivalent approach is called a "layered book" (see Attachment 10; Figure 22). In other words, the reader can find more about the story by acquiring new layers of features and content while reading the story. The layers can be storyteller originated, reader originated, business originated, and moreover, co-created.

For instance, "Facts in Fiction" (see Figure 22) services support the reading experience by providing background information for the reader. Thus, the reader can find expert and reader marginalia notes and add his own annotations (Kaivola & Löytönen 2006, 94; Borgerson & Schroeder 2006, 46, 51). This is also a cumulative reading practice where each new reader adds a layer into the book. Critique can also be brought closer to the book and the readership: peer group review, topical review or article, and background research help the reader to reflect and evaluate the reading experience (Rydman 2006, 196-197).
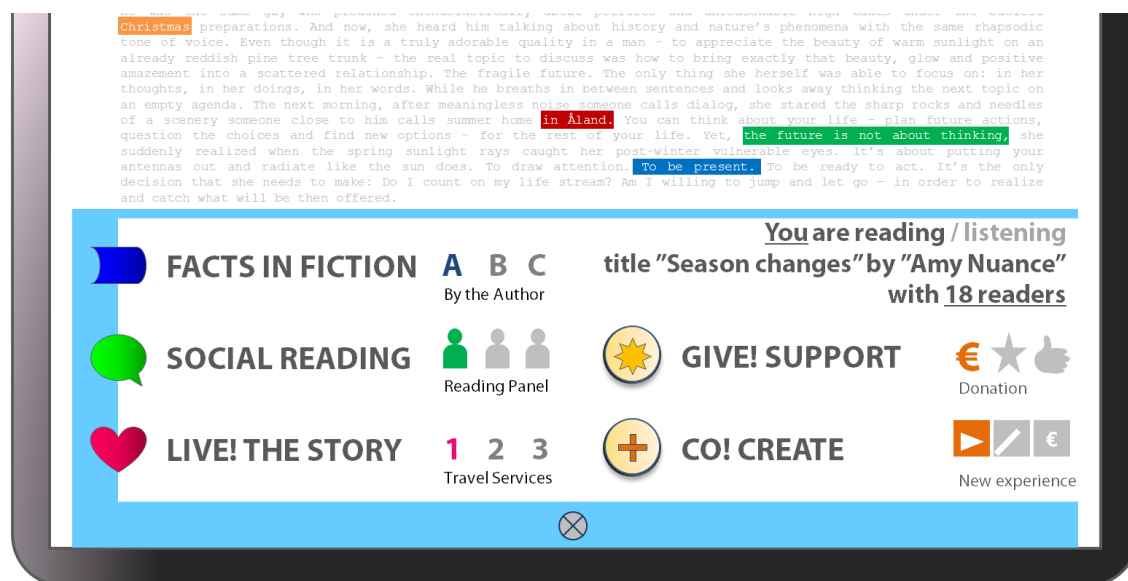

Figure 22: Enhanced e-book and enriched reading concept sketch

The "Social Reading" services (see Figure 22) bring their own reading panel or a professional reading panel together to discuss the meaning of the book and to share experiences of it. The omnipresence of other readers is real-time. The reader can basically read a book just as the other person experiences it. Storytellers, too, are very interested in the comments and feedback their stories get: the Finnish author Paula Havaste (2006, 236) states that her favorite kind of commentary is constructive and something that the reader is willing to elaborate, whether he or she likes or dislikes something in the story (and not the writer of the story).

To "Live the Story" (see Figure 22) means choosing listening instead of reading, or choosing a shorter version of the story with more illustrations and browsing compared to the long version based on the original text and deep reading (ref. Paavonheimo 2006, 122). This supports the different reader generations. Readers can also go to locations where the story takes place – through the screen or with the help of travel agencies (Qualman 2011, 114). Creating different versions of the story can be as comprehensive as writing the Bible: the Extreme

Teen Bible, a comic-based Bible, a Cosmopolitan-type magazine with a New Testament serial and a "What Would Jesus Eat?" cookbook, to mention a few (Belk 2006, 24, 26-27).

There is an opportunity to create a broad service package for each story with multiple layers including storytellers, readers, characters, groups, new chapters, edits, related stories, sensorial elements, services, locations, experiences, things, categories, themes, and more. The more social tags and layers the story has, the more it is connected to networks: operators, readers, contents, functionalities and interaction between them. User-generated tagging (folksonomy) and social reading practices help people to find new stories and service providers and to make sense of converging content categories where facts and fiction, biographies and politics, poetry and fantasy, thriller and science can all blur.

As Drummond (2006, 65) and readers in the 'DSS' study explain, if readers are truly inspired by a book, they also want other books and other stuff that relate to the story. This happened to the phenomenal *Da Vinci Code* and its sequels, *Cracking The Da Vinci Code* and *Decoding The Da Vinci Code*. Further, it is not only other books that can be linked to the stories but also news, articles and columns, and the other way around: when something crucial happens in the world, the layered and networked story platform gathers and connects all relevant content modules together from multiple sources to cover the depth and breadth of the event and related stories. According to Schultz Nybacka (2011, 72), not only do we need to understand how readers seek new texts but also *"how texts seek out new readers"*. This goes beyond setting up a website for all there is to know about Harry Potter (Pottermore.com) towards enabling serendipitous experiences.

To support multiple ways for readers to encounter new stories, the search criteria in the digital space should follow the same diversity. The search could be enhanced by personalized and inspiring editorial themes (see Attachment 11) and by how stories and books are being evaluated. For instance, professionals evaluate the approach and value of the story (e.g. topicality and novelty, Rydman 2006, 197) and readers evaluate their reading experience including what they expected of the experience and how it turned out to be. For instance, the reading diary study participants included their mood (should I read this now or later), the challenge (how difficult or demanding the topic of the book is), previous experiences (what the reader already knows or assumes about the book and what his networks are reading), and results (new points-of-view, supportive thoughts etc.) in their evaluation of the reading experience. Categorizing books according to mood could reflect the metaphor of a doctor's prescription: in Finnish health care, cultural prescriptions have been tested to replace medical treatment with cultural activities (Turku 2011, 2013).

6.2.3.2 "Co-created Story"

The second approach towards enriched reading is the development from social reading to "co-created story" (see Attachment 10). If service providers take the enabling logic and build collaborative platforms, the whole process of storytelling can be done in virtual space. This means that different phases of the cultural, creative and commercial process of storytelling (from funding to story lifecycle management) can be orchestrated and produced together with different networks and related expertise in the digital space.

Existing authors enjoy co-writing projects together with their peers. This collaboration can be initiated "*either by surprising encounters or by joint research and analysis of the title portfolio together with publishers and peers*" (Author A8). However, readers, too, can suggest, vote for and support their favorite authors, themes and ideas of stories and thus influence the decision making through crowd-funding or with a sincere request.

Further, with enabling logic and co-production platforms, people can also co-create stories by offering their skills and expertise in various phases of the story-creation process (e.g. in marketing, illustration, and translation). This way, the enhanced book is created through the modular content creation approach discussed later in this chapter (see "A platform to manage the story production and brand presence in digital era", Figure 26) and further, co-creation-inspired writing practices and services will be discussed later in this chapter (see "Service Ideas for the Readers and Readership Community", Figure 27).

6.2.3.3 "Hypermedia Path"

The third approach to enriched reading is the "hypermedia path" (see Attachment 10). A central element in the "hypermedia path" is the popular gaming metaphor as well as the converged virtual and physical realities. The web is uniquely suitable as a delivery platform for entertaining and multiplayer online role-playing games (e.g. Second Life) and also to educational "Alternate Reality Games" (ARG's). ARG's are not based on fantasy, but players observe their own surroundings for learning purposes and the experience of the game approaches to ambient design. (Funk 2009, 53; Van Alstyne 2010, 90; Hsu 2009, 166.)

Game planning is a highly multidisciplinary and narrative field where service development, user centric design, marketing, TV and movie scripts, and digital communications intertwine to form a research and business sector of its own (Iljin 2006, 89-90, 93-94). The power of gaming is the participation and influence translated as the reading experience: the reader can reflect the story and experience it together with the group. Simultaneously, the reader and his tribe can compete for or influence the storyline and the final experience of the game.

Interestingly, a similar effect has been found among the social gaming players and book group members: both seem to trigger more emotions compared to single player games or individual reading. (Leino 2006, 319, 322.)

Figure 23: Social learning space concept sketch

In addition to entertainment and learning (see Figure 23) hypermedia can be - and has already been - applied in children's stories. With interactive features, sensorial screens and 3D technologies, children can experience and influence stories in highly engaging and responsive ways by touching, speaking, viewing and operating the device (CNET Reviews 2010). Also, *"when designing digital children's stories, more attention could be paid to parents because they are the ones who read bedtime stories to their kids"* (Author A4).

In hypermedia, the distinctive feature of reading an enhanced book is materialized in ergodic reading: "*the reader is able to choose or create the character that tells and experiences the story*" (Expert E8). Further, the ambient experience is created by services such as Booktrack.com, which creates a soundtrack for stories through melodies and individual sound effects to match specific actions and surroundings in the storyline (Miller 2012, 64). In the future, the sensorial experiences are more focused on location, context and rhythm in order to match the mood and the surroundings of the reader.

The text has a strong placeholder in the hypermedia path, which differentiates it from gaming. Reading - the slow food for brain (ref. Koistinen 2007, 63) - combined with hypermedia experiences enables deep reading in the digital context. Further, combining the gaming-inspired path with the opportunities that, for instance, Kiosked.com, Thinglink.com and Luminate bring transforms everything that the reader sees on the web as something they can instantly buy (Kiosked 2013). The business potential makes the hypermedia path *"very interesting and inspiring in Finnish society that is focused on gaming and reading"* (Expert E12). Consequently, this *"sounds like there's a need for hybrid cultural producers soon"* (Expert E9). Figure 24 illustrates interaction elements in the different story categories.

Figure 24: Hypermedia supports a variety of story categories, creation and instant purchase

6.3   Filtered Value Propositions and Service Ideas

The next research questions was: "what are the value propositions that the 'DSS' readership community can offer its users: authors, readers and businesses? "This question completes the objective of creating a new vision of the book industry by designing co-creative services. The value propositions and service ideas presented in the following three chapters have been

filtered from the total amount of ideas based on their feasibility and support for the 'DSS' mission and community building, their desirability and ability to create new interactions between people and stories, as well as their viability and support to literary authors.

6.3.1   Effective Enablers for Storytellers

Storytellers and contemporary literary authors who cannot realize the potential of the digital networked age, or who can do it but do not have a plan for it are key customers of the suggested value propositions. These writers are mainly in the "Writer" profile (see Figure 21). Also "Processors", first time novelists and those having the digital era skills have a role in the value propositions as idea generators of what to develop next, coaches and mentors *("I wrote in my blog that the ones commenting on my new book in their blogs or web sites will get a free copy of the book – Author A10"*), and challengers. The research highlighted the following key challenge among author participants: how to utilize the digital arena more and to do more with it? *"It is quite understandable that publishers cannot endorse all of us writers in the sales, launches and marketing of books these days. But what can I do on my own to cover the lack of resources? And could we get at least someone in marketing who understands the digital age to guide or train us further?"* (Author A4). The question is about the lack of resources, but more importantly, the challenge stems from the lack of digital age understanding in the existing value chain (Eskelinen 2011, 86, 88). The understanding increases more rapidly outside the current value chain members because of new entrants: media, operator, device and software companies as well as prosumer action (see Figure 25).

Figure 25: The existing value chain actors and new digital players in book business (Edited based on The Finnish Book Publishers Association 2013f; Eskelinen 2011, 86)

Why not enable writers to manage their creative and commercial processes by offering learning programs and developing co-creative tools where they can test and pilot different services? In other words, there is an opportunity for new services to coach the entrepreneurial mindset and train digital competencies. Although there are plenty of open source platforms, free networking and content creation tools, active communities and people with multiple skills who have hesitations in the highly specialized society about making it on their own: *"If you think about it from the quality point-of-view and reflect on your professional moral, one cannot be a publishing editor and a business developer at the same time, even if you are an expert on both areas)"* (Expert E8).

With the rise of self-publishing, the professional publishing houses have focused on their own brand differentiation and the quality of the editorial process (Paavonheimo 2006, 97). For authors, a personal brand is vital (Funk 2009, 6; Brown 2006, 9): according to the conducted research, it is one of the biggest topics, challenges and opportunities. Storytellers need enablers to manage their brand presence in the networked ubiquitous realities. They need to start to engage people in conversations, because the constant flow of information eventually transforms into a narrative which allows readers to get a sense of their lives and who they are (so-called ambient intimacy) (Watson 2010, 7, 14). The more "noise" one makes in the digital space, the more he is able to listen, monitor and discuss. Every storyteller or reader originated post, blog, trailer, column, event, or article accumulates tags and is therefore potential link juice to a storyteller's direction. Online conversations can be monitored with the help of notification dashboards, web analytics and reporting tools illustrating community members, content, traffic, liveliness, interaction and responsiveness (Evans 2002, 90; Metz 2012, 181, 184, 186, 188-189).

In addition to brand presence, storytellers need enablers to manage the story production lifecycle with its modular contents (see Figure 26). They need to manage all and manage one as well as co-create stories with their peers, tribe members and partners. In lifecycle management the "big bang book" represents the "Longplay of books": Longplay.fi is a Finnish service provider that tries to increase the quality of journalism by providing analytical and thorough stories. Hence, storytellers create related modules or self-standing elements in their cultural, creative and commercial production processes. The target is what book industry has managed to do many times before: it has been capable of enhancing the story and building brands (authors) and phenomena (story titles and characters) (Brown 2006, 10). In the digital age readers, too, co-create value for the stories: Harry Potter, Britain's most famous cultural character since The Beatles and James Bond, has inspired theme parties, school plays, tribute web sites, Potter art, video-makers, and fanfiction written by the enthusiastic (Terego & Denim 2006, 147-150).
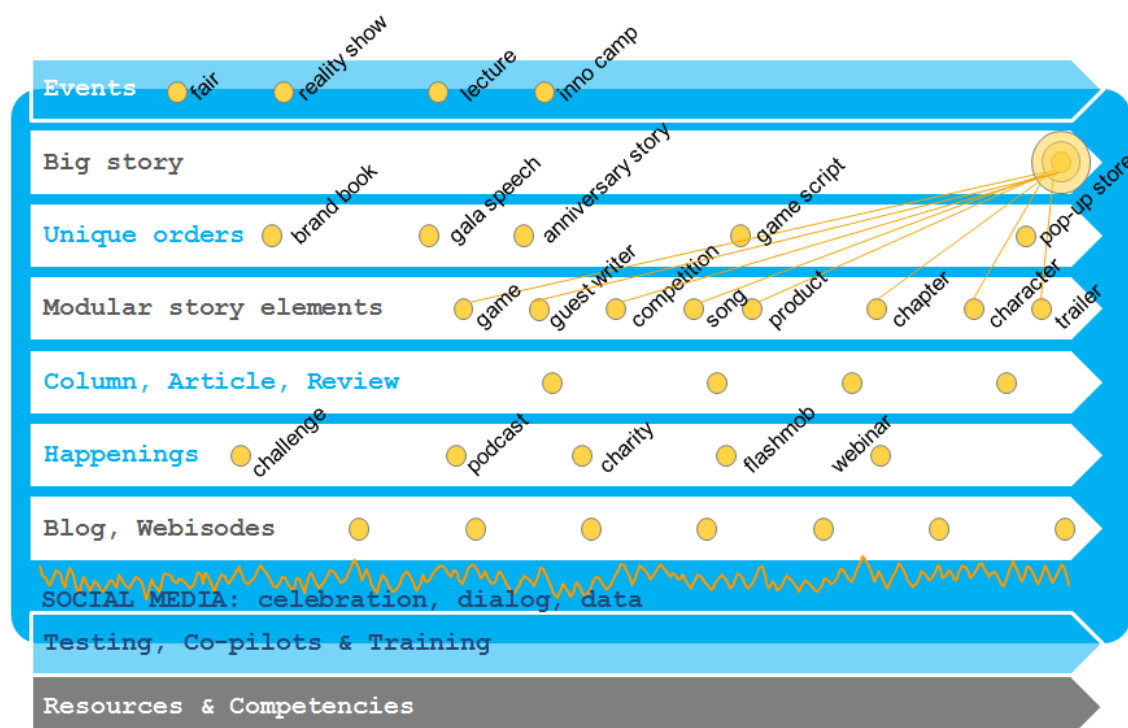
Figure 26: A platform to manage the story production and brand presence in digital era

6.3.2   Service Ideas for Readers and Readership Community

For readers, there are plenty of promising service ideas that highlight especially the creation and co-creation, interaction and influence, exploration and surprises as well as training and evolving writing skills. In the context of 'DSS' a reader can follow characters, stories, storytellers, co-creative projects, locations, events and "things" in the context of enhanced stories and enriched reading experiences. There is not only one community in the 'DSS' but multiple user and business originated communities who benefit from the enabling services of the digital and mobile platform. The 'DSS' service systems support its users to find both familiar and targeted as well as new, very personal and rewarding (sticky) services. The user gains monetary value and social capital by being active in reading, testing, gaming and co-creating.

"Exploration" of the stories (See Figure 27), characters and people follows the idea of the layered networked book with its multiple search criteria including mood, context, and topical contents. Not only does the user find the story, but stories and services are also able to find users through "get me" service: serendipity plays a role in the experience and invites readers to take a look at the interesting, upcoming, popular contents among their peers and

networks. By shaking the device, the user gets new combinations of inspiring proposals by the community and based on the 'DSS' system intelligence.

Physical books and eKiosks can send signals to the user if they are at a nearby location. With augmented reality applications, readers can view the location with their camera and get recommendations of stories related to the place, contents of the image or setting of the place. Moreover, the reading community wants to get people to meet and greet their favorites, potential new favorites and tribe members in different events and trips taking place in a physical and digital context ("time and place"). Therefore, the 'DSS' always combines things, people, locations and time.

Readers can evolve and become storytellers in the community. They can create and publish their own story with the help of "desk" service and additional coaching services. Alternatively, they can propose a story in the "story pool" and if it gets selected by the community, it will be co-created (co-funded and co-produced). Readers can also co-write and co-create stories originated by other community members ("pearls in drawer"/story pool"). Further, community members can train their writer skills and style not only by coaching services by the professionals but also through tasks and services dedicated to a specific style or category ("satire news").

There are multiple ways also to influence the stories and offerings available in the 'DSS'. For example, by simply voting for your own favorites ("jury") and making story proposals. The next level is to attend a "campfire" ideation session together with the selected community members and multidisciplinary team. Further, the users are able to fund promising pilots and projects either by donating or investing money, or by providing other resources (skills, equipment etc.) for the hypermedia productions and their different modular content elements (graphics, music, videos, trailers etc.).

There are also various ways to buy a story. In the 'DSS', the community members can not only make the group buy deals but they can also swap and circulate books ("circle"). They can "pick & mix" their favorite recipes, guides, essays, poems, stories, signatures, and thus create a personalized book with special graphics and covers (do-it-yourself). Furthermore, members can order something completely unique from their favorite storytellers. The metaphors derived from music (e.g. Spotify), standup comedy and SMS stories also triggered an idea about the "story jukebox" and story DJ's who compete for donations, time and creativity to produce high quality and vigorous stories. The gaming and challenge is also present in the "detective" service where chapters can be accessed only if the reader has solved a tricky question, puzzle or even a crime.

Explore, Influence, DIY, Co-create, Meet, Grow

Design your own book incl. stories, images, sounds, covers and unique contents from the authors.
e.g. Designmybooks.com, Blurb.com

Co-create stories with pro-authors and fellow readers - and Co-produce multimedia elements to existing stories.

Vote the next book that will get premium printed, author for upcoming thriller series, character for the memoire...

Explore pilot stories and fund your favorites
e.g. Unbound.co.uk, Kickstarter.com;
Participate in creative camps to process funded stories.

Process short stories that people have left behind.
e.g. Reddit.com, Polyvore.com, Wordpress.com
Share your own story for peers and pro's to process.

Go to events, trips and happenings: within your circles and groups incl. tribe meeting, city games, author and story character meetings... *e.g. Foursquare.com*

Your books, stories, likes, dislikes, wishlist, loans, reading groups, learning groups, recommendations...
e.g. Goodreads.com, Subtext.com, Findings.com, Scribd.com, Delicious.com, Pinterest.com

pICK & mIX
sTORY jUGEBOX
sTORY pOOL
dETECTIVE
jURY
sATIRE nEWS
cAMPFIRE
gET ME
pEARLS dRAWER
eXPLORE
tIME & pLACE
dESK
bOOK SHELF
cIRCLE

Support and fund the best story DJs before time is running out!
e.g. Literarydeathmatch.com, Textnovel.com, Twitter.com

Solve crimes to get keys to the next story chapters and enriched contents.
e.g. Youtube.com/ Tykkikirja

Co-write daily news and train your satire skills.
e.g. Theonion.com, Cheatingu.com/uutissirkus

Serendipity: Let stories find you from nearby eKiosks, flashmobs, pop-upstores... and augmented reality experience.

Filters, preferences, sensorial search.
e.g. IMDb.com, Amazon.com, Bookish.com, Getsatisfaction.com, Abebooks.com/books/weird

Create and self-publish stories.
e.g. Lulu.com, Bookcountry.com
Get peer and pro-author mentoring.

Circulate, swap and give-away books.
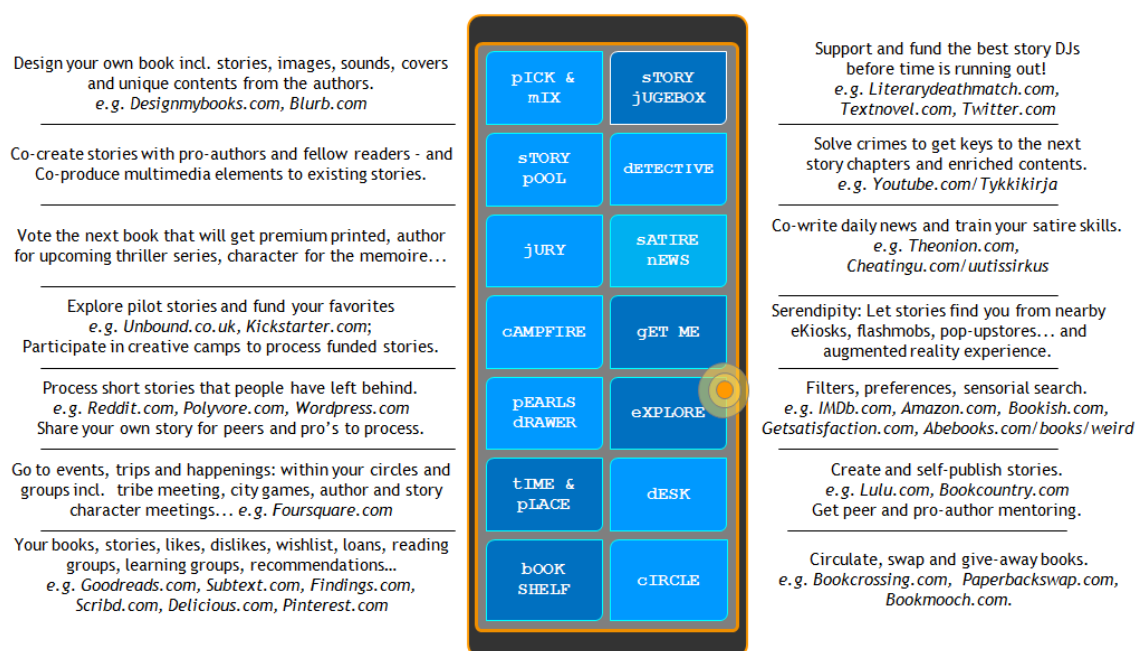*e.g. Bookcrossing.com, Paperbackswap.com, Bookmooch.com.*

Figure 27: Display of services for consumers

6.3.3 Value Propositions and Opportunities for Companies

Professional or talented storytellers are sources for companies in creating emotional, engaging, effective and compelling stories for multiple purposes: to communicate the mission or vision (Kotler et al. 2010, 58), in internal innovation practices or cultural activities (e.g. Karkulehto & Virta 2006, 151). Marketers' and communications professionals' experimental aspirations are therefore very similar to the reading experience where *"readers get caught up in, and carried away by, works of literature"* (Brown 2006, 14). Further, storytellers can be utilized in increasingly complex productions. In gaming, for instance, the storylines, characters and player roles have become complicated and layered: different narratives are needed to cover the whole lifecycle of the game production and experience creation in order to ensure its quality (Pelo 2002, 77, 87-88). 'DSS' can be the talent pool for those storytellers who practice writing in multiple contexts and surroundings.

Regarding the "hypermedia path" (see Figure 24) there is a new opportunity for businesses to become part of the story in the same way that Second Life enables today. This is called "Brand experience placement" (see Figure 28). In hypermedia path and with smart links, the companies and their offerings become a natural (as opposed to intrusive) part of the story and its surroundings. Hence, the company presence gets a new level in the omnichannel world (Qualman 2011, 113, 115). In addition, the company can tap into discussions and social objects of the 'DSS' readership community. For instance, if some of the "co-creative stories"

(Attachment 10) appears to get a lot of attention, the companies can sponsor these phenomena in the same way that publishers can spot new talents.

As discussed in Chapter 1, the meaningful value propositions for the people in mobile society are the ones that fit the context and thus, combine people, content, location and time. The "layered book" (see Figure 22) provides an opportunity for context fit offers but, more importantly, it invites businesses to co-create new content modules for the stories and to create unique services (layers) that are attached in the storyline.
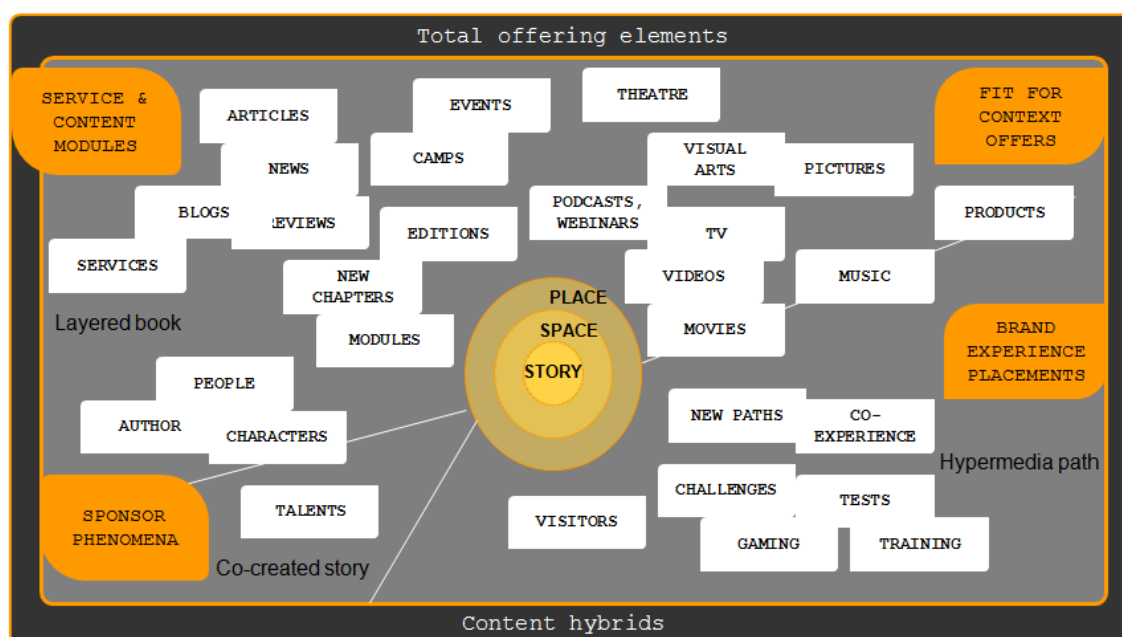

Figure 28: 'DSS' provides multiple opportunities for company presence and the "internet of things"

6.4   Transformation Model

There are multiple opportunities for both existing and future book industry players to create new value from the 'DSS'. But what the 'DSS' readership community with its mission, users, story formats and value propositions means is: what is required of the existing value chain in order to transform the business towards the digital age? Considering the materialized user-driven offering – the 'DSS' user value propositions (see Attachment 11) - this final chapter approaches the research question from the business model as well as from the combination of innovation system and strategic assets point-of-view. In other words, from the customer and offer-driven business model innovation towards the resource-driven innovation approach (Osterwalder & Pigneur 2010, 138-139) (see Figure 29).
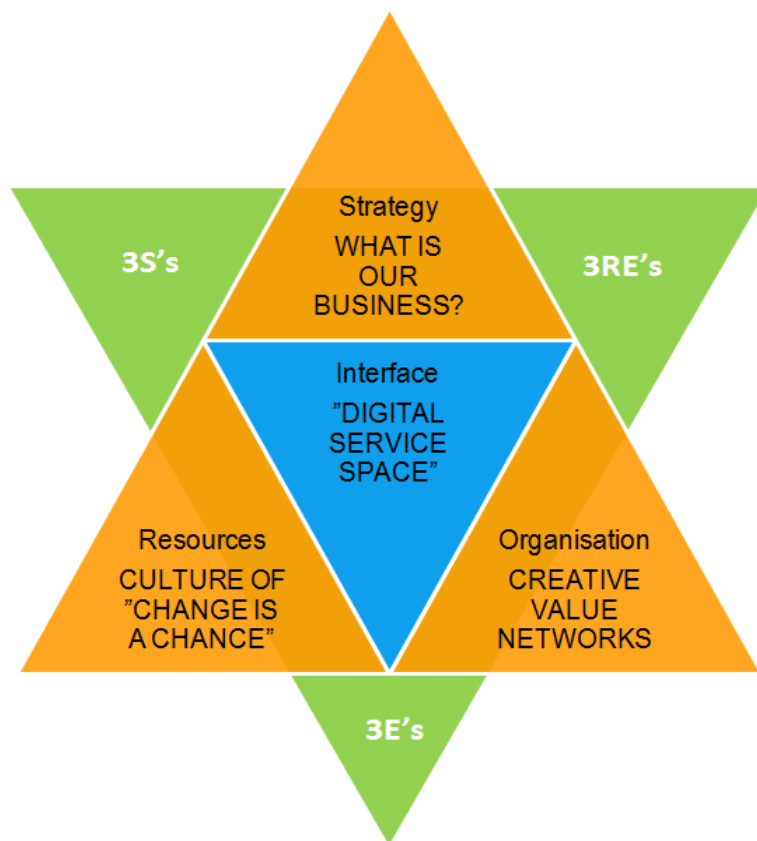
Figure 29: The Star Model for Transformation

6.4.1 "What is our business?"

Kim & Mauborgne (2005, 150) highlight the "status quo" as one of the key challenges with strategy and its execution. The solution - as emphasized in design thinking and in futures thinking - is to create alternatives for decision making: scenarios, visions, roadmaps, and offering concepts to manifest and concretize the alternative directions. Therefore, future-oriented stories and concepts challenge the existing status quo by presenting alternatives to the key question in the turbulent business environment: "What is the business we are in?"

In a constant change of markets, the strategic question needs to be rethought with an open mind and without sticking to firm statements. For instance, by stating *"We are not in gaming business!"* (Stakeholder, 18.10.2011) the existing book value chain neglects first the audience of 8.5 million (the number of players in the World of Warcraft), secondly the audience of 14 million (the number of residents in Second Life) and thirdly, the core idea and value of reading experience: deep reading and immersion (Funk 2009, 53; Eskelinen 2011, 89).

6.4.2   The Culture of "Change is a Chance"

Doz & Kosonen (2008, 167, 171) points out that in the stagnation period, the number one challenge is to re-energize the mature organization and simultaneously to build new business. In order to get positive outcomes with new business efforts Hamel (2000, 175, 201) advises towards design approach: to start something with existing strengths and resources and thus to "win small, win early, win often". Prototyping and piloting influence the whole organizational culture by strengthening its entrepreneurial spirit, employee empowerment, and feel of control in the midst of change.

The converging and rapidly changing business environment requires dynamic capabilities: sensitivity to change has become indispensable for business success, as well as the capabilities in translating the change into new business opportunities. Storytelling is an effective way to lead the organization, to study what the organization is about, and to communicate the learning from the innovative projects in which the "change" has been transformed to "chance" and thus, where the culture has become a transformational resource (Karkulehto & Virta 2006, 152; Meroni & Sangiorgi 2011, 121; Gabriel 2000, 88; Boje 2001, 3, 17).

6.4.3   Creative Value Networks

In order to innovate, the companies need to be open to new collaboration and to create new value networks. Here, the creative sector seems to have the elements for the new economy: information, inspiration and stories, which enable both creativity and innovation (Florida 2002, 44; Karkulehto & Virta 2006, 152; Inkinen 2012, 87). Diversity and openness are the key principles of creative and social economy, where enabling platforms engage people in various co-production and co-creation efforts. Diffused creativity becomes effective when core people are in the process and the modular way of doing things is facilitated. (Meroni & Sangiorgi 2011, 225; Florida 2002, 52, 54, 79, 226.)

Transformation requires casting wide networks and reaching the margins and extremes, creating collaborative insights into the events in the operating environment and co-creating value for a better future. Therefore, core people in the value networks include non-customers and non-experts who fertilize thinking outside the box, pattern experts who sense and see the implications and designers who make intangibles concrete.

6.4.4   3S's, 3RE's and 3E's

According to Eskelinen (2011, 87-88), there is no guarantee that the existing players in the value chain are able to manage the digital era challenges and opportunities. The essence,

nuances and requirements of the digital age need to be thoroughly understood and practiced among the various actors of the existing book industry. To summarize the dynamics of Figure 29, for instance, book publisher needs to create a value network to respond to the requirements of the digital age, which then helps to sense and make sense of the signals of change across operational sectors. The selected strategic intangible assets help book publishers to seize new business opportunities because of the open and enabling culture, widely cast organizational networks and abilities to rethink the business. People in the publishing house are the greatest asset in translating the signals and suggestions coming from the networks into implications, new business opportunities and directions. The strategy of the publishing house reflects its mission (roots) but constantly creates new visions (futures) to which rapid prototypes and ideas are being concretized through service design methods. Therefore, in order to implement and build on intangible assets, the following flows of actions are needed:

- Transformation requires seeking, acknowledging and understanding the change before seizing it. It is the "3S-flow" with Sensing, Sensemaking and Seizing. This applies well to the Culture and Strategy of the business.
- The "3RE's (Revisiting the vision, Rethinking the business and Reforming the organization) is a continuous cycle of discussion within the whole organization and selected value network partners.
- The "3E-rule" applies to social web and community creation, employee motivation and leadership culture, as well as co-design projects. It encourages to Engage, Enable and Empower people.

7   Conclusions

This chapter presents firstly the key insight gained from the thesis in general. Secondly, it discusses the research questions and achieved outcomes of the study with the implications of both book industry and business innovation in general. Thirdly, the chapter considers the study in terms of its contribution to the fields of academia and practice, and reflects the process in terms of credibility and quality. Finally, it presents recommendations for the next steps and further research.

7.1   Key Insight: The Era of Intangibles

This study is a gathering of intangibles: interactions, relationships, networks, brands, value(s), experiences, senses, reading, innovation, strategy, cultures, changes, futures, transformation and finally, services. In order to innovate, organizations need to concretize intangibles around them because sources of innovation are very much strategic assets, quality systems and processes of the organization, in addition to changes in the outside world (ref. Chapter 4).

Considering the society we live in - a network society with its sophisticated digital technologies and a culture of virtuality as well as post industrialism with servitization and centricity of knowledge (Chapter 1) – the tools for innovation require creative and adaptive methods in order to make "the invisible visible". Visualizing, mapping, and modeling interconnected and evolving service systems and ecologies are the core of service design discipline (ref. Chapter 5).

Further, designing future-oriented services contributes to, challenges and evaluates an organization's strategy and strategic visioning by evidencing and concretizing the options. Service is likely to affect company strategy and is a driving force in business transformation and business modelling. Service-Dominant-Logic and systems thinking (service science) alone provide powerful frameworks to approach the question of "What is our business?" by translating the existing offering into value propositions and by examining customer experiences and related systems (Chapter 1).

Service design has a placeholder in the wicked problem of continuously balancing short-term and long-term operations. In transition and stagnation a company needs to iteratively develop its services while testing and piloting new ones. At the same time, the company needs a vision of the future it desires. Similarly, in the midst of change, the companies can iterate concrete options through service design and futures methods for the decision making.

To conclude, businesses are likely to look for new value through services in business transition and moreover, they are likely to end up with business transformation design. When service designers innovate, they influence not only strategic activities but also the business model and intangible assets of the company. Hence, it seems that intangibles ensure tangible business.

7.2   Outcomes and (Book) Business Implications

The first objective of the thesis was to create and contribute to a new vision of the book industry by innovating new value (co-)creating services and identifying business opportunities in the digital context. The related research questions were built on the idea of 'Digital Service Space' ('DSS') readership community: 1) What is the purpose and target of the 'DSS' readership community and how does it contribute to the new vision of book industry?, 2) What kind of authors, readers and stories benefit from and interact in the 'DSS' now and in the future?, and 3) What are the value propositions that 'DSS' readership community can offer its users: authors, readers and businesses?

This study suggests a digital era vision of book industry where three types of storytellers co-exist: digital immigrants ("Writers"), digital natives ("Processors"), and pioneers ("Conductors"). Pioneers already take alternative paths towards the next technology advancements and convergence, whereas digital immigrants understand the importance of social networks, discussions and participation, but they need support and new skills to establish their brand and presence in the ubiquitous connections. Here, publishers could help their authors with specific services and training. Having said that, an understanding of the digital age and competencies need to be established in publishing houses, too.

Literary authors will continue to find themselves in different kinds of creative, cultural, and commercial projects. In the light of the new digital vision and its "hypermedia path", the convergence continues in media and gaming industries: borders between different media channels and their artifacts (such as performances, participatory TV, online social games etc.) are blurring because more and more people challenge these concepts and ambient, multisensory and omnichannel experiences transform physical locations. However, the challenge with multilayered and complex systems is always the storyline - and the solution starts with a compelling story, a script. Further, in the values-driven era, the stories of the intangibles, such as the brand, are the core of success because storytelling engages the audience by triggering emotions. Hence, there will be more opportunities for talented storytellers to offer their professional services to different industries creating these stories. Not to mention creating new hyperpaths to experience stories which have a strong placeholder for text: the slow food for our brains.

The majority of digital era storytellers will not write for themselves but with their specific audience in mind. Moreover, navigating in constant change, visionary stories and scenarios become essential tools to create plausible and inspirational options for the future. While social objects attract attention, more personal and niche (long tail) services will get a placeholder from the storyteller's agenda. The readers can therefore order special stories, greetings, mentoring and coaching directly from their favourite storyteller or his character.

The purpose of 'DSS' emphasizes the ability to evolve in the community of storytellers and readers. The most interesting and discussed service ideas were the ones that appointed readers as storytellers and further, readers as editors of the professional storyteller-originated initiatives. Learning and evolving in the social community can take several paths and forms: writing your own stories, co-writing stories, taking a writing course online or having your own coach. Storytellers can also mentor, coach and challenge each other. Hence, the community can spark phenomena and new talents in the storytelling fields.

As the study pointed out, reading is always interactive and social, because of the various experiences, omnipresence, emotions and activities it triggers. The 'DSS' community can enrich the interactive reading experience with social objects: by letting readers, storytellers and businesses share their manifestations and artifacts of the reading experience. This means (co-)creating more stories, nuances, details, images, places, services, and videos around the stories. All these elements and social objects enhance the story and enrich the reading experience. Moreover, in the era of grey literature, all these elements lead readers to find the story. In other words, the story finds "the segment of one" wherever they are in timeless time and space.

What about the traditional paper version of the book? Though this research did not systematically inquire "Will there be paper books?" the interest in books by "gourmands" (readers), the invaluable meaning of "reading space", and the natural, everlasting human response to stories will always be there. The study also showed that the fear is not that books will disappear; the fear is that the deep and immersive reading culture that has been challenged by the digital reading culture (including browsing, extensive, non-linear and ergodic reading) will disappear. Here, the challenge was approached from the design thinking "both - and" point-of-view: hypermedia path is an opportunity to create an immersive (reading) experience in the digital context, as opposed to existing hyperlink experience.

New printing techniques and future metatools for individual production will also change the traditional book the same way that e-ink enhances devices and digital books. These advancements, together with the presented evolution paths for authors, readers and digital

content types, have opened an opportunity for the existing value chain to reconsider its production strategies. According to the study, new value network with new skills and motives can be envisioned by rethinking the concept of the book, its multiple physical and digital platforms, the topics and contents it holds, its originator and its audience. Therefore, this study provides tools to revisit the question of "What is our business?" and thus responds to its second objective: to contribute and create a new vision of the book industry by identifying the strategic business assets for the digital era transformation that the 'DSS' vision requires. In practice, the research question was: "What does the 'DSS' readership community with its mission, users, story formats and value propositions mean: what is required of the existing value chain in order to transform the business towards the digital age?"

As stated in chapter 4: *"Change happens. Transformation, however, is planned."* (Sapp & Gilmour 2003, 14). Transformation requires seeking, acknowledging and understanding the change before seizing it. It is the "3S-flow" with Sensing, Sensemaking and Seizing. For instance, publishers and traditional American bookstores did not realize that new customers ("shoppers") were emerging simultaneously with traditional readers. Retail chains, on the other hand, understood this and established new bookstores supporting the growing "shopper" behavior (Drucker 2007, 76). As discussed in the Futures Specialists Helsinki network (see futureshelsinki.com), there has been a big realization about how many companies still have work to do in acknowledging (and admitting) the change. That is, how many opportunities there still are for existing players and new entries.

The study stresses that entrepreneurial culture and attitude of "change is a chance" is needed as a crucial transformational asset in order to sense changes. The culture is fostered by openness to new ideas and new possibilities. It is a culture that tells stories (about futures) and creates concrete manifestations (by service design) to support the story. It is also about creating a story portfolio for your own organization and value network, and managing them in the same way you would manage a portfolio of stories in the reader markets. Therefore, the study does not provide just one vision of the 'DSS', it presents three evolution paths for the stories, their narrators and readers. This is what design thinking with futures approach means: making sense of complexities requires creating more options and new combinations for decision making (Koskelo & Nousiainen 2013, 2, 7). Although it sounds paradoxical, it gives a clue to all decision makers: multiple options need to be concretized and made understandable in order to compare and understand differences (sensemaking). The most effective way to do this is to use visual tools which inspire and provoke new thinking *("The soul never thinks without an image"* - Aristotle) supported by storytelling and modeling integration between strategic and tactic levels.

If something has become clear in the nature of business environment, it is complexity. With co-existences and convergence, the changes and sparks for innovation take place in new, surprising interfaces. In order to seize opportunities, book industry needs to understand thoroughly people's latent needs and motivations, not only advancements in technology: Technology today is human. Chapter 1 focused heavily on people's needs to interact, belong and participate – all of which are very basic human needs. Although Web 2.0 has been a technology-based development, today it holds and creates the social objects, classifications, values, capital and innovations. Therefore, the technological advancement called social web is about such simple things as listening, being sincere and respecting horizontal relationships. However, the ongoing wave of convergence and therefore business potential is realized with mobile technologies that, again, influence people's practices: the "space" or augmented reality created by the combinations of physical location and "the internet of things". As stated earlier in the study, *The future will belong to those who can reintegrate the virtual world and the physical world"* (Normann 2007, 147).

Also, the blurring role differentiations of service providers and Do-It-Yourself consumers as well as collaborative social networks are changing the scene in company processes and interfaces related to the "3S flow". Co-existences create more paradoxical phenomena in the markets, where segments of one create network effects with their everyday practices and co-creation. Again, in the age of participation, organizations can only bring value to people's lives by understanding and supporting their processes (not vice versa).

"Facilitation" of these engaged and evolving tribes and swarms replaces "managing" in the old organizational structures. These purpose-oriented networks and communities will be the biggest asset for both rapid innovation and for building sustainable service systems, interconnected solution innovations. Enabling logic (or even strategy) discussed in chapter 1 is essential: letting go of control and thus, enabling people to choose among co-created solutions or create their own solutions. The rule is cumulative: when people feel empowered, they are willing to engage in and contribute to their resources - whether it is the money, time, skills, activity, social capital or the combination of those things that the digital business model is built on. Therefore, the "3E-rule" (Engage, Enable and Empower) applies to social web and community creation, employee motivation and leadership culture, as well as co-design projects.

After successfully operating with the "3S-flow" and the "3E-rule", the culture of the business can become a transformational asset: to foster an organization that proactively steps aside from the evolution path and starts a revolution with its own desired vision of the future. The future, therefore, requires the "3RE's": revisiting the vision, rethinking the business (strategy), and reforming the organization around the new creative value network which

provides and develops enriched reading experiences and enhanced stories in the digital space. Diversity and openness are the key principles of the value network, where enabling platforms engage people in various co-productions and co-creation efforts and thus facilitate the modular way of doing things. Core actors in innovation include non-customers and non-experts who fertilize thinking outside the box as well as new co-operation modes with promising start-ups, and creative and commercial players. Transformation and new business models, on the other hand, require casting even wider networks reaching and immersing the margins and extremes, which are crucial sources for new value designers.

7.3   Contribution

The primary contribution of this thesis in the field of service innovation and design considers the strategic nature and critical placeholder that service design holds in business activities and change. In the process of investigating, designing and illustrating the 'DSS' readership community with its actors, story content formats and value propositions, the nature of service design transformed from the initial "designing new digital services" to "providing options for strategic direction" which is essential in business transition and transformation. Hence, this study provides a case and storyline for the service design field to promote the strategic and thus, future-oriented discipline (see e.g. Miettinen 2012, 9).

Furthermore, this thesis, with its outcomes and learning, highlight "3 I's":

- Innovation: Service design thinking principles and adaptive methods are directed to new value creation for people, desired future and growth.
- Integration: Service design in the complex and interdependent environment maps and illustrates service systems and ecologies and is therefore about business modeling.
- Implementation: Service Design is both strategic and concrete. It creates solutions and artifacts which manifest change and transformation.

Indeed, this thesis contributes to the discussion why designing innovative services is only a starting point: What are the strategic assets that an organization needs in order to transform the company towards providing customers with innovative and new value propositions and supportive ecologies? The Star Model for Transformation (see Figure 29) is a visualization of the intangibles that foster innovation and sustainable tangible business.

Thirdly, going back to strategic and future-oriented service design, this study provides an example on how to utilize futures thinking in the service design process. The co-existing and yet evolving storytellers, reading habits as well as the evolution of the digital book are

combined in the framework with specific future directions. Therefore, the study was an outcome of the combination of design, business and futures thinking.

7.4   Reflections: Credibility and Quality

The discussion of credibility in qualitative and adaptive research is a continuous one and has several approaches. However, the key statement in modern literature is that the credibility of the qualitative research in terms of reliability is methodology and procedure driven: the theory behind selected methods, the usage of methods and the systematic way in creating options, reflecting and making choices (Strauss & Corbin 1998, 268-269, 273; Kirk & Miller 1986, 50; Flick 2002, 276; Silverman 2006, 15). Therefore, the process description in chapter 5 (and in the research plan) reflects both the options and decisions points throughout the research with the key issues listed by Flick (2002, 273, 275): previous knowledge about the research topic, framework and methods that fit the background, availability of resources (time, skills, informants and participants), sampling, focuses and comparative aggregates of cases, data coding and documentation, research findings presentation and finally, the goal of the contribution and generalization of the study. Careful documentation of the process in this study benefits research reproducibility: if someone else repeats the study, similar findings are expected (Straus & Corbin 1998, 266).

Validity relates to the aspects of what has been studied and how it has been interpreted (Kirk & Miller 1986, 21). One of the ways to approach validity in the case of this interview and discussion-oriented research would be to concentrate on that specific phase: to analyze and evaluate the interview situations, data capturing and recording, coding and outcomes (in this case, going back to authors, created personas and different storyteller profiles) (see Flick 2002, 222-223). However, this logic has been challenged, for instance, by Silverman (2006, 303) who also brings out the question of case study and thus, assumption or hypothesis-based research where, according to analytic induction, "all exceptions are eliminated by revising hypotheses until all data fit" (Fielding & Fielding 1986, 89). Silverman (Ibid. 296) goes on to say that analytic induction depends on a model of social life and a related set of concepts as well as theories where the techniques of comparative method (Glaser & Strauss 1999, 21-22, 47-48) and deviant case sampling and analysis (Patton 1987, 52) have been applied (discussed in chapter 5).

Strauss & Corbin (1998, 267) approach the canon of generalizability through the concept of "explanatory power": what the research says about the population it derived from and how it applies to the population. Silverman (Ibid. 298), on the other hand, presents comprehensive data treatment as an approach to providing a research outcome that is as valid as statistical correlation through repeated inspection and covering every single relevant data point. The

challenge with generalizability is mainly the nature of qualitative research: how can a case study research manifest representativeness? Here, the purposive, convenient, comparable and gradual theoretical sampling of primary participants and informants play a role as discussed in chapter 5 (Flick 2002, 61, 64; Glaser & Strauss 1999, 21-22, 45-48; Patton 1987, Patton 1987, 52-57).

The most crucial success factor in the conducted research in general is the question of sampling and profiling strategies (Flick 2002, 61-69). In this study, the priori determination with the test round and gradually defined balance with fiction authors, non-fiction authors and bloggers during the data collection proved to be both flexible and effective enough. Referring to Kvale (1996, 102-103) and Glaser & Strauss (1999, 47) the sample size and related issues were revisited frequently during the research through careful evaluation of the quantity and quality of the collected data as well as what is needed and where to go next in order to increase knowledge. For this purpose, the strategy of theoretical sensitivity across categories (Glaser & Strauss 1999, 46, 35) was needed in finding multiple sources for the investigation and to guarantee diversity and multidisciplinary, which is essential in service innovation-oriented research. Further, with converging and blurring operational environment, it is not only cross-category sensitivity or holistic thinking that ensures the credibility and quality of the research: one needs to engage various specialists from both niche and rather new areas in the research (Tarkka 2002, 94).

The multidisciplinary approach is crucial when strategic direction and guidelines are being created around design challenge, which is the second success factor in this study. In other words, defining the design challenge, understanding its broad context and taking the attitude of "The world is full of solutions – we just need problems to find them" (Moritz 2011). Taking a solution-oriented and abductive approach with the idea of 'DSS' kick-started the project because the "what if" solution proposal already provided a focus on the context to investigate further. However, the most important advantage in understanding the problems before solving them was a series of empathic conversations with literary authors who, in the end, gave life and spirit to the resulted personas that together with e-reading concepts form the essence for evolution paths.

Furthermore, the advancement and elaboration from designing services to designing business transformation in this thesis could not have happened without the "everything is data" approach and definitely not without the learning and insights into the co-study of futures grounded service design and dynamic business capabilities by Ojasalo, Koskelo & Nousiainen (Koskelo & Nousiainen 2013). As Boland Jr. & Collopy (2010, 43) point out, *"Good design solution solves many problems, often ones that were not envisioned in its development."*

Perhaps this realization could be one of the credibility criteria applicable to qualitative and systems-oriented research dealing with interdependence and evolving networks.

In terms of credibility and quality, the challenge and question for this study was the dimension of incremental and radical innovation. From the practice - and the outcomes perspective - the study managed to investigate and design fresh and grounded future paths with the adapted methods from the fields of marketing, business, futures and design. However, from the futures research point-of-view, the outcomes were based on social and technological trends that are more or less supporting continuity as opposed to, for instance, scenario-method, which is linked to radical innovations because it includes a discontinuity approach towards futures (Van der Duin 2006, 164; Paavonheimo 2006, 22-23; Shostak 2005, 67). Also, the "all-in-one" role of one person researching, managing and designing supports more the normative evolution: although one has capacity for understanding and competence in various fields and has experts and informants around, one person can stretch thinking only towards incremental direction. In other words, radical innovations require more people into the core of thinking and a co-researcher for continuous dialog.

7.5   Recommendations for Further Research

From value proposition and service ideas to concepts and working prototypes

Further research topics can pick up where this study left off in terms of service design. The service ideas created with the reader in mind can be evaluated and selectively processed into concepts or mock-ups according to their desirability, feasibility and viability. The study was also able to create and test different service ideas through reader personas and to co-design concepts directly with two or more user groups.

Value propositions for the authors can be processed further and developed towards a concept for the virtual office and its implementation roadmap. This requires close cooperation with different author types and personas as well as understanding their mental models. One potential group for virtual office could be authors who co-write stories. The co-creative story path can also be studied as an enabling platform and virtual space for co-creation. Potential user groups could be found in the non-fiction category.

Extreme and critical reader groups

Different reader groups and reading practices can be investigated further. Here, the research could be extended to extreme groups, for instance, the disabled or the word-blind, in order to create design guidelines for supportive reading experience. Further, the study of 'DSS' did

not look into the differences and commonalities between genders and their reading preferences. Not to mention the lazy reader groups.

Developing future platforms for e-reading experiences

The story paths have plenty of opportunities for further research. The layered enhanced book can be divided into categories (such as social reading, value adding services, and social objects), and each category can be studied with potential end-users (such as book groups, service providers and business users). Further, it would be relevant to know what kind of genres (fiction, non-fiction, text books, poems, memoires etc.) the concept of the layered book can be optimized for.

The hypermedia path is rich in further research topics that would cover the concept of the hypermedia story and its unique characteristics (e.g. comparison with virtual games), modular co-production system for story elements (text, images, video, product placements, music etc.), the stretch of sensorial design and haptics with mobile devices, and co-experiencing in the hypermedia story (e.g. parents and children).

Story optimization and lifecycle management

From the story optimization point-of-view, there could be criteria for paper versions, digital books, modular stories, layered production, hypermedia production, co-creation etc. The opportunities to prolong the story lifecycle in the context of digital opportunities could also be studied and described together with the authors, and especially with the readers. Further, it would be interesting to study how books can find their readers in the social web and in physical locations. Here, an interesting group to study would be bibliophiles.

Future scenarios and roadmaps for reading and transformation

The future of the book can be investigated through futures scenarios, and it can take a more radical view. Scenarios are, in this case, alternative target states that can be accessed by creating a roadmap by using the backcasting method.

Further, transformation design could be continued by evaluating the existing value chain and value network readiness to transform, by identifying the possibilities for new value network and by profiling necessary operators bearing in mind the target state of 'DSS' or future scenario(s).

Omnichannel business model

The mission and the concept of 'DSS' can be evaluated and analyzed in comparison with different online business models. Thus, it is possible to create pricing opportunities and identify the ownership of the readership community of readership.

Further, community creation with a rewarding system is a topic of its own to investigate from the user perspective. For instance, how to create paths in order to evolve as a writer and how to establish a writer brand in the community. The 'DSS' community ecology should include an omnichannel and augmented reality perspectives and should therefore investigate virtual community in physical locations.

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Figures

Attachments

Attachment 1 Social Media Strategy

There are eight central paradoxes of technology products that need to be considered when establishing and implementing social media strategy in an organization:

- Control / chaos: Technology can facilitate regulation or order, and technology can lead to upheaval or disorder.
- Freedom / enslavement: Technology can facilitate independence or fewer restrictions, and technology can lead to dependence or more restrictions.
- New / obsolete: New technologies provide the user with the most recently developed benefits of scientific knowledge, and new technologies are already soon to be outmoded as they reach the market place.
- Competence / incompetence: Technology can facilitate feelings of intelligence or efficacy, and technology can lead to feelings of ignorance or ineptitude.
- Efficiency / inefficiency: Technology can facilitate less effort or tune spent in certain activities, and technology can lead to more effort or time in certain activities.
- Fulfills / creates needs: Technology can facilitate the fulfillment of needs or desires, and technology can lead to the development or awareness of needs or desires previously unrealized.
- Assimilation / isolation: Technology can facilitate human togetherness, and technology can lead to human separation.
- Engaging / disengaging: Technology can facilitate involvement, flow or activity, and technology can lead to disconnection, disruption, or passivity.

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Attachment 2 The Evolution of Marketing
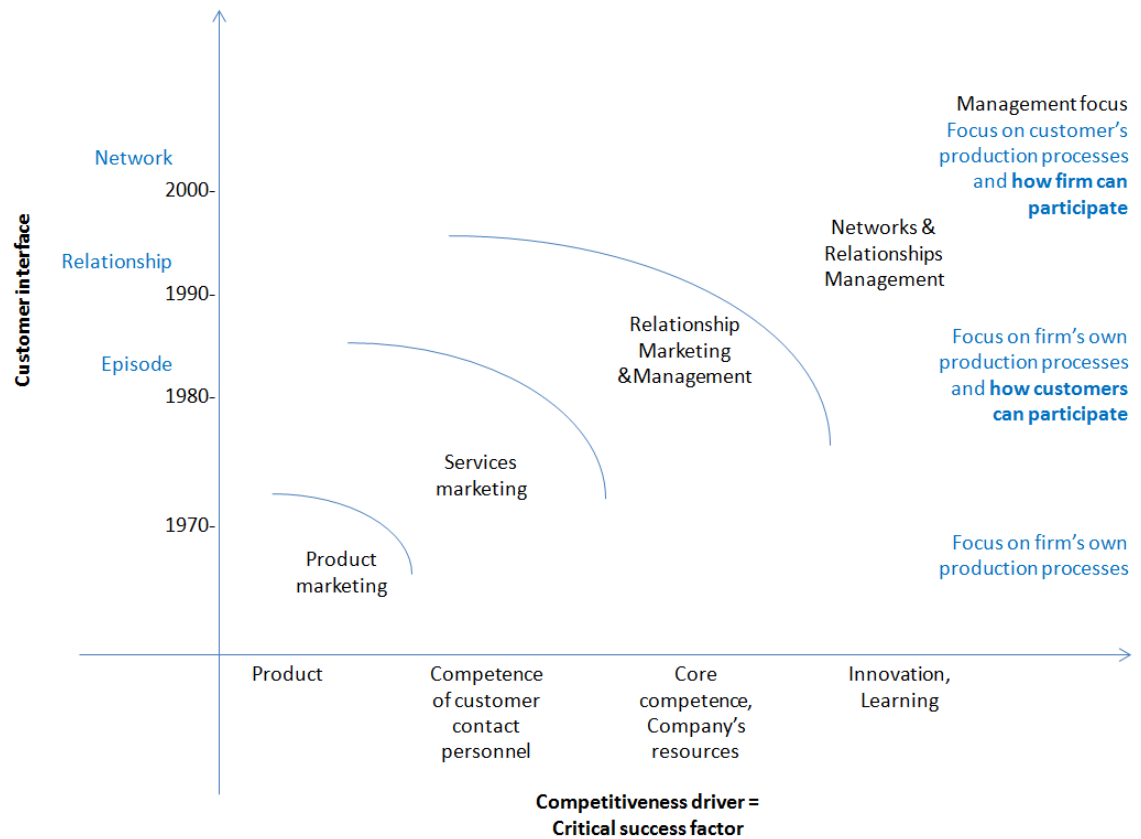
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Attachment 3 Ten Rights to Read

The French author Daniel Pennac (1995/1992, cited and translated by Pamela Schultz Nybacka 2011, 387) has formulated ten rights of readers below:

1. The right not to read.
2. The right to skip pages.
3. The right not to finish a book.
4. The right to re-read.
5. The right to read whatever.
6. The right to Bovarysm.
7. The right to read anywhere.
8. The right to read here and there in a book.
9. The right to read aloud.
10. The right to remain silent.

Attachment 4 Participants (Authors, Bloggers, Experts, Readers, Workshop participants)

	PARTICIPANT	ROLE / METHOD	DATE
A1	AUTHOR / FICTION	RESEARCH METHOD FEEDBACK, FACE-TO-FACE DISCUSSION	18.05.2011
A2	AUTHOR / FICTION / BLOOK	RESEARCH METHOD FEEDBACK, PHONE CALL DISCUSSION	03.06.2011
A3	AUTHOR / FICTION / 1ST BOOK	FACE-TO-FACE DISCUSSION	07.07.2011
A4	AUTHOR / FICTION / 1ST BOOK	FACE-TO-FACE DISCUSSION	08.07.2011
A5	AUTHOR / FICTION	FACE-TO-FACE DISCUSSION	11.07.2011
A6	AUTHOR / FICTION (AND NONFICTION)	FACE-TO-FACE DISCUSSION	12.07.2011
A7	AUTHOR / NONFICTION	SKYPE DISCUSSION	14.07.2011
A8	AUTHOR / NONFICTION	FACE-TO-FACE DISCUSSION	19.07.2011
A9	AUTHOR / NONFICTION	FACE-TO-FACE DISCUSSION	08.08.2011
A10	AUTHOR / NONFICTION	FACE-TO-FACE DISCUSSION	18.08.2011
	PARTICIPANT	ROLE / METHOD	DATE
B11	BLOGGER / HISTORY	RESEARCH METHOD FEEDBACK, FACE-TO-FACE DISCUSSION	01.06.2011
B12	BLOGGER / PHENOMENA	FACE-TO-FACE DISCUSSION	21.06.2011
	PARTICIPANT	ROLE / METHOD	DATE
E1	EXPERT / FUTURES	RESEARCH METHOD FEEDBACK, EMAIL+SKYPE CALL DISCUSSION	25.05.2011
E2	EXPERT / BOOK STORE	FACE-TO-FACE DISCUSSION	27.05.2011
E3	EXPERT / BOOK STORE	FACE-TO-FACE DISCUSSION	27.05.2011
E4	EXPERT / FUTURES	EMAIL+FACE-TO-FACE DISCUSSION	16.06.2011
E5	EXPERT / SERVICE DESIGN	SKYPE DISCUSSION	14.07.2011
E6	EXPERT / DIGITAL MEDIA	FACE-TO-FACE DISCUSSION+EMAIL	18.08.2011
E7	EXPERT / NICHE LITERATURE HOBBYIST	FACE-TO-FACE DISCUSSION	08.09.2011
E8	EXPERT / HYPERMEDIA BOOK	FACE-TO-FACE DISCUSSION	09.09.2011
E9	EXPERT / AUDIO & VIDEO TECH.	FACE-TO-FACE DISCUSSION	08.11.2011
E10	EXPERT / NONFICTION	FACE-TO-FACE DISCUSSION	30.11.2011
E11	EXPERT / MUSIC PRODUCTION	FACE-TO-FACE DISCUSSION	01.12.2011
E12	EXPERT / START-UPS	FACE-TO-FACE DISCUSSION	01.12.2011
	PARTICIPANT	ROLE / METHOD	DATE
R1	READER, Age: 25+, Category: Life stories	PROBE (READING DIARY)	JUL-AUG 2011
R2	READER, 25+, Novels	PROBE (DIGITAL READING DIARY)	JUL-AUG 2011
R3	READER, 35+, Life stories, Novels	PROBE (READING DIARY)	JUL-AUG 2011
R4	READER, 35+, Hobbies, Nonfiction	PROBE (READING DIARY)	JUL-AUG 2011
R5	READER, 35+, Memoires	PROBE (READING DIARY)	JUL-AUG 2011
R6	READER, 40+, Novels	PROBE (DIGITAL READING DIARY)	JUL-AUG 2011
R7	READER, 40+, Novels	RESEARCH METHOD FEEDBACK, PROBE (DIGITAL READING DIARY)	JUL-AUG 2011
R8	READER, 40+, Novels	PROBE (READING DIARY)	JUL-AUG 2011
R9	READER, 40+, Life stories, Nonfiction	PROBE (READING DIARY)	JUL-AUG 2011
R10	READER, 45+, Lifestories, Novels	PROBE (READING DIARY)	JUL-AUG 2011
R11	READER, 50+, Memoires, Novels	PROBE (READING DIARY)	JUL-AUG 2011
R12	READER, NA, Novels	PROBE (READING DIARY)	JUL-AUG 2011
	PARTICIPANT	ROLE / METHOD	DATE
WP1	SERVICE DESIGNER	SERVICE DESIGN WORKSHOP PARTICIPANT	03.11.2011
WP2	MASTER'S STUDENT, MEDIA	SERVICE DESIGN WORKSHOP	03.11.2011
WP3	DEVELOPMENT MANAGER, LIBRARY SERVICES	SERVICE DESIGN WORKSHOP	03.11.2011
WP4	ENTREPRENEUR, SOCIAL MEDIA	SERVICE DESIGN WORKSHOP	03.11.2011
WP5	ENTREPRENEUR, DIGITAL BOOKS	SERVICE DESIGN WORKSHOP	03.11.2011
WP6	RESEARCHER, SOCIAL READING	SERVICE DESIGN WORKSHOP	03.11.2011
WP7	DOCTORAL CANDIDATE, MUSIC	SERVICE DESIGN WORKSHOP	03.11.2011
WP8	EXPERT, AUGMENTED REALITY	SERVICE DESIGN WORKSHOP	03.11.2011
WP9	PROJECT MANAGER, FINNISH LITERATURE EXPORT	SERVICE DESIGN WORKSHOP	03.11.2011
WP10	PROJECT MANAGER, MOBILE MEDIA	SERVICE DESIGN WORKSHOP	03.11.2011
WP11	R&D, MUSIC AND AUDIO	SERVICE DESIGN WORKSHOP	03.11.2011
WP12	COMMUNICATIONS MANAGER	SERVICE DESIGN WORKSHOP	03.11.2011
WP13	PHOTOGRAPHER & VIDEO PRODUCER	SERVICE DESIGN WORKSHOP	03.11.2011
WP14	EXPERIENCE DESIGNER, CHEF	SERVICE DESIGN WORKSHOP	03.11.2011

Attachment 5 Author and Blogger Discussion Structure

Semi-structured interview agenda* (discussions were conducted in Finnish):

1. Shortly: background of the project and interviewer introduction.
2. Background of the interviewee and his/her text production history.
3. Current work with text production (nature and scale of text production) and relation to digital tools or practices.
4. Current understanding of the audience: profiles, interactions, sources of information.
5. Creative process of text production, related interactions, actors, roles, competences and challenges.
6. Public launch and post-launch events and interactions: actors, roles, competences and challenges.
7. Motivations to write and personal success criteria. What makes the interviewee unique and different from other authors? What should change in order to improve as a blogger or text producer?
8. The concept and state of the book and the story: what kinf of stories evoke discussion, interest and emotions?
9. Discussing the idea of digital space and closer relation with audience (reactions, questions, worries, opportunities and ideas).
10. Next steps and schedule for the project and contact information exchange.

The additions and emphasis with blogger interviews were as follows:

- The storyline(s) of the blogs that the interviewee operates.
- Working tools and competences required in order to create a blog and to maintain it.
- Feedback and interaction practices: Who is the audience, how to interact with people, worst and best experiences with the close interaction.
- Evaluating the 'Digital Service Space' idea based on the personal success targets of the interviewee and from the point-of-view of "What new could it bring"?

*Inspiration, hints and tips especially from Flick (2002) and Goodwin (2009).

Attachment 6 Reader Study: Reading Diary Probe / Bookmark Design (original in Finnish)

A. THEMES	B. ACTIONS

A. THEMES

What themes did the book deal with and which of the themes did you find particularly interesting?

FRIENDSHIP	LOVE	RELATIONSHIPS
NATURE	WAY OF LIVING	TRAVELLING
COPING	ADVENTURE	
HOBBIES	FACTS	
HISTORY		

B. ACTIONS

Did reading the book provoke you to act or to do something?

YOU RECOMMENDED THE BOOK TO SOMEONE	YOU TOLD SOMEONE ABOUT THE BOOK	YOU FAMILIARISED YOURSELF WITH THE AUTHOR
YOU MADE NOTES IN THE BOOK	YOU SEARCHED FOR MORE BOOKS	
YOU BOUGHT THE BOOK FOR YOURSELF	YOU BOUGHT THE BOOK FOR SOMEONE ELSE	

Instructions on how to evaluate the reading-experience and utilise the bookmark.

1. Lukiessasi kirjaa t... ...asi näkökulmien A-D kautta.
2. Merkkaa lomakkeen olemassaolev... ...jotka kohtasit lukukokemuksesi yhteydessä ja lisää uusia ... ...etyhjiin laatikoihin.
3. Kun merkkaat tai lisäät aihioita, ...lin lyhyt kommentti, kuvaus tai ajatus, joka siihen liittyy (käytä post-it lappuja ja lii... ...park... ne päällekkäin eri näkökulmien A-D kohdille).

D. PEOPLE

A FRIEND	A FAMILY MEMBER	THE PAST OF A PERSON
A PUBLIC PERSON	AN AUTHOR	THE TRANSLATOR OF THE BOOK
THE ILLUSTRATOR OF THE BOOK		
OTHER READERS		

Did the story remind you of people you know and did it make you interested in new people?

C. SENSES

IT MADE ME GLAD	DISAPPOINTMENT	FEAR
EXCITEMENT	DISBELIEF	SURPRISE
I HEARD MUSIC	IT REMINDED ME OF A MOVIE	IT REMINDED ME OF CHILDHOOD
I DID NOT UNDERSTAND THE TEXT		

Which parts of the story / text made you stop? What feelings did it provoke?

D. PEOPLE	C. SENSES

Attachment 6 Reader Study: Reading Diary Probe / Bookmark Design (original in Finnish)

BACKROUND INFORMATION ABOUT THE READER

☐ nainen   ☐ mies   ikä: _____ vuotta

Luetko sähköisiä kirjoja?
☐ En ole lukenut - enkä taida olla kiinnostunut lukemaan
☐ En ole lukenut, mutta voisin lukea
☐ Olen lukenut (Voit halutessasi kirjata erikseen palautteesi mitä hyvää / huonoa sähköisen kirjan lukukokemuksessa mielestäsi on ja mitä mahdollisuuksia siinä jatkossa näet!)

Millä laitteella ___ *Questions for the participant to answer about her experience regarding e-books (incl. devices), use of social media and blogging.* ___ TAI millä laitteella haluaisit niitä lukea?
☐ PC / kannettavalla tietokoneella
☐ Applen iPad-lukulaitteella
☐ Amazonin Kindle-lukulaitteella
☐ Kännykällä
☐ Joku muu, mikä? _____

Käytätkö sosiaalista mediaa (facebook, twitter, keskustelupalstat)?
☐ Kyllä, päivittäin tai viikottain
☐ Kyllä, mutta harvemmin
☐ En käytä

Onko sinulla oma blogi?
☐ Kyllä. Mistä blogisi kertoo? _____
_____
_____

☐ Minulla ei ole blogia.

INFORMATION ABOUT THE BOOK/BOOKS THAT YOU ARE READING

Tähän tutkimukseen lukemani kirja on
☐ kaunokirja, romaani
☐ viihdekirja, dekkari
☐ tietokirja
☐ Joku muu, mikä? _____

☐ Luen yleensä tämän tyyppisiä kirjoja
☐ Kirja oli tällä ___ *Questions for the participant regarding the book(s) read for this study and in general incl. genre, format of the book (traditional/e-book), where was book sourced from (store/library etc.), usual source for books, and the approximate amount of books read per year*
***

Luin tähän tutki___
☐ perinteinen paperikirja _____
☐ sähköinen kirja ____

☐ Luen yleensä ___
***

Hankin / sain tähän___
☐ kirjastosta
☐ kirjakaupasta
☐ lahjaksi
☐ muualta, mistä? _____

Yleensä hankin / saan kirjat
☐ kirjastosta
☐ kirjakaupasta
☐ lahjaksi
☐ muualta, mistä? _____
***

Luen kirjoja n. _____ kpl / vuodessa

Tutkimuksen tarkoituksena on selvittää millaista **vuoropuhelua ja toimintaa** kirjan / tekstin lukeminen saa lukijassa aikaan. Vuoropuhelu voi olla joko omaa pohdintaa tai ajatuksenvaihtoa esim. ystävän kanssa. Toiminta voi samoin olla jotakin lukijalle itselleen merkityksellistä (esim. uusien kirjojen etsiminen) tai se voi sitouttaa muita ihmisiä (esim. kirjan suosittelu tutulle). Tarkastelemalla omia aistimuksia, tunteita ja ajatuksia erilaisten näkökulmien (kts. lomakkeen kohdat A-D) valossa sekä antamalla muutamia taustatietoja itsestäsi saamme lisävihkeitä siitä, millaisia uusia ulottuvuuksia suomalaisen lukijan lukukokemukseen voisi liittää.

Vastauksesi pyydän lähettämään (anu.nousiainen@laurea.fi) / postittamaan (käytä palautuskuorta)

viimeistään _____.

SUURKIITOS*, että olet mukana tutkimuksessa!

Antoisia lukuhetkiä toivottaen,

Anu K Nousiainen

(Ota yhteyttä mikäli sinulla on kysyttävää tutkimuksesta sähköpostitse anu.nousiainen@laurea.fi)

Information about the study and instructions on how to return the study results

*Osoite, johon voin lähettää pienen kiitoksen vastauksesi saatuani:

Nimi: _____

Katuosoite: _____

Postinumero ja –toimipaikka: _____

Attachment 7 Expert Interview Probe / Pre-reading

A few days before the interview the experts received an email including:

- 5 statements of the future of e-reading*

I.   The future device for eReading will be mobile terminal with color screen (vs. black &
        white Kindle). However, the similar experience we see in current eReading devices (e.g.
        iPad) can be implemented also in smaller devices such as smart phones (e.g. Samsung
        Galaxy). Content for mobile devices will be delivered through specific applications by
        device manufacturers (iBookstore). Web based open architecture eReading platforms will
        need to converse the winner players, Amazon and Apple, contents into their cross-offering.
II.   People want to share their reading experiences. The need for sharing is richer in fiction vs.
        professional reading. Therefore, people are willing to pay for fiction in a similar manner
        that they are currently paying for the professional contents. Further, social media and
        social networking practices will become conversed in eReading context as a hygiene
        element. Semantic web enables rich content aggregation incl. pictures, videos, and music
        to be attached to reader choices of eBooks and content.
III.   eReading brings more value and greater opportunities to niche authors, bloggers and
        columnists (in the area of fiction) compared to best sellers. That is why aggregating masses
        of contents through an open platform and thus, letting readers to create their own
        collections of contents become the winner model. Modular service design approach also
        enables a mixture and bundle of print and digital contents from various sources incl. eBook
        related magazines, articles, blogs, and books.
IV.   The status of a printed book remains; Printed books become collectables in the end (just
        like vinyl records). The readers (crowd) decide which eBooks and contents will be printed.
        Current established authorities, e.g. publishing house's role, is to spot new talents and
        mentor their writing as well as to manage agreements with different delivery channels.
        Current delivery channels, e.g. retailers need to build strong digital channel space in the
        physical environment in order to keep close to their customers.
V.   Key success factor for eReading business case is to avoid music business path (piracy and
        free content) and to follow promising gaming industry development by building a local
        open platform with the collaboration of device manufacturers, publishers, content
        providers, technology partners, operators and retailers. This is doable in Finland. The
        competitive advantage for local players become from content cross-selling and wide
        collection of content titles (compared to content provided through closed device specific
        application by the big players like Amazon and Apple). The biggest challenges are the
        collaboration management, IPR and content format conversion.

- 3 specific questions about key actors, opportunities and challenges of e-reading
- A question about personal e-reading experiences
- A question about examples and ideas related to the research topic and goal of the "digital
  space" project
- A question about own ideas for "digital space".

*Statements largely based on Leminen S., Salo J. (Eds.), Helle M., Huhtala J-P., Kivikangas M., Penttinen
E., Rajahonka M., Siuruainen R., Tölö M. 2010. eReading Services, Business Models and Concepts in
Media Industry. Laurea Publications.

Attachment 8 Author / Storyteller Persona (original in Finnish)

THE_STORYTELLER

<add descriptive name>

People recognise me specifically as a literary author. My works are visible in bookstores and my face is familiar in other media as well. Hence, I have a brand.

For roughly a year, everything circles around the book...

- I write fiction, where is always room for facts. I do not aim to make political points but I want to scrutinise history, the current day and the future through fictional characters.
- I have studied literature and writing. My style of writing is recognisable. For example, I want to play with serious themes by writing in the thriller genre or utilising political satire.
- The inner process is strong when creating serious fiction. I have not quite been able to open up the creative process. I mainly discuss with the editor, not with others. Not until the story is almost finished I dare to discuss it with my colleagues.
- Media tells me how well I have succeeded. The greatest success is my own feeling of accomplishment and getting the story between covers. I do not want to do anything differently once the last punctiation mark has been written – and, it is not even possible.
- I occasionally receive feedback from readers, usually at fairs and events related to my other projects. I crave this dialogue.

- How can I get closer to my readers?
- How can I broaden my output: what do I offer and to whom?
- How can I take Finnish literature forward together with my colleagues?

My network of interaction

Family and friends

Marketing

Storytelling colleagues, critics, experts

Editor

Readers

The world of literature and the bookpublishing industry is familiar to me, even though I do not go deeper into the process

Deep readers and gorges who trust the quality and look for larger themes/meaning

I'm invited to, or offered different projects

Working on the idea and writing, mainly supported by the editor

Final edit

Marketing campaigns by the publisher towards distributors and consumers, taking the book abroad is on the agenda

Idea for next book surfaces

Everyday life and inner writing

Book available at stores

Publisher sets, estimates and knows the sales figures

Book found in social media

Inquiries about the next book start to surface

Feedback from colleagues, critics and readers

The channels of the publisher and distributor, own social feed

Events at bookstores, libraries and fairs

Private gatherings, articles in papers

Attachment 8 Author / Storyteller Persona (original in Finnish)

TEXT_PRODUCER

<add edescriptive name>

I do not regard myself as an "author" – yet. I am a producer of text and do whatever you can do with words in different publishing channels. There are plenty of those.

This is what my year usually looks like..

- I write in the role of an expert. My tone of voice changes depending on the platform of publishing and the target audience.

- I work in the advertising- and media business, so my first book focused on the phenomena of those industries. My second book will be written together with an active research dude and it will focus on the renewing urban lifestyle, which is an inspiring topic.

- I have no formal education in writing or literature. That may be why I am free to write as I want to since I do not know the theories. It all began with my musicblog, and it was one of the first in its' genre. I'm an event and happening guy – I still do DJ-work and write my blog.

- In addition to my day-job I do commissioned work and write for blogs or magazines. Both of my books have been commissioned. People most likely find me on the net: I make noise about interesting subject, phenomena and people in social media.

- A printed book is a businesscard to do more stuff. Readers need to be reminded of the author between the books. I do my part by whatever means: creating book trailers and blogging.

- My brand is fairly scattered around the internet and my many subjects from the advertising business to music to lifestyle create scattering too. Can I really control everything? Quantitywise I create quite a lot of material, in every direction and all the time. Is the printed book really the only way to get the brand?

My network of interaction

The publishing business is not clear to me and there are plenty of details that I as a representative of the digital era do not understand. I do not belong to "literary circles".

Editor   Co-writer

Friends and other close people

Colleagues, experts from interesting areas

Targetgroup for message

Seekers, browsers and experts with a message of their own.

Regular column in trade paper

Working on the idea and looking for another writer

Idea for book offered by the publisher

Speaker at seminars/lecturer

Co-writing starts

Editing together with writers and editor

Own music and lifeskills-blogs (+ Dj-work and commissioned blogtexts)

The publisher markets the book to people in the dustry

Publisher sets, estimates ans knows the sales figures

The book is found in social media thanks to us authors

Release party for friends and peers

Time to focus of the day-job again

Blogtexts and comments about the book by people in the industry and peers

"Comment on the book in your blog and receive the book in return"-campaign

Googling myname and the name of the book in hope of more feedback

I need to write a blog post and an analysis of consumption behavior

Attachment 8 Author / Storyteller Persona (original in Finnish)

SECOND_REALITY_ARTIST

<add descriptive name>

For me the important thing is the experience and vision of the story. The continuum, that goes on and drifts in different directions within the story and is expressed through different channels.

The story just continues and grows... for years.

- I am working on the 4th part of my fantasy book series. The world needs different realities and experiences, stories that grab you.
- You could say that I am highly educated and civilised. I have always written: from journals to political speaches and also made my own music.
- I cannot write only fiction: when writing fantasy story most of my time is spent on research and discussions with various experts. I want to create a world that is based on reality and from which you can learn. Reality is the best fantasy!
- The characters of the story came alive through poems and lyrics. I was also inspired to try out drawing. In addition to the text I have a huge amount of media files on my laptop.
- It is important to me to be able to control the big picture as well as knowing and feeling how the story is perceived. At the same time I want to offer the audience the possibility to influence and create the story on their own by reading, listening, testing, sensing..

- The text can take many forms: story, blog text, poem, lyrics, theatre.. Who can tell which from of publication to choose?
- Where to find the people and team to create a hypermediabook or ambient experience for the story? Where is the line between such a "book" and a movie?
- How to receive feedback throughout the project and not only at the end? I need to create my own story production network..

My network of interaction

I am currently the production team. The publisher tries to help.

Production team

The influencers on your own story, experts and those close to you

I acquire a network and try to learn continuously

Interesting people from whom you can learn new things

Audience

Tribe members and characters who play in the stories

Research, observation, text and drawings

The characters of the story come alive

The characters sing and recite poetry, some aforisms

Poems and music is created for different characters

Following the themes, educational messages are born

Theme and plot grow stronger

Competition for graphic artists regarding the book cover

The world of the story is buildt / continues

Internal development and feeding of creativity (consciously and subconsciously)

First part of the story published as a book

Messaging channels of the publisher and distributors

Sequels and the continuation of the story largely exist in my head: text, pictures, music and educational games

Media files online on the publisher's pages

Feedback from readers and colleagues

Events at bookstores, libraries and fairs – arranged by the publisher

Projects dealing with text and music and with non-profit organisations

Attachment 9 Persona Workshop / Idea Generation Flow

WARM UP: BRAINWRITING (including all three personas)

ROUND ONE: FAMILIARISE yourselves with one persona with your team and CHALLENGE the persona. What questions would you like to ask him/her? What are his/hers challenges as a text producer? What solutions do you find for the challenges? Give him/her a descriptive name

ROUND TWO: familiarize yourselves with AUTHOR'S NETWORKS, RELATIONSHIPS AND RELATED INTERACTIONS. What challenges, needs and solutions do you find there? Are there any stakeholders missing? Who still keep distance towards the persona?

ROUND THREE: STORYTELLING GAMES WITH "WHAT IF"..
..PERSONA "STORYTELLER_" opens a kiosk near consumers and companies. What does he sell and to whom? What are his TOP 3 selling items? Who are his competitors?
..PERSONA "TEXT_PRODUCER" creates a journal-like publication which is distributed as a chargeable mobile application. What is the pitch for the publication? What are his TOP 3 most clicked contents and services?
..PERSONA "SECOND_REALITY_ARTIST" gets her own prime time talk shown in social TV. What is the secret behind her successful show? Who does she talk to and who performs on the show? How is social TV presented in the show?

ROUND FOUR: TELL A STORY. Who is your persona: what is his/her name, what kind of person s/he is, and what is his/her frustrations, goals and delights. What kind of services did you create for him or for him to provide? Which of the ideas do you view as most valuable from your persona's perspective? Which of your ideas are desirable for the readers or persona's audience? Which ideas have the most potential business case?

Attachment 10 Three Different Story Paths
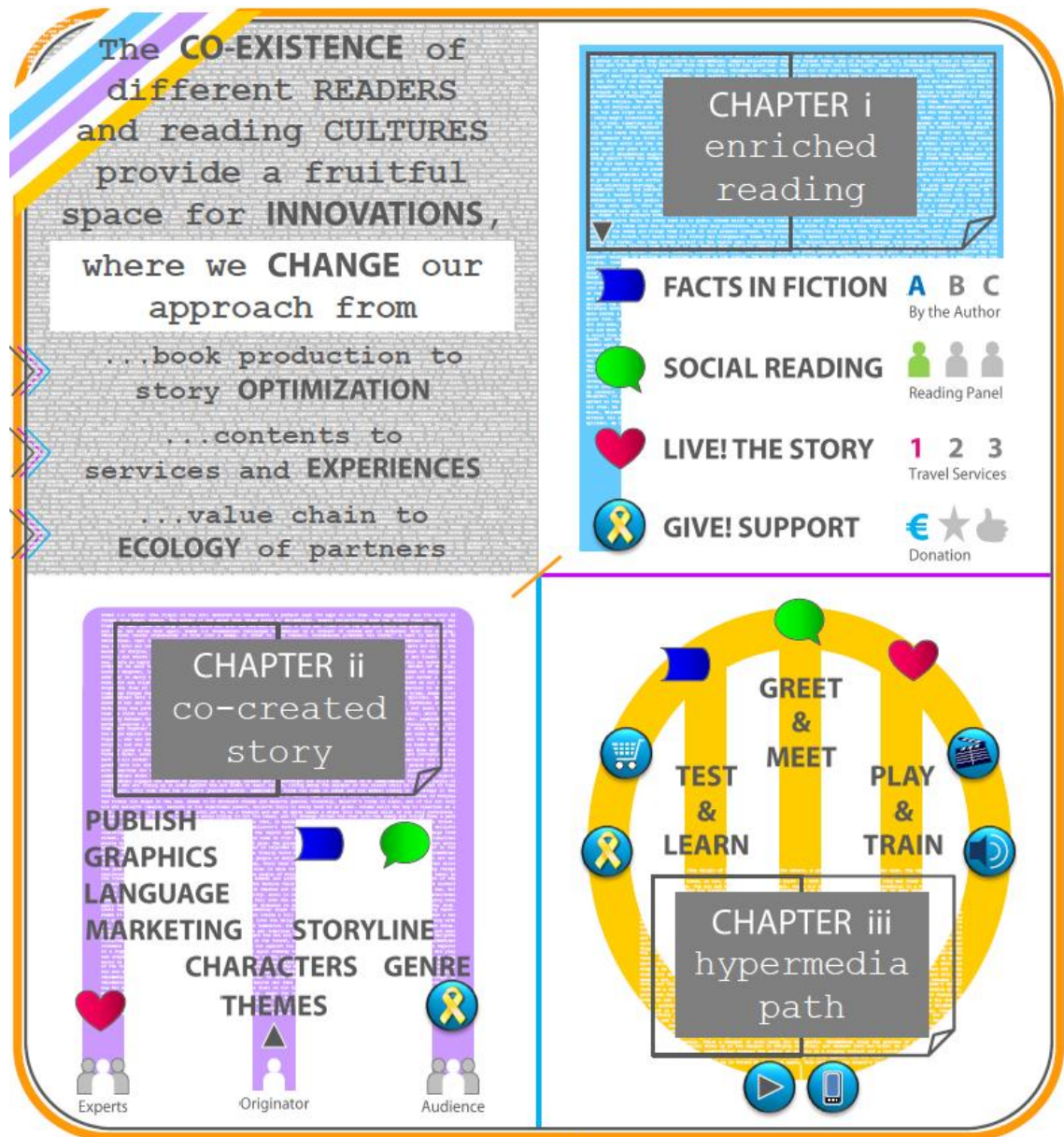
Attachment 11 Example of Editorial Book Recommendations

(Translation by Anu K. Nousiainen)

Helsingin Sanomat. 2012. Luetaan, satoi tai paistoi. C2. 17.06.2012.

Attachment 12 Summary of 'DSS' Value Priopositions

AUTHORS	BUSINESS & PARTNERS
Develop value network - enhance offering	**Tell your story & Offer resources**
Find new business opportunities and resources	Order consultation, scripts and stories from writers
Develop skills with creative professionals	Elaborate experiences to physical spaces
Test and try new platforms and genres	Create phenomena and new entertainment concepts
Productize brand and stories	Develop value network competences and skills
Manage story production and lifecycle	Create, test and sell content around total offering
Meet and challenge your peers	Tap community, spot opportunities
Get inspiration from co-creation, harness audience	Sponsor new ideas, tribes and themes
Get recognition and crystallize brand	Get product placement into story experience
Know and meet audience, get fans	Buy targeted and theme specific ad space

READERS

Train and show your skills - become a writer

Coach and support writers, learn with writers
Meet writers, characters and tribes
Influence on stories and their lifecycle
Co-create, visualize and invigorate stories
Design and order personalized stories
Subscribe, order, buy, print and fund stories
Give & get meaningful recommendations from peers
View, read, watch, hear and play the stories
Explore and monitor themes, writers and characters

Digital Service Space

A readership community and ongoing exhibition embracing new Encounters and rich Experiences

..through Enchanting stories and characters,

..through features of Express service and delight,

..through enabling different paths to Evolve,

and with a placeholder for Enticing serendipity!