



Co-creating a gastronomy service Case: Krakow restaurant - Handelek

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Abstract

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The following study concentrates on the service design process of the gastronomy concept and brand Handelek. The author's objective is to show how co-creation can be an appropriate method of building a new service and brand in the gastronomy industry. The study delivers a co-creation framework based on theoretical research and the author's concept of co-creation as an element of business strategy on each level during service design process. The knowledge base is focused both on service logic premises (mainly resource integration), a complete selection of design thinking tools presented in details and the author's own interpretation of Double Diamond model, but also a comprehensive study on the co-creation phenomenon. Apart from the implementation case and presenting a whole process from research, through concept ideation, validation to implementation and further development plan, the study brings new frameworks not only for the gastronomy industry, but also for other business areas, providing a value in use. Moreover, the study brings a new value on netnography research method chosen by the author in research and data analysis (focused on digital) with an instruction and schemes to implement in other cases and different contexts. Co-creation as a main scope for business nowadays is one of the author's most important recommendation.

Keywords: Co-creation, Netnography, Resource Integration





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1. Introduction

1.1. Background and scope justification

In this thesis a service created within gastronomy business is presented. The process includes 1.5 years of work and implementation by using the service design approach. The Handelek - Krakow breakfast restaurant concept is a service case and the results of this study is now a successful business with a third service iteration ahead in last quarter of 2019. It has 20 employees on board and received the nomination "Krakow's best breakfast restaurant of the year 2018". Moreover, it is already presented as a case study during design thinking conferences in Poland (Polishopa 2019) and at gastronomy events (2 editions of Made for Restaurant, where the author provided two workshops for experienced managers and restaurant owners).

The gastronomy industry was chosen as the context for the study and new business design is based on the author's research, passion and scope of personal development for last several years. Being the CEO of consulting company Socjomania (focus: marketing, business development strategy, and digitalisation of services) for 8 years, the author acquired a practical experience for designing a service. Secondly, the insights gathered from gastronomy industry observations (customer experience, restaurant business development) for last 10 years provided a knowledge and motivation to enter new business. The author decided to begin simultaneously with Service Innovation and Design MBA program at Laurea University of Applied Sciences. Furthermore, one of the main decision factors was the condition of gastronomy market in Krakow. Based on insights (personal, reports, and observations mentioned above) local gastronomy needs new service concepts, change in attitude to business development (resource integration and using potential of history and tradition), coherent brand strategies to fulfill needs of today's customer - restaurant guests. Krakow as a city has strong origins in the case of gastronomy and culinary traditions since the XIX century with first recipe books from the XVII century. This year (2019) Krakow was nominated as the European Capital of Gastronomic Culture (awarded by European Academy of Gastronomy). Main decision factors covered resources - local products, recipes, tradition, and number of restaurants with Michelin distinctions.

1.2. Purpose of the study

Nowadays, 93% of travelers can now be considered food travelers, looking for food experiences, exploring tradition, history and region, becoming prosumers with more and more influence on service development. Because of new technology opportunities (World FoodTourism Association Report 2016), there is a strong need to focus on using their potential to create successful gastronomy concepts.

The business approach and strategy established in the first company, where co-creation is a main method of building an organisation (from human resources to management and strate-

gy development) created the basis for designing the new service concept within this thesis. The author aimed in this study to implement co-creation on each level of new business development strategy, together with six co-partners. The study shows the process step by step, providing proof how it became the main business concept of the existing gastronomy service - Handelek.

The primary research and development question was: **How to implement co-creation as a strategic framework when building a new service within the gastronomy industry?**

To support the co-creation method, the author includes resource integration as one of the leading service logic premises, which is the main direction of gastronomy industry nowadays, according to the author's observations. As stated in the literature research, it is also one of the basic elements of the co-creation method itself. Moreover, a new definition of market and nature of resources with the existence of dynamic capabilities is presented. Service design methods and processes provided in this study bring new value in connection to the author's expertise in netnography research method (expertise acquired in the first business - Socjomania). Netnography is mentioned and implemented throughout the whole service development stage.

Initial problem definition and the design challenge is defined according to the Double Diamond approach (application of British Design Council Double Diamond model, 2005) The challenge is "*How might we make breakfast (as a most important meal of the day) a great experience to serve it as a memorable and Cracow-based journey?*". The challenge includes and cover the service gaps in the gastronomy market based in Cracow, Poland at 3 levels: Location and industry level - Cracow brands, local products, fulfilling service gaps; Customer level - breakfast as an experience; Service Design approach level: market constant reinvention determined by co-creation model of creating and delivering a service concept.

1.3. Study structure

The study is structured as follows. First, relevant literature and author's research on the co-creation approach to building organisations is covered with critical reflections, then resource integration and management as one of service-dominant logic premises is combined with new markets definition. Next, the process of new business design - of case organisation emphasizing co-creation method is presented in details with data gathering and analysis approach (iterative, during different stages of service design process). A vast collection of examples from co-creation workshops and validation methods is provided. The author's own co-creation definition and model is applied and introduced in the research part. Finally, the implications for further research and usage of model are provided. The study brings a value both for restaurant owners (business field), researchers (providing a practice models and data analysis tactics from netnography) and service designers. It was possible by presenting a real business case accompanying the whole process of service design implementation with a high focus on validation and service iterations.

2. Knowledge basis (key concepts)

2.1. Co-creation phenomenon

Nowadays, the business ecosystem consists of different stakeholders activities. Value in use in services is based on implementation of their capabilities and integration of their resources. This situation determines and creates a base for co-creation in the economic sense. Modern enterprise is an area where engagement platform is created encouraging entrepreneurship, decision-making processes, enabling offering opportunities, ideas, and insights (Ramaswamy, 2014). In this thesis the author shows how to implement co-creation and an instant collaboration approach when creating new businesses. As Bhalla (2011) said: "However, while there is significant advocacy and buy-in for collaborating with customers, there is little guidance for companies on how to undertake the journey from applause and appreciation to execution". Therefore, in this thesis, a new definition of co-creation, and strategical framework - how to build a new service in the co-creation process is provided.

Co-creation started to be perceived and implemented as a trigger to innovation, sometimes called even co-innovation (V Ramaswamy, 2009, D Romero et al., 2011, SM Lee et al. 2012). The focus is on value creation rather than value distribution, and facilitation and support of value-creating processes rather than simply distributing ready-made value to customers (Gronroos, 2000). In gastronomy business initially it seems to be more complicated, because of the goods - the product which are as a centre of a service, can be directly offered as a value to customer. Finally, since industry and clients are evolving and changing their mindset, customers started to be a prosumers having a real influence on how food and gastronomy is perceived (Hahn T.N. et al., (2011).

The customer as a beneficiary must learn how to use, maintain, and apply his or her unique needs, depends on situation and interaction with a service. In this sense, the co-creation of value process is needed in the context of integration of resources (Vargo and Lusch, 2014). Resource integration as a service logic premise and an element of the co-creation process is a part of this study and will be presented in chapter 2.

The added value of this study is created through the use of netnography methods. The study also creates added value by the co-creation framework that is implemented in business. It creates at the same time a good practice for the gastronomy industry to involve in their day-to-day performance. It also brings the importance of both a reactive and proactive (transformational) approach to customer value creation, by enabling, gathering and creating data by all resources (actors involved) within the new definition of a network.

2.1.1. Actors role - reinvented

As Ramaswamy indicates having a status of a co-creative organisation is not possible if we don't take into account the role of managers from different areas and employees who have the contact with clients (Ramaswamy, 2009). Once leaders recognise the "interactions among

individuals everywhere in the system” as the new area of value creation, it stands to reason that organisations must be designed to function around them (Ramaswamy, 2009, p.33).

Finally, dynamic capabilities derived from different actors’ resources are the new way of thinking of their value. Actors are becoming knowledge owners/knowledge managers. Some researchers in this area stated that not every knowledge resource is valuable for a company to take into account. If a specific knowledge resource does not have the ability to create value, can be treated a waste of value (Hussain, 2017, p.43). It is important though to be able to measure and have a proper approach to data: How can we be sure if insights (from co-creation processes) are not crucial for customers or will be crucial in the next years in the future? Apart from the data gathering and analysis attitude and constant habit, this new knowledge manager role in a company can be one of the answers to that challenge. What areas should be considered in this new role? There are three main points:

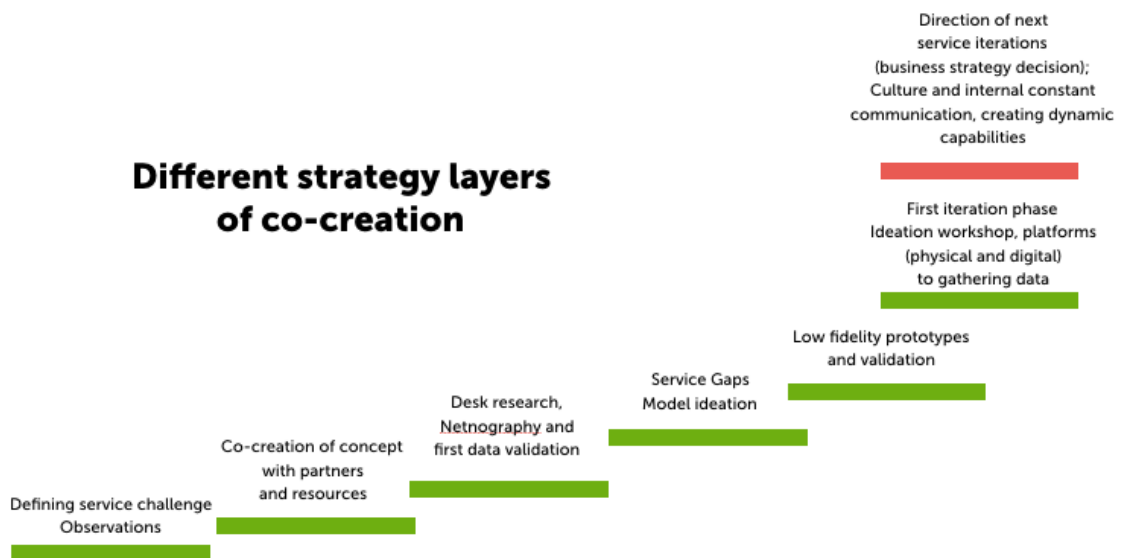
1. How does a company/ service owner creates a space for actors to access and mobilize resources?
2. How are market actors enabled and motivated to implement resources and create a value in a different manner and areas?
3. How the idea of engagement platform and its constant review show openness and enable to constant value creation (physical, digital, frontline employees contact)?

2.1.2. Co-creation. New definition

Based on research studies and reflections, own co-creation definition in service, which is the area of this study, is indicated below. Following definition is created as a summary and the result of the study after final service implementation. The author states that:

Co-creation should be implemented from the initial phase, fully integrated with an agile way of creating products and services, involving all actors and stakeholders as partners to the process by learning with the market approach. In this sense, it is necessary to create new models on how to implement co-creation on each strategy layer of business and on a daily basis. Co-creation should be treated as a mindset, approach to creating service value proposition, constantly enabling actors via engagement platforms and maximising performance of their resources to constant service reinvention. It covers all levels: from concept (based on design challenge and initial problem), through resources: people, organisational, ideation, prototyping and constant validation to make strategic decisions.

In figure 1, various strategy layers of co-creation are presented in the context of Handelek service development case with methods integrated. The author of the study followed the strategic plan during the whole service design process.



[Figure 1](#) Various strategy layers of co-creation - framework

Co-creation in the sense of food industry also brings new ways of thinking about operations, and the new skill: interoperability (Food Innovation Recipes Booklet, 2017) which is strictly connected with industry-wide standards for data collection, sharing, and storage influenced by netnography. It is essential to constantly take into account the data collected from ideation, co-creation with different actors taking part into a service delivery and value creation and development of internal operations and service processes. Linking different resources and capabilities and finally new way of managing data is a strategic management decision in gastronomy industry.

Since this study, the author has specialized in netnography and marketing. They became one of the key points to allow co-creation as the main method in creating Handelek service case. In this scenario customers play a main role in natural platforms for creating dynamic dialogues between the brand and customers. However, other actors also play a role in the meaning of resource integration through shared networks, virtual marketing techniques, to develop deeper relationships that reinforce brand loyalty and ultimately drive growth. In the sense of being new prosumers (meaning consumer as a producer, firstly used by Toffler A, in „Future Shock”), customers as actors are *the engaged eaters* who will create a food system rooted in values of sustainability, health, sociality, and pleasure.

Using co-creation as the primary methodology, this study shows it as a framework, whose origins and interaction are strictly combined with the importance of service-dominant logic premise: resource integration, and its elements: network idea, actors' role and dynamic capabilities in developing the service. There is almost no study with this approach implemented in the gastronomy industry that is the context and area of implementation in this paper. In

Figure 2 three layers of development are indicated as an introduction to Handelek's service design process. The approach to the whole project was design thinking methodology. At strategical layer service design project steps and methods in interaction with agile project

methodology and experience design is delivered. Finally, the framework is described and implemented on data level: Netnography and Co-creation.

Handelek's model

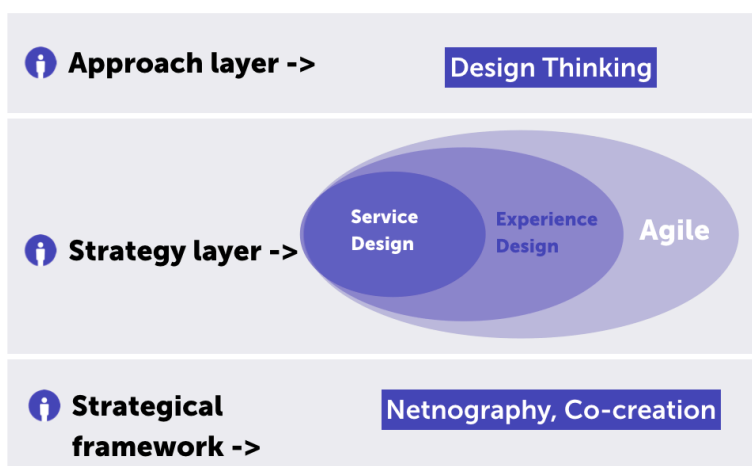


Figure 2. Three development layers in service design process of Handelek

2.2. Service Dominant logic premises: Resource Integration

There are more and more companies in Krakow (which is the geographical area of this study), and servitisation (service logic) is becoming a popular attitude in business development. However, there are only a few examples of proper understanding of resource integration phenomenon aiming to deliver a most appropriate value in use for actors and customers (Lusch, et al., 2014). One of the service logic premises - integration of resources, cannot ignore the approach of enabling them to co-create final value in use for customer (Gronroos, 2011). In this meaning the actor's role is reinvented (as mentioned in chapter 1.1.1), resources need dynamic capabilities to perform, and the definition of network and service ecosystem is evolving.

2.2.1. Definition of network and service ecosystem

The gastronomy market is chosen in this study as an area of creating and implementing service concept. What is the nature of the market in the context of co-creation? The literature states that markets do not exist, but instead they are in the process of constant creation, they evolve, due to their dynamic, flexible nature exploited by different actors (Rosa et al. 1999, Storbacka and Nenonen 2011, Kjellberg et al. 2012.).

Service ecosystem built in markets refers to a relatively "self-contained, self-adjusting system of resource-integrating actors that are connected by shared institutional logics and mutual value creation through service exchange" (Lusch and Vargo, 2014, p.10-11). The actors involved set up a dialog and transfer knowledge and other resources for organizational learning and resource creation and renewal (Gummesson et al., 2010) through a better matching be-

tween resources, processes, and outcomes. In this meaning "actors should engage with processes related to formalisation, institutionalisation, routinisation and materialisation (Nenonen, 2013, p. 249). Nowadays, organizations to build, develop and stay in the market need a constant learning approach. In studies it is defined as 'learning with the market' (Storbacka, 2011). It requires mutual adaptive processes, involving some actors in a network. As a result elements can be changed in a process of building market: network structure; market practices; or interpretations of the market. Moreover in the studies about future of food and innovations, the cultivate network phenomena is accentuated.

"As the food innovation landscape becomes more open and enables smaller-scale players to compete with established stakeholders, it will be critical to build sustained connections across traditional barriers of scale, competition, and industry. Catalyze innovation over the next decade by cultivating networks—of data, of microbes, of synthetic bio-blocks, and even of crowdsourced narratives (Food Innovation Recipes Book, Future of Food, 2017)".

The study questions research on RI so far (mostly Barney, Hesterley, 2011), and shows that definition and essence of competitive advantage should be revised. Integration of resources is essential to create value in use for all actors (not only customers). Competitive advantage will be now a common and shared value between all actors (sometimes previously competed with each other) created in the process of integrating all resources (knowledge, operational, logistics, HR, marketing, selling, etc.) in a collaborative platform. It also means that nowadays to create services we need to be in a role of facilitator who facilitates a process of constant learning from different resources integrated in one platform in a constant co-creation process of building a service.

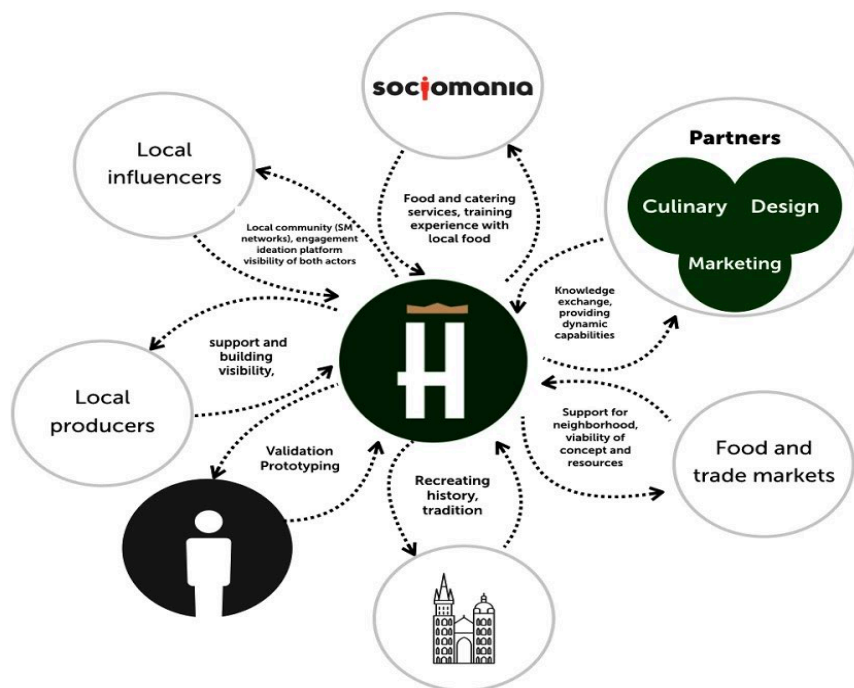
2.2.2. Resource Integration. Creating Dynamic Capabilities of organisation

All actors included in the service ecosystem are attempting to increase the viability of a system through exchange and resource integration to co-create the final value proposition (Vargo and Lusch, 2014). In gastronomy business, operant and operand resources can be perceived. Moreover, in decision-making processes (referred to marketing/buying decisions) actors take into account internal, public, and additional resources which can be referred to gastronomy market. As describing a process of innovation (Arthur, 2009, Vargo and Lush 2014) additional resources often brought by actors as incremental innovations from other markets, inspiration are crucial to take into consideration by thinking about all service resources and final value in use. These additional resources are also trends and directions in other markets

that influence food industry and create new resources. Among others, most crucial trends taken into account in this study and based on desk research are: servitization of food (delivery services and experience of mobility of dining), food independency in the meaning of local food value and popularity emerging, self-growing and new big player on the market - independent, small enterprises of producers and farmers - agroentrepreneurship, food tourism (World FoodTravel Association 2001-2018, Institute of the Future, Food Futures Report), mindfulness phenomena in eating (T.N.Hahn et al., 2011). Company challenge the new way of de-

development and strategic management based on dynamic capabilities known as resource orchestration processes (Teece et al. 1997, Eisenhardt, et al. (2000), Winter (2003), Crook et al. 2008, Madsen, E.L. (2010), Mohamud et al. 2016). Dynamic capability is the “ability” of the firm to “reconfigure resources and competencies” in a “changing environment” (Eisenhardt and Martin, 2000; Teece, 2007; Teece *et al.*, 1997, Sund 2018) which is also seen in the gastronomic industry - scope of this study. Nevertheless most important studies concentrate on how to derive a competitive advantage *vis-à-vis* their competitors more than concentrating on value in use for all actors (including competition itself) (i.e. Grant, R.M. (1991), Barney, J.B. (1991). Wales et al. 2013). Furthermore it is today widely recognised in the resource-based theory literature that the competitive advantage of a firm does not lie in owning resources as such, but in the specific resource configurations managers create in a company and how these are leveraged (Miller, 2017). Finally, future gastronomy directions stated that resilience would be one of the most important issues. The resilience in the sense of environment, business, strategy beyond own organisation, and impact on society (Food Innovation Recipes Book, Future of Food, 2017). This approach is also involved in the case company in this study by indicating seven levels of resource integration with dynamic capabilities and exchange in value in service. Please see Figure 3.

Service value network - resources and actors



I. Socjomania and Handelek partnership (marketing and catering)

Socjomania as the first company (situated in the same building) provided by Handelek with catering services during trainings and clients' projects, building customer experience during the service. Socjomania also builds dynamic capability for Handelek in case of marketing (resources: knowledge and people) and also builds viability of the concept (co-partners of Handelek are co-partners in Socjomania as a result of co-creation approach on the strategic and management level).

II. Partners

Acquiring resources by providing dynamic capabilities from different partners (culinary, product design, marketing level) by sharing shares with them and providing both parties with a high level of service.

III. Food and trade markets

Supporting Krakow trade and food market history since the XV century, with re-creating the story and gaining products from the most important food market just opposite the street (location of Handelek's place was inspired by it).

IV. Cracow city (tradition) and Handelek story and values

Based on research involving Krakow breakfast places, there is a gap in the service, inspired by Krakow history, traditional and regional ingredients. Re-creation and inspiration are both needed and implemented in the service supporting local tradition and history.

V. Socjomania employees

Co-creators of menu, involved in all low fidelity prototyping and validation of the concepts on a daily basis sharing their insights and experiences, giving constant feedback on the menu and service. They also are a special guest/employee benefit system for breakfast and lunch prices (Socjomaniak special card).

VI. Local producers and Handelek

The main products and concept of the menu are based on regional products (Krakow area and Lesser Poland region) and most of the suppliers are located in the food market which is opposite the street where Handelek is located. It brings value for both actors and finally a promise to customers of transparency and freshness of products. Handelek not only financially supports local producers but also gives them an opportunity to show their products (depicted in the menu and social media marketing).

VII. Local influencers

Creating a community and platform for engagement and constant feedback with the aim of constant service re-invention and iterative nature of concept. Providing value with building visibility and viability of members of the community supporting their communities and gaining a sense of influence on service and being drivers of change.

Studies showed that nowadays there are initiatives to measure resource integration effectiveness, identifying firms with a high or low level of resource integration capability aiming to create competitive advantage (Sund et al. 2018, Khalili 2017). One of the measurable outcomes is the perceived degree of resource integration (Sund et al. 2018, Song *et al.* 2005). Others like Chadwick *et al.* (2015) in their studies state the focus on strategic human resources management. Aforementioned authors considered commitment-based human resource management systems as an example of a resource "bundle" and the use of such a system as a measure of the degree of orchestration present that according to service value network above is also implemented in Handelek's case.

Sund et al. (2018) introduce a case example of an IT company stating that both the internal and external perspectives should be covered and measured and demonstrating how a variety of statistical methods i.e. social network analysis can provide measures of resource integration. Based on the above we can see that one of the most important strategic directions is gathering, co-creating and analyzing data from different resources - networks and using both direct and digital ethnography methods which brings more possibilities to measure (netnography involved in this study, pages 18-21). Moreover, the gastronomy industry and customers' behaviour are influenced by the change in mindset that food is now not only nutrition but an experience. This experience combines contemporary and traditional perspective, an opportunity to express oneself and brings a new area to develop and analyse.

3. Development setting

3.1. Purpose, objectives, development task

Co-creation is one of the key elements of design thinking approach (Brown, 2009, Plattner et al. 2012). During all phases of design thinking process with the aim of creating innovation, various actors are involved in the sense of co-working, co-creating, and co-testing by creating synergies for all parties involved.

The main research and development task in the study is **How to implement co-creation as a strategical framework of building a new service in the gastronomy industry?** By referring to resource integration and new market definition areas mentioned in chapter 2 and connected with the co-creation methodology, the author decided to point and include two supported areas in the research and development process:

1. How to implement resource integration as a service-dominant logic premise? What are the resources in this study service case?
2. How to create a service network to support a constant reinvention process as a nature of service creation, testing, and delivery?

Results of new service development in a co-creation approach are presented in two stages: results for concept development and results for service implementation (chapters 5 and 6). Issues and challenges in a development phase includes three main topics. Firstly, the nature of gastronomy market which is in Poland still influenced by a goods-dominant logic and influenced by economical and sociological issues has a different approach to customers value creation, customer service and food experience than in other European countries. Second topic is the amount of data created and gathered in different iterations both in traditional research and digital networks (netnography method) during the whole business design process. Final point is building a service network from different resources integrated and implementation in a real business (as stated and presented in Figure 3).

3.2. Methodical solutions. Service development plan

In this study Double Diamond model was chosen as the main methodology for the new business design process. It was based on Double Diamond (British Design Council, 2005), and its reinterpretation by Billy Loizu (2016), who focused on testing, already during the process, and on the iterative nature of design process. In this study, the own interpretation of service design process is presented (Figure 4). The co-creative and iterative nature of the service design process is depicted. Moreover, on each stage of design process tools are indicated. Validation - testing is implemented in the whole process, not only during the prototyping phase. This supports the co-creative and data-objective focus of this study.

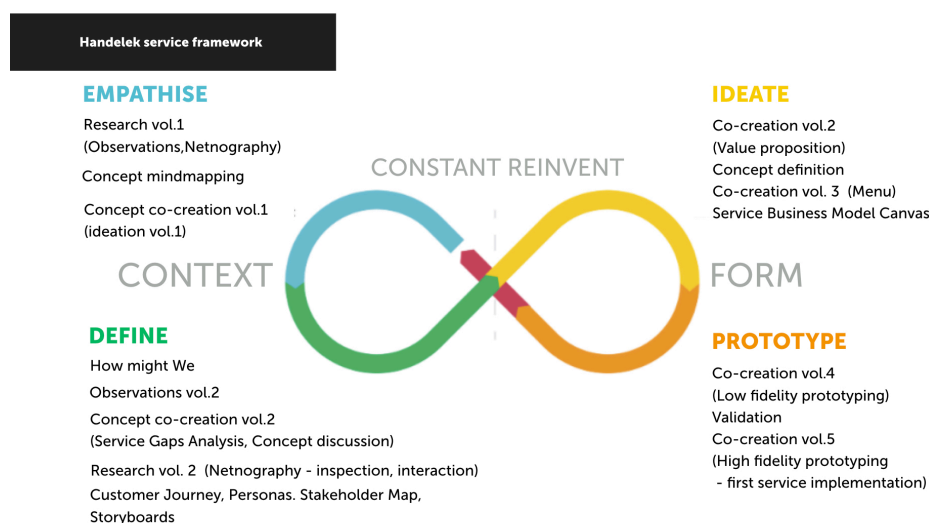


Figure 4. Author's interpretation of Design thinking framework for innovation. Handelek Service framework

Moreover, as presented in Figure 4 Handelek's service model development implemented service design, experience design and agile methods (on a strategy layer) and apart from co-creation also netnography as a framework in the research area. The framework presented above was also simultaneously the service development plan, which encountered a few iterations after the define phase, mainly related to co-creation elements and service implementation plan. In the next chapters, the data analysis approach, implementation of models and methods are indicated in detail, and finally, service implementation and its further development are included.

3.3. Data analysis - methodology and management plan

In the co-creation framework the data collection (data gathering and analysis) is present during the whole service development process, and it mainly consisted of research and ideation (with co-creation workshops) on different layers with different objectives of acquiring data. Data is gathered to validate a concept (at a first stage - during empathise, define and ideate stages of design process) and validating a service during prototyping, testing, and implementation stage. The data analysed and presented in this study are indicated in Table 1.

Data management and collection plan

Stage	Handelek service framework phase	Methodology/tools	Data Type	Decisions (further direction)
Concept validation and development	Emphatise - Discover (Research)	Netnography vol. 1 (introspection and investigation)	<ul style="list-style-type: none"> ✓ Quantitative data (number of mentions, popularity of trends, phrases, sentiment, number of trend signals); Qualitative data (codes, type of trends, trend analysis, behaviours) 	Data for further research, first ideas for service concept (midmap), base for first menu concept
	Emphatise - Discover (Research)	Co-creation workshop service idea pitch and interviews	<ul style="list-style-type: none"> ✓ Concept feedback (6 questions, 12 interviews); service value network founded 	First concept validation, resource integration (acquiring new partners for company)
	Emphatise (Research)	Observations (Service Safari), Co-creation workshop (testing, service gaps analysis)	<ul style="list-style-type: none"> ✓ 15 observation sheets answering 8 service safari areas, data from sandwiches testing, service gaps model for 6 local competitors 	Summary of service gaps in the market, trends validation
	Define	Netnography vol. 2 (information, interview and inspection), industry reports analysis, Co-creation workshop	<ul style="list-style-type: none"> ✓ Engagement platform - digital around the concept idea - quantitative and qualitative data: 150 mentions, 600 interactions, ideas from possible customers, data from first netnography validated 	Concept validation with possible customers, further menu development ideas, first product prototype (Cracow sandwich)
Service validation and implementation	Ideate and Development	Workshop - Tools: Personas, Customer Journey, Stakeholder Map	<ul style="list-style-type: none"> ✓ HMW validation, 8 personas, Value exchange rules between stakeholders 	Service direction: introducing some B2B business and food delivery, importance of digital communication
	Ideate and Prototype	Product ideation and low-fidelity prototyping	<ul style="list-style-type: none"> ✓ Concept summary, first product prototypes (10), ID inspiration moodboard, 55 answers in brand identity survey 	First products ready for high-fidelity prototyping and validation during first event
	Prototype and validate	High fidelity prototyping and ideation with customers	<ul style="list-style-type: none"> ✓ Quantitative and Qualitative: 67 surveys, 80 comments - validation of food concept and brand idea, 150 sandwiches sold, More than 20 ideas (flavors, spreads, ingredients) service business model canvas 	Ideas for further menu development, Validation of prototypes and prices. SBMC created
	Implementation	Implementation 2 iterations: workshops, data collected in local (physical space)	<ul style="list-style-type: none"> ✓ special engagement physical platform for qualitative data located in the local (over 100 opinions), opinion (digital services - 4.9 scale), data from influencers (food bloggers), 	areas to improve, constant reinvention strategy- insights for further iterations

Table 1. Data collection and management plan implemented throughout the service development process (based on Double Diamond model)

3.4. Data collection (various stages: service concept and service development)

Starting with the research on empathise (discovery) and define stage related to the main development question and objectives, research methodology on various phases is indicated.

With the purpose of planning research during the discovery phase, instruction and its elements were created and then followed. Methodology behind research and qualitative data analysis process with tools and data types mentioned are presented below in details.

Elements of Research methodology (Empathise stage)

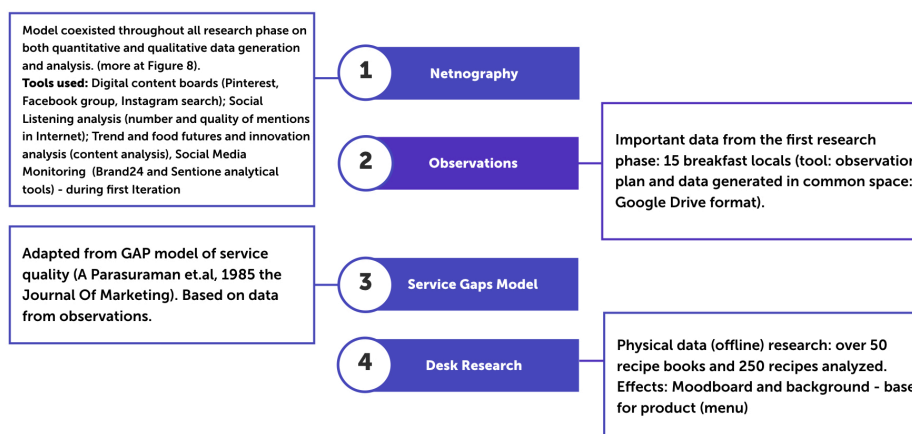


Figure 5. Four phases of research methodology (empathise and define stage)

The aim of research during the discovery phase was to analyse various kinds of data related to the food industry, breakfast time, and beverages as the main scope. Breakfast category on which the author of this study decided to concentrate the service on, was one of the main ones discussed in the Krakow gastronomy industry in the last years (since 2014). Moreover, inspiration for the scope came from the origins of the Krakow culinary, which is based on first food locals in the XIX-century (Leśnicki, 2013, Ilustrowany Kucharz Krakowski, 1898). This in-

spiration was one of the elements of the service (design question and challenge) - how might we, presented in the define phase in the next chapters. First results of inspiration, data and simultaneously the base for netnography (keywords, research directions) were created during mind-mapping session. It was stored online and used during the first ideation workshop in the next project phases:

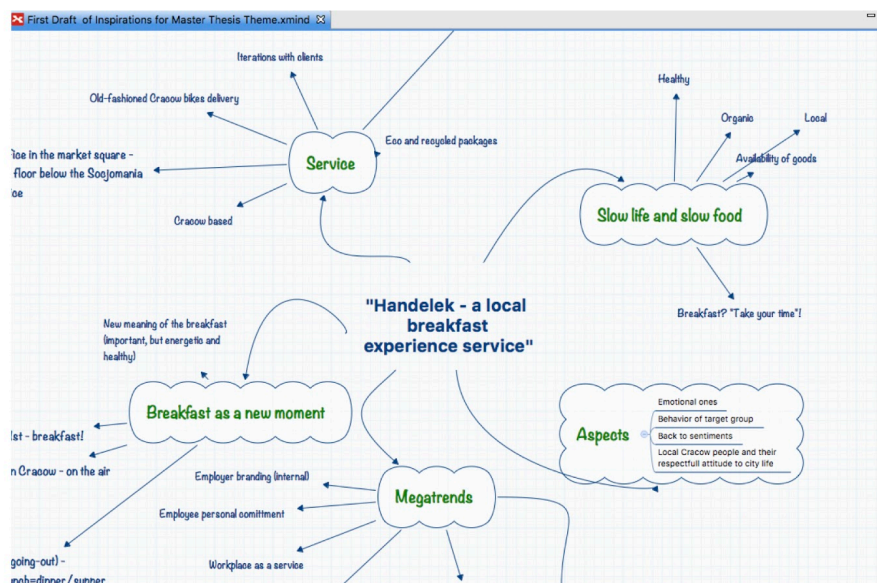


Figure 6. First research and concept scope mindmap

3.4.1. Netnographic approach. New Definition of network

The idea of the network is changing in the era of new technology mostly with social media channels like Facebook, Twitter, Instagram, and others. The platforms are open to people's feedback on services and companies' day-to-day performance. It enables more and more actors to play an active role in the process of constant creating and re-inventing the service. Today's service customers are increasingly active during the whole service journey and leave their "footsteps" online, having interactions with service providers. It provides data about their activities and experiences (Berthon *et al.*, 2015; Wuenderlich *et al.*, 2015). Information technology is developing and the context of service delivery and experience is changing (Ostrom *et al.*, 2015).

Since 1997 we can observe more and more examples of companies that share their development process and make strategic decisions based on users'/customers' opinions and ideas (examples: Nivea, Listerine, Starbucks). The method consists of different tools, based on an ethnographic research, attempted to understand consumption-related aspects of customers' behavior online was defined as netnography (Kozinets, 1997, 2006, 2014). Nowadays it is used by researchers, marketers and business strategists.

Netnographic research can be used as a market research tool providing help with service innovation (Heinonen et al. 2018). Based on Heinonen's research (2018) who did an extensive review conducted on 321 articles using netnography, Among many uses, the author emphasises that there is a proof that netnography can be a useful research method for the phenomenon of co-creation. About one-sixth of the studies on netnography involved a service perspective. The three most essential uses stated in the research study mentioned above were implemented in case company Handelek. All of them are literally mentioned below (Heinonen, 2018, p. 677):

1. By combining netnography with other methods, service researchers may generate an additional dimension of understanding of value creation.
2. Netnography allows service researchers to explore customer journeys across complex service offerings, touch-points, and channels.
3. Netnography can help service researchers generate new insights about professional service providers and their customer relationships.
4. Netnography enables service researchers to learn about service experiences in different cultural contexts.

Moreover, other previous studies revealed that netnography has been used to examine the process of building innovation in companies by using co-creation method in online communities with a process of crowdsourcing (Kelleher *et al.*, 2011). In this study I concentrate on implementation case study of Handelek - gastronomy service concept, provided in the process of co-creation as a fundament of 4 phases: initial concept, service delivery, constant service validation, reinvention and each of them are emphasised by the data gained from netnographic research methods. Not only in the phase of desk research, but also as an approach to constant re-invention of service. Some of them are presented in detail in the following pages of the service development part of this study.

3.4.2. Netnography implementation

Netnography, as defined in chapter 4.4.1 and with high significance of data for results and implementation, was introduced during all service design process in strategical 12 steps presented in **Figure 7**. Data collected by the author, her inspirations and knowledge on Krakow culture and Krakow culinary history was validated, compared, and complemented via netnography at this phase to define service design challenge in the next phase. The whole process implemented joint of qualitative and quantitative data from digital sources with research data from offline sources and workshops like co-creation workshops, observations of 15 break-fast places, service gaps analysis (mentioned in **Figure 5** above).

1. **Introspection** - first exploration - mindmapping the concept using first research
2. **Investigation** - first desk research (quantitative and qualitative netnography)
3. **Information** - implementing data in defining stakeholders and personas
4. **Interview** and observations (both online and offline)
5. **Inspection** - Facebook and Instagram page with first feedback on idea from future customers
6. **Interaction** - Showing an testing first sandwiches (product) prototype
7. **Immersion** - Validation with stakeholders
8. **Indexing** - desk research on trends and first fans behavior
9. **Interpretation** - Merging Service Gaps Model with First Implementation Plan
10. **Iteration** - using netnography to research on second service iteration
11. **Instantiation** - merging users ideas with plan
12. **Integration** - merging all data

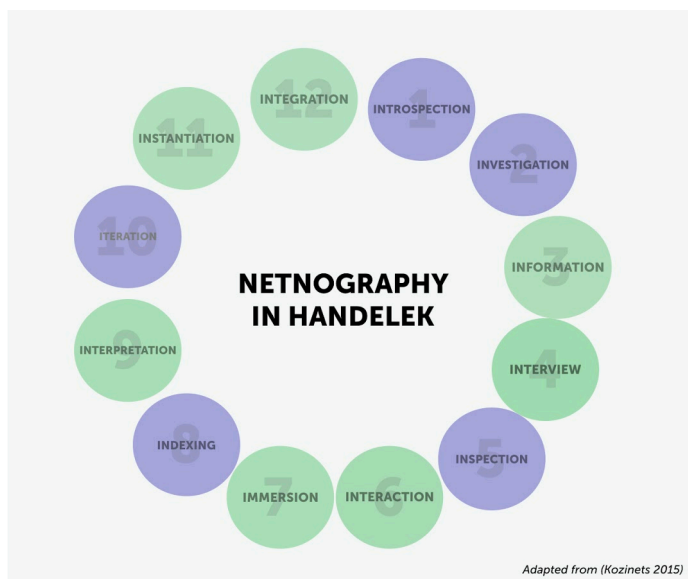


Figure 7. Netnography 12 phases implemented during Handelek's service development process

First two netnography phases - introspection and investigation took place during Empathise stage. Information, interview (observations) and inspection were connected with Define stage. Interaction, immersion and indexing were used during Ideation stage, and indexing, interpretation, iteration, instantiation and integration was done during Prototyping and Testing stage. The aim of the netnography was to acquire both quantitative and qualitative data using the coding method. As Kathy Charmaz states:

"As grounded theorists, we study our early data and begin to separate, sort, and synthesize them, through qualitative coding. Coding means that we attach labels to bits of data to distil it and give us a handle for comparing data. Our nascent ideas point to areas to explore during subsequent data-collecting (Charmaz, 2006, p. 3)".

In the research phase of this study, coding was important to see the patterns of trends and directions for creating a service design question and finally a service concept. Based on the author's knowledge, research on netnography and its use by brands like Listerine, Lego, Nivea, Starbucks (mentioned by Kozinets, 2015), own content analysis framework pictured in

Figure 8 was created and implemented:

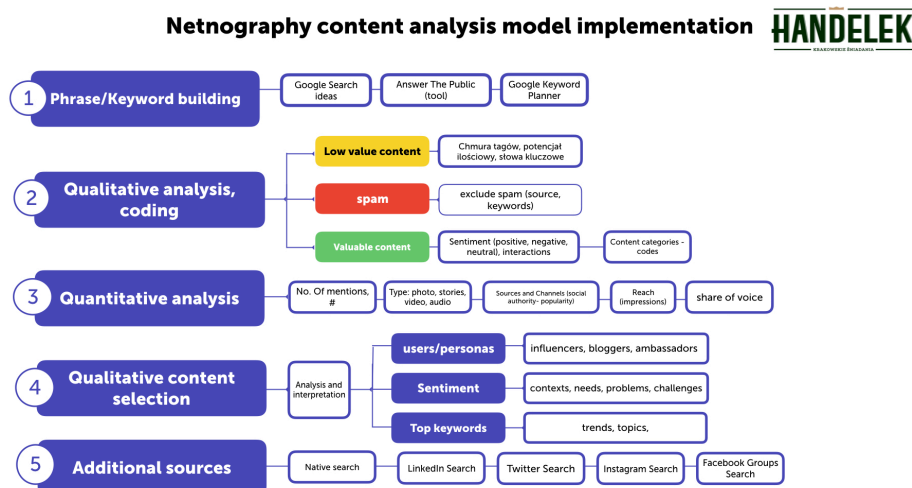


Figure 8. Netnography framework for content analysis. Research phase

3.4.3. Netnography results, vol. 1 (Empathise stage)

As mentioned above, netnography delivered insights from both quantitative and qualitative analysis through different sources and channels (mentioned in Figure 8). Quantitative research purpose was to analyse trends and directions in the context of gastronomy industry - directions, trends, signals, breakfast category. The aim was to measure the popularity of the topics, keywords (quantity), number of mentions, discussions, and interactions. Content analysis was related mainly to social media networks, where conversations, media, and data were found. Analysis considers data from 2016-2018. By using coding from Figure 8 both quantitative and then qualitative results (based on popularity score from the quantitative phase) were gathered and presented in Figure 9, Figure 10 (Pinterest board with over 200 trend signals used as a base for futures thinking workshop), Figure 11 (Moodboard) and Figure 12 (first ingredients for future menu based on direction from quantitative research - sandwiches product popularity).

Quantitative Research Summary of Data (Netnography - discover phase)

Goal	Methodology	Data type	Quantity	Channel
Trend analysis, industry directions	Trends, signals and manifestations, futures, food innovations, future mapping	✓ Pinterest boards - pins, trend card (Food independency),	115 signals, Codes: 9 main trends, 50 main signals (past, now, future)	Internet (all), Pinterest board
Breakfast category popularity and reach/ search dynamic	Social Listening - digital data monitoring and analysis	✓ Number of mentions (based on keywords), popularity and reach, popularity comparison (2016-2018),	Breakfast in Cracow/Poland (breakfast places, top breakfast places) (30 000 mentions a month during last year, dynamic: +25%) Top breakfast ingredients*: eggs (20 000 - 27 100/monthly) scrambled eggs (9 900), sandwich (10 000-14 000) versus other breakfast ingredients (i.e. hummus, inspirations from other countries +250% more mentions) Breakfast to go/ready to go breakfast, packed breakfast: +45% more mentions than in 2015/	Internet (all), indexed google results (articles, keywords)
Popularity and type of conversations and interactions	Social media analysis	✓ facebook, instagram and Twitter mentions, number of interactions, number of reactions, Trip advisor and Google references	Trends popularity top: Local farmers and regional ingredients (28 000), Transparency of ingredients (24 000), Food boxes (5000), Food markets (2000), Meal subscription boxes (2000)	Facebook, Facebook groups, Instagram, #, search engines)

* numbers - approximately

Data analysis calendar: 2016-2018 22

Figure 9. Netnography results - quantitative summary

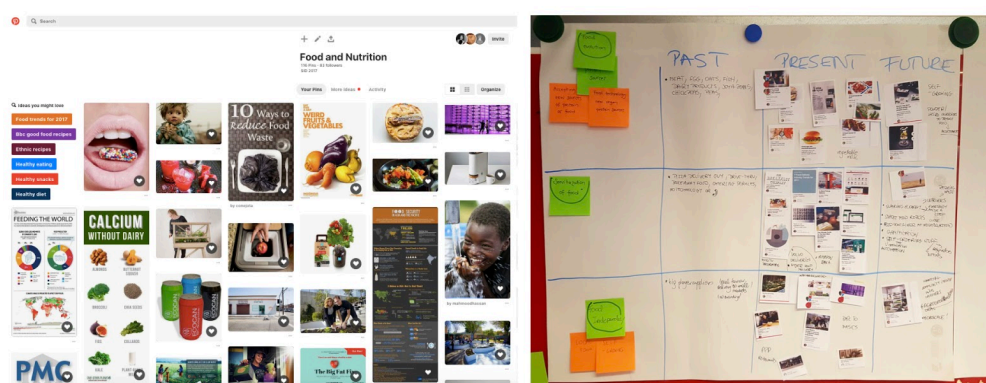


Figure 10. Pinterest Board Trends and coding (trend signals - futures thinking workshop)

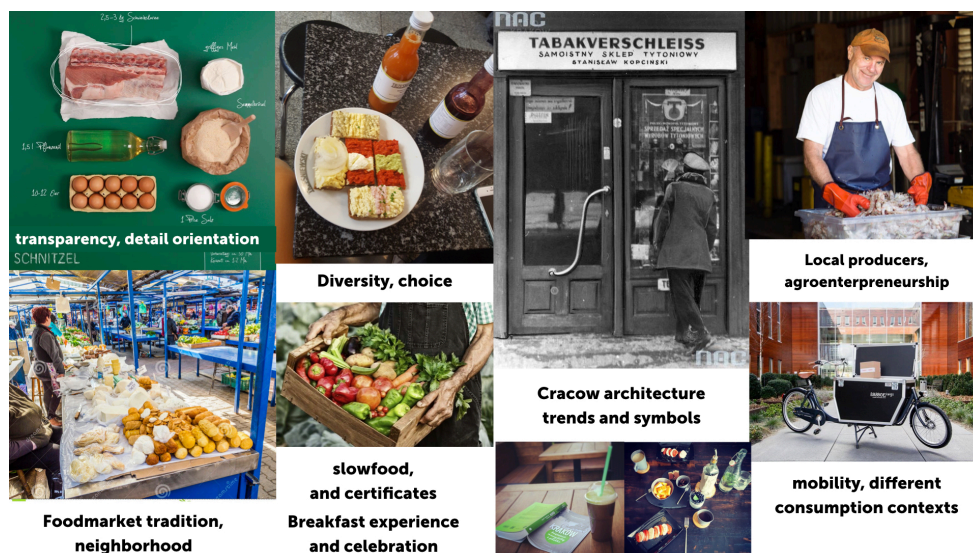


Figure 11. Moodboard (Phase: Trend and future of food analysis)

Ingredients Base for Menu concept (based on qualitative netnography and desk research)		
OLD, NEW, BORROWED (inspiration from trade and wedding Polish old tradition)		
OLD CRACOW	NEW CRACOW	BORROWED/INSPIRED
<p>Egg spread + herring + onion*</p> <p>Smoked trout spread + anchovy + lime</p> <p>pasztet z wątróbki + jabłko pieczone + cebulka</p> <p>pasta z kaszanki z Łiszczek + ogórek kiszony</p> <p>pasta jajeczna + raki + kopersek</p> <p>pasta jajeczna + trufia + ?</p> <p>pasztet z mózgu cielęcego + śliwka</p>	<p>pasta z pstrąga ojcowskiego + awokado + owoc</p> <p>opieje wegańskie: pasta z kaszy, pasta z soczewicy, buraki marynowany</p> <p>pasta z twarogu ze Skatły + miód + żurawina</p>	<p>topowy bajgiel z Berlińskiej restauracji</p> <p>Fine Bagels: konfitura z figi i cebuli + serek a la Philadelphia</p>
*ingredients in Polish language, first two ones translated		

Figure 12. Qualitative data - base for first menu concept

Introspection and investigation part of netnography strategy were the main phases for the first concept draft. First Service challenge (design challenge) was created in how might we method (from design thinking approach and model implemented in the whole process) and is indicated below:

How might we make breakfast (as a most important meal of the day) a great experience to serve it as memorable and Krakow-based journey?

The aim of the next phases and part of the research was to validate how might we question and get first feedback. In this stage as the early stage of the process and still research phase, co-creation was introduced for the first time.

3.4.4. Co-creation Vol. 1: Concept validation (Empathise stage)

The author's idea was to introduce co-creation as a strategical framework for service design process (**Figure 4**) and as a result to implement a service using the model from the very beginning. The first moment of a process where co-creation framework was used as the layer of defining service challenge (**mentioned in Figure 1**). Results and concept draft was presented to potential actors of the process as a part of resource integration model and strategy (**mentioned in Figure 3**).

The showcase of the first concept idea was done in the form of a 15-minute speech for people from the author's first company (Socjomania). The meeting aimed to present very first research results and how might we question and gather first feedback on specific questions from 12 people. Questions asked during the meeting are indicated below:

1. *What do you know about Krakow and regional most popular ingredients?*
2. *How do you define local food?*
3. *How did you like the concept story?*
4. *Who is the target group of this concept?*
5. *What are your favourite breakfast services in Krakow/Europe?*
6. *Do you want to participate in the concept (as a partner)?*

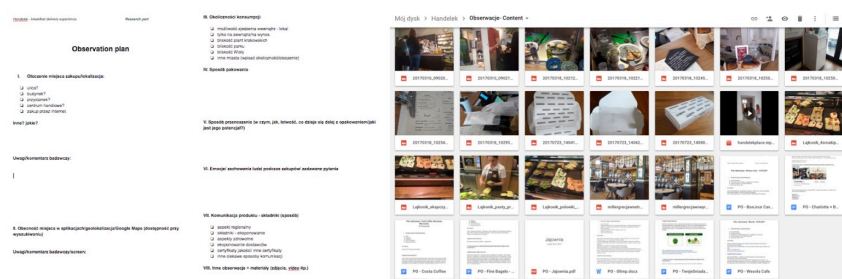
The data from the first five questions was introduced to support the service challenge idea and to gather first feedback (form of concept first validation). The last question was a preface for business proposal to found a company for service implementation in the co-creative form of copartnership (limited corporation) consisted of those who are willing to cooperate. The result was seven people who on the date of June 2017 found the company and started working on the next phases of service concept. Since then Handelek Ltd. has been a limited partnership company registered in Poland as a real subject. The aim of the business proposal was also to concentrate on different resources and to acquire new capabilities for a service apart from the ones who can be derived from the author and other external actors (i.e. customers and local producers mentioned in Service Value Network in Figure 2, where resource integration model and all actors with their roles are indicated).

3.4.5. Co-creation vol. 2: Service Gaps Model (Empathise stage)

New actors in the service design process - copartners in the new Handelek company became acquainted with a service design methodology and asked to join the next research phase: observations/service safari. This method was chosen concerning three purposes: food industry and customer experience observation - real service, validation of trends and analysis of possible service gaps in other breakfast places known by people in Krakow, gathering insights from a few best-known breakfast places in Europe as possible benchmarks. For the observation and service safari, one plan was created. It consisted of eight **observation areas**: Local surroundings and area, social media presence (geolocalization, communication, search engines), customer journey and touch-points, way of consumption (to go, at a place), ingredients and packaging, people's questions, behaviour during the service, communication: local/historical/

regional products availability/local producers, documentation (on Google drive - videos/photos). Figure 13 presents a plan draft distributed for all copartners resulted in fifteen filled observation sheets, and documentation (videos, photos) which were then used during second co-creation workshop.

Observations/Service Safari: Plan and execution: 15 places all over the Europe



Google Drive shared
with the team

Figure 13. Service safari plan and content data base

Ideation and co-creation workshop Areas of insights and discussion

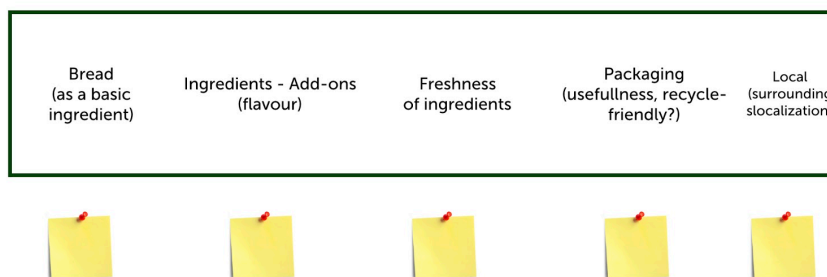


Figure 14. Ideation workshop scenario (factors)

Results showed that only two per fifteen breakfast places have standardised menu and products consisted of local/regional ingredients. Most of them have not trained frontline employees to know the menu, and they are concentrating on quick breakfast or breakfast to go. Those one who were inspiration and validation of trends from the previous stage of netnography was Trzesniewski place in Vienna, where one copartner made a Service Safari spending seven hours in a place on observations. First service gaps were indicated and then analysed during second co-creation workshop.

The aim of the second co-creation workshop at this stage was a summary of results from service safari observations part and completing service gaps by picking six breakfast places from the list and experience their products. Figure 14 shows areas of testing.

The result of using Service Gaps Model (Parasumaran, 1985) was a table with 6 breakfast places with an indication of customer gaps. It included frontline employees behaviour pre and post-contact, and quality of service, communication versus real product, taste versus expectations, competitive advantage /lack of consistency and service idea, owners/managers ap-

proach to business. Moreover, analysed services do not involve resource integration attitude and building together dynamic capabilities. As a second result of this workshop, a mindmap of first service idea was created with a product concept (**Figure 17**).



Figure 15. Testing workshop results. Competition and its advantages and gaps

Service Gaps Model

Competition observations (6 breakfast locals)

[illegible]

Figure 16. Service Gaps Model results for 6 most important competitors on the local market

3.4.6. Netnography results vol. 2 (Empathise and Define stage)

Inspection and interaction - next phases of netnography and simultaneously next part of research was related to two main purposes:

1. Comparison between quantitative data from the first netnography with desk research (offline) - for creating a first menu concept.
2. Network analysis by creating a social network (Facebook page) around the concept idea to get first feedback, mentions, and open it to community.

As mentioned, online network analysis is useful in modelling connections between social actors, identifying most influential ones, discourse analysis (consisted posts, texts), interaction, and influence analysis. In such analysis, as mentioned in Figure 9 and 10 number of mentions, # (keywords - specific phrases), number and quality of interactions are measured to code the patterns and directions. Facebook page of Handelek with the first concept, without any ad-

vertisement reached 400 people within two first weeks. It generated about 150 mentions

(comments, posts, shares) and 600 interactions (likes). Data was compared with patterns from the first netnography and finally confirmed that:

1. Sandwich is the most popular and well-known element of breakfast in Poland with over 80 mentions (first two weeks only!) with positive sentiment on the question: *Will you come for a great sandwich on healthy bread from a local bakery and traditional egg spread?* Researches state that: Breakfast sandwiches are the top menu item on all-day breakfast menus and showing 37% growth from Q4 2015-2017. Breakfast all-day trend indicates 21% increase in breakfast items on all-day menus from Q4 2015-2017.
2. Eggs in various forms from egg spread to scrambled eggs and eggs on bacon are one of the most often eaten breakfasts. Also, at the same time only 2 breakfast places in Krakow serve it in breakfast menu.
3. Popular Facebook group “Krakowskie wieści spożywcze” with over 8000 people active every day and with over 230 discussion posts about breakfasts in Krakow (2016-2018) confirms strong popularity of breakfast places and their lack around the city centre and in the main central station areas.
4. Conversations about breakfast places confirm that food market popularity in Cracow (continuing the history from XVI century) is becoming very popular. At the the same time, there are a few places that introduce products from the food markets in their menu (approximately 60 discussions around this topic).
5. The conversations presented patterns and data for personas workshop in the next step. The most important insight was the food tourism phenomena with people named as food travellers. The research from Food Travel Monitor proves that 93% of travellers can now be considered food travellers (World Food Tourism Association 2016). Most of the trends also prove the first netnography research and trends on locality, farming, (entrepreneurship agri), showing that not Gourmet Restaurants are most popular among food travellers, but local ones when they can explore tradition, history, region. 81% believe that food and drinks can help them understand the culture of their destination. Only 8,1% of food travellers expressed an interest in Gourmet experiences as their primary interest. If *“Food tourism is the act of traveling for a taste of place in order to get a sense of place”* (World Food Tourism Association 2016). Handelek and its concept of local breakfast, building service network and integration of resources can be a possible good brand and service direction.

This part is at the same time the end of the leading research stage and discovery phase. Results from the inspection and interaction part were presented in a short workshop with three people (copartners) and illustrated in two mindmaps. One (**Figure 17**) shows key directions for the breakfast concept: localisation, food market surroundings, links to other actors resources (mentioned in Figure 2). Figure 18 shows the first product concept - a sandwich consisting of four main components. This image was then used as a main poster for the first iteration of service (first breakfast place).

Summary of concept idea

product base designed on data from qualitative research.

Product standard

4 product components

TOPPING

TOP INGREDIENT

BASE - BREAD SPREAD

BREAD

A hand-drawn diagram of a burger, showing its components and the Polish names for the ingredients. The components are labeled as follows:

- TOPPING**: kiełbasa (sausage), liwonka (sausage), and poduszka (bun).
- TOP INGREDIENT**: ryba (fish), plaster (slice), and ogórek (cucumber).
- BASE - BREAD SPREAD**: dodatek (additive), pasta (paste), and chleb (bread).
- BREAD**: chleb (bread), ketchup (ketchup), and sos (sauce).

The diagram also includes a list of ingredients: kiełbasa, liwonka, poduszka, ryba, plaster, ogórek, dodatek, pasta, chleb, ketchup, and sos. The ingredients are drawn in a simple, sketchy style.

4. Results for service concept development

After two research phases with qualitative and quantitative netnography results, a team workshop on developing the concept was conducted. The aim was to define a design challenge, build customer personas and their journey, to map possible experiences as how might we question indicated:

How might we make breakfast (as a most important meal of the day) a great experience to serve it as memorable and Krakow-based journey?

The workshop was planned for eight people (Handelek co-partners and two possible clients). During the introduction data was presented, and then three main customer segments were listed with nine personas. Customer segments stated: **tourists** (polish explorer, foreign tourist - explorer) - inspired by data about food tourism and food travelers (mentioned in chapter 3.2.6), **locals** (individuals, office workers, local people (from the nearest streets), Socjomania employees, bicyclists), interested in food to go service (office, individuals willing to celebrate different occasions). The personas were created for each segment (8 in total), with customer journeys and storyboards (work from the workshop presented in Figures 19 and 20 and 21). The workshop resulted in new insights for the final concept. Following data was validated:

1. Concept idea of local, regional breakfast place inspired by history (storytelling).
2. Ingredients and their popularity (indicated in Figure 9)
3. Tourists personas were mentioned as possible most often visitors - treated strategically as a food travellers seeking food experiences.
4. Service idea should be developed by introducing office personas and food to go, possible food delivery in the future (insights from Netnography, Observations and personas workshop and discussion, also validated by service gaps workshop).
5. Stakeholder Map validated the resource integration model by adding relationship and value created in use by all actors (Figure 21). During that stage service ecosystem and network in Handelek (mentioned in Figure 2) were analysed in detail, showing the first steps of building relations and co-creating future service.
6. Personas storyboards and customer journeys showed how important it is to take into account service visibility around the location, using products from food market located opposite the street, showing their exact names, and finally how important it is to organize food-to-go service with all details. Ingredients mentioned are well-known for some part of actors. The importance of communication through online channels (Facebook, Trip Advisor, Google Reviews, Instagram) was also an insight from target group behaviour and netnography results from the previous part of research (food tourism behaviour).

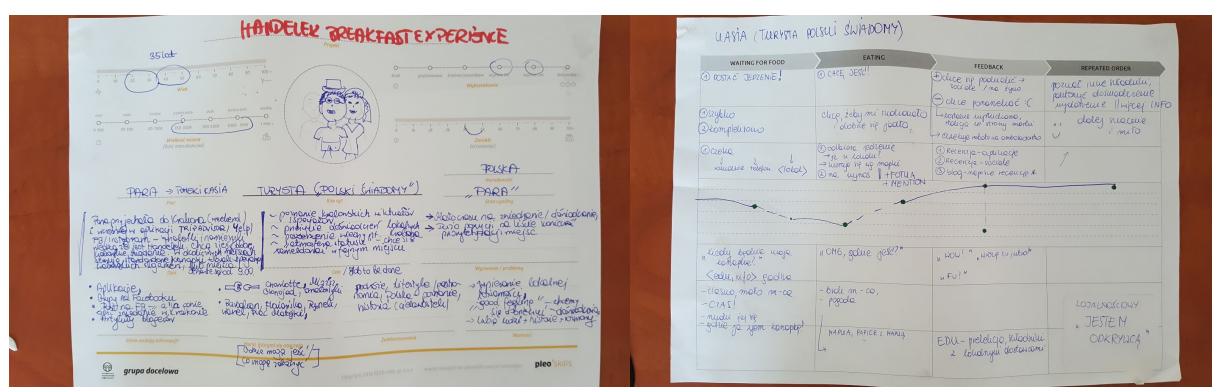


Figure 19. Persona example: Tourist - Food Traveler and Customer Journey

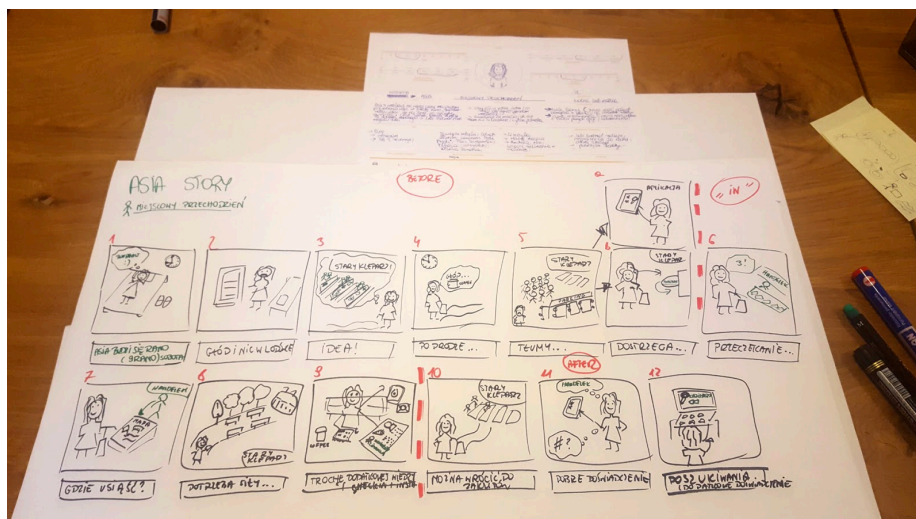


Figure 20. Storyboard of one of personas - local inhabitant



Figure 21. Stakeholder Map

4.2. Main ideation and prototyping phase

As stated in this study, service design process of Handelek included co-creation as a strategic framework and ideation as a method implemented from the very beginning as a way to create a platform for knowledge and inspiration exchange between actors included in service ecosystem. Figure 22 shows the summary of ideation workshops throughout the process (it corresponds with the whole data management plan presented in Table 1). The main phases and workshops resulted in the crucial results and data for implementation are mentioned below in detail.

Ideation as a co-creation method throughout the process

Number	Process/workshop type	Goal	Results
1	Ideation of first concept draft, idea pitch -session	✓ Concept draft and HMW - design challenge validation	Data for further research, first ideas for further development, new actors in service - co-partners for future company
2	Co -creation workshop competitive advantage ideation model	✓ Summary of observation part as a starting point for ideation, first menu and service concept	Summary of service gaps in the market, mindmap of first service idea was created
3	Netnography (inspection and interaction part)	✓ Creating engagement platform around the concept idea to get first feedback, mentions, and ideas from possible customers	Conversations around breakfast and ingredients from the first concept validated the idea on this stage, new data for further menu development was gathered.
4	Ideation of first product concept	✓ Summary of observation part as a starting point for ideation, first menu and service concept	First product concept - sandwich, data for the first iteration part of implementation
5	Product ideation and low-fidelity prototyping	✓ Concept summary, first product prototypes with ideation of all 4 components	First products ready for high-fidelity prototyping and validation during first event
6	High fidelity prototyping and ideation with customers	✓ Ideation of new flavors and ingredients and brand communication (during food event)	More than 20 ideas on which flavors (spreads, ingredients) Handelek can add to its menu. Validation of prototypes and prices.
7 and more	Implementation: workshops after first service iteration, special engagement physical platform located in the local, workshops with influencers (food bloggers) and customers	✓ Ideas for further development (menu, local design), areas to improve, constant feedback - monthly reports	Facebook, Facebook groups, Instagram, #, search engines)

Figure 22. Co-creation workshops on different stages of service design process

4.3. Co-creation vol. 3 results. Concept model, ideation, low-fidelity prototyping

Data and insights summary generated from the whole Empathise and Define phase of the process were presented as the first part of the third co-creation workshop. The goals were indicated at the beginning. The aim was to: create the final brand communication concept (for the first implementation), create first low-fidelity prototypes based on product concept created as a result of netnography inspection and interaction part summary workshop (**Figure 23**). Since the last phases of the process brought crucial data and its validation, it was possible to create a draft of the brand concept, DNA and identification, during ideation in three groups of four people (co-partners and four people as possible employees, all during their first days in company).

Insights from the research part (presented in **Figure 10**, **Figure 11**, and **Figure 12**) showed that one of the points which new service and brand must cover is transparency. The meaning of transparency, in this case can be related to three layers:

1. Business case (why and how new gastronomy place and brand is created).
2. Food concept, origins, ingredients transparency - one of the most noticed service and communication gaps in the market.
3. Platform for customers (and actors) to take part in the creation of a place and its menu (influencers trend, customers as prosumers).

The aspects presented above were concerned as the main causes of transparency as a part of brand DNA. As a result, DNA is presented in **Figure 23** and **Figure 24**. Brand DNA was the basic element for the next steps: inspiration for brand identification, first product prototypes, and a plan for the first product validation event.

3 main transparency questions

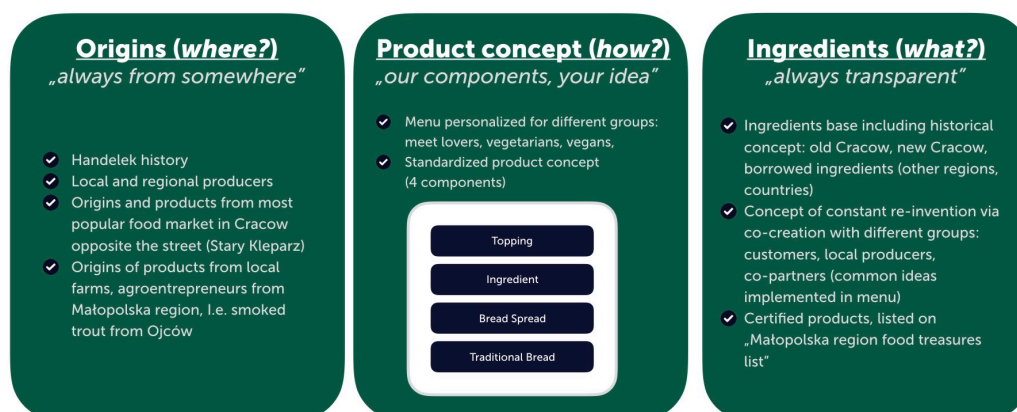
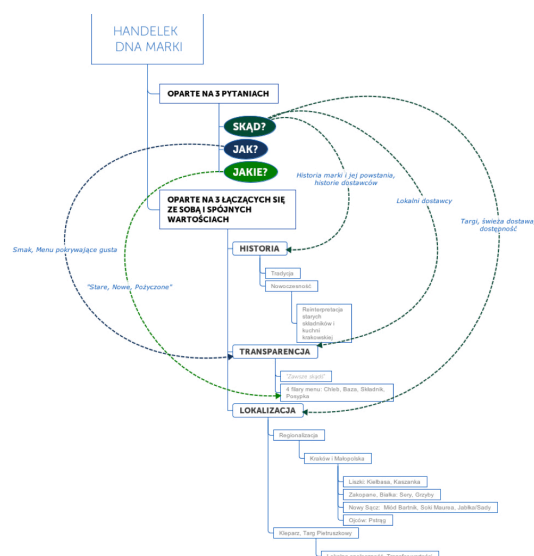


Figure 23. Handelek concept model



Handelek brand DNA based on 3 main transparency questions for the service:

Origins (where?), Transparency of product concept (how?), Ingredients (what?)

Figure 24. Handelek concept model: brand DNA

Another result of the workshop was a summary of quick desk research on inspiration for brand identification were Brand DNA as a starting point. Over 30 brands (both Krakow and some benchmarks from observations part) were analysed and segmentation was created. Old Krakow, new Krakow, and customers' personality and behaviour (preferences) were considered (i.e., hipster style - as a modern, young, popular style of eating out and looking fancy and unique). This data was a direction for graphic designer (one of service ecosystem resources) to create a brand identification proposition. Four main ideas were created and surveyed (80 people took part in a survey: co-partners, possible customers from all customer segments, possible local producers, four other graphic designers). As a result, new identification was approved. Identification consisted of logo, packaging ideas, visualisation of display and show window (for the first iteration) and is presented in Figure 25.



Figure 25. ID inspiration mood-board

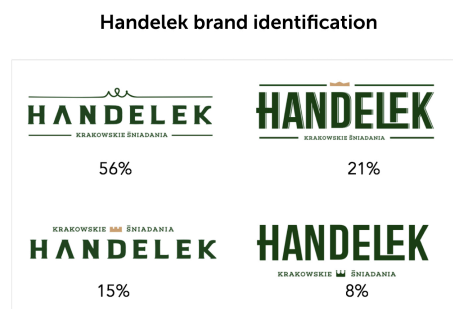


Figure 26. Handelek identification: survey results

The final result of this co-creation workshop was low-fidelity prototyping. From ingredients mentioned throughout the research (Figure 12) and as a content of the first menu concept idea, a list of eight sandwich compositions were listed and created during sandwich workshop part by the team consisted of a future cook, three employees and co-partners. Food costs, recipes, and visual aspects were indicated. These elements were a part of a plan for the first validation event (one of the ideas from previous co-creation workshop and customer journey maps). Highlights from the prototyping part are presented in Figure 27.



Figure 27. First prototyping session

4.4. Validation. Prototypes as a provocation (Prototyping stage)

One of the milestones during the development - prototyping phase was first product validation. In this stage, the second phase of data collection and analysis was introduced (as mentioned in Table 1). During one of ideation workshops, the idea of taking part in famous food events, well-known in Cracow for a couple of years (Najedzeni Fest), where different customer segments are interested (they cover most of Handelek's personas). The aim and at the same time testing scenario was to:

1. Cooperate and enter the Krakow food community (local producers, customers, city of Krakow, food and media influencers).
2. Test the idea of resource integration (product was in high-fidelity form with all ingredients named and communicated).
3. Validate all of the most important aspects of product mentioned in Figure 18.

4. Validate the price of a product with a strategy of asking - *How much would you pay for this sandwich?* (testing a food cost already formed).
5. Sell at minimum 100 sandwiches which was planned as a good benchmark for first iteration (according to Service Business Model Canvas possible day income for first planned service iteration).
6. Gather feedback on each of the flavours, concept idea (Roles of team members were arranged: one was selling, one was packing and one was telling a story of concept, asking for filling in the survey).
7. Gather data by using a survey with two goals: to gather first feedback on flavours, but also to co-create new ideas of ingredients and menu items for the first iteration.
8. Validate branding - food stand was decorated in Handelek brand logo, brand colours identification.

Figure 28 presents survey, sandwich prototypes, and food stand.



[Figure 28](#) Low-fidelity prototypes validation during food event

4.4.1. Validation results

Referring to the goals mentioned above, Handelek's team was able to validate all of the points planned in the scenario. Insights from 67 surveys (which was satisfactory for 5-hours event) and approximately 80 quick comments from various customer groups and actors showed that:

1. History of Handelek concept and its inspiration from Krakow culinary traditions were commented positively from all people surveyed and with whom the team talked to ("this is something that Krakow gastronomy lacked of!") as well as branding and identification.
2. Surveys showed three most popular and appreciated and two most intriguing flavours and were insight for the first plan of communication in social media (channels and communication already set up as mentioned during netnography inspection and interaction part)
3. People were willing to pay from 4,50-7 zł (1 - 1,5 Euro) per sandwich. The concept based on food cost was 5,50. It was a crucial insight for the first implementation and menu prices
4. 150 sandwiches were sold during the first event (the goal was 100)
5. Personas were validated. All of the personas attended the food event and tasted Handelek products. Tourists and local inhabitant were the most popular and most interested in Handelek brand.

5. Results - service implementation

Co-creation methods used during the validation process delivered data which was a fundament for service implementation plan. Involving different resources (physical, also in the meaning of people taking part in a service creation process) mentioned in figure 29 first service business model canvas (based on Ojasalo model, 2015) was prepared during Handelek's co-partners workshop. Data from the validation and research phase were implemented. Service Business model Canvas of Handelek - Krakow breakfast place is presented below:

Handelek Service Business Model Canvas				
Key partners	Key resources	Value proposition	Value Creation	Customer's world and Desire for ideal value
Handelek point of view: Partners included in resource integration model - 7: Local producers (farmers, producers), Cracow city workers, Partners with capabilities (knowledge), Socjomania employees, food and trade markets, Local influencers. Customer point of view: Cracow inhabitants are very important due to their local patriotic attitude - they value history and tradition (can support Handelek with knowledge and sources), local influencers are one of the key sources of information and influence opinions and customer journey. Customers will be also an important source of new ideas and constant re-invention of service, playing crucial role in validation of service iterations	Handelek point of view: knowledge, Cracow history and culinary tradition, marketing skills, gastronomy industry insight, cooking skills, management skills, technology skills, Investment (money for the start) Customer point of view: awareness of Handelek's history and background and local, respect for tradition, respect for details and design, respect and awareness of quality of local products and its main role in culinary experiences	Handelek point of view: Back to basics trend implementation, value of refreshing tradition and symbol of cracow gastronomy, promoting locality, regionality and local products, building awareness of healthy product and ingredients, refreshing the tradition of most popular and affordable breakfast item: sandwich. Customer point of view: Breakfast is the most important meal but not everyone is able to spend a lot of time during breakfast time so customers can have options for longer experience and with the same food quality - options to go, story behind food and concept and a local can be also one of the key elements of autocreation - being proud of local places and taking part in co-creation by left feedback and ideas. Nice prices make it affordable for week and weekdays experiences	Handelek and customer point of view: Delivering not only food experience but Cracow breakfast experience based on food travel trend, especially interesting for tourists persona. Bring new knowledge about place and boost travel experience. For locals and producers is valuable from the perspective of having day to day access to fresh and local products and to clients to being sure that they will have the same product every day. By showing co-creation approach and implementing are brand values they will be more open to share their experiences than in other places and for other services. Interaction and co-production Handelek point of view: By building engagement platform at a place (space) and in digital environment and by being transparent in showing opinions both negative and positive and status of implementation Customer point of view: Using all elements of platforms to share opinions, reviews but also new ideas and points to improve, being treated as an influencer - playing important role, being shown in communication channels. Openness is the key	Handelek point of view: Mentioned before - in a constant process of co-creation on digital and physical channels, by meetings and workshops with different personas, using netnographic method constantly. Also by constant reinvent approach by adding value in new menu options, seasonal products, new trends and net strategy directions and inviting all resources to business decision making process. Ideal situation is that when all resources are taking active role in service design process. Customer point of view: tradition, locality, regionality, constant access to fresh and well-known products, focus on experience not only connected with food but showing people as a part of community - offline and online, as influencers and co-partners in a process covers people needs. Also rising trend of food tourism and an important value of experiencing city from the culinary tradition and origins perspective as a part of journey with awareness of the region and its goods. Customer service better than average which is expected more and more from gastronomy industry but is not yet a standard.
Cost structure		Revenue Streams and Metrics		
Handelek point of view: Costs we can divide into parts: operational: local interior, kitchen facilities, design details (lamps, tables, chairs), fundamentals (approximately 20 000), monthly investment for running the place (1000 euros) team and people: recruitment, employee costs (approximately 4 employees for a start); marketing: social media channels, Google Adwords, printed materials, PR (400 Euros per month) Customer point of view: For customer it is cost to test our products, and also there are some basic needs to be cover - local is situated in the centre without parking places - so the cost of parking place is additional here: Customer must be aware of the price of scrambled eggs or sandwich which are higher than in other competitors' places (ingredients and its origin)		Handelek point of view: At first investment is crucial, so within first 6 months, business is not expected to generate incomes. After one year co-partners aim to sell part of their shares to investor for future development. Daily income (after validation at events) is supposed to be approximately 130 euros per day, after 6 months 250 euros per day, and after second iteration (local not only food to go) 400 euros for first 3 months. We will measure incomes also with marketing effects and with digitalized operational system personalized for gastronomy. Customer point of view: Customers will pay for quality but also for experience we will serve (apart from the food). Prices will be also friendly when choosing special sets (i.e. coffee for 1 euro etc.). One of the key indicators will be interviews with customers, but also daily income and its rising tendency. Another is sentiment and number of mentions in social media with also comments proving they were at Handelek and positive (5 stars reviews). Another are mentions in media and rankings.		

Figure 29 Handelek's Service Business Model Canvas

One of the key insights based on data presented above was that Handelek as a service should start with the first implementation as MVP service. The reason was to validate (second part) the concept before official implementation with a total investment, to estimate costs for breakfast place, to use the time of 3-4 months to prepare the launch of a new gastronomy place in the Krakow food map, to concentrate on staff recruitment process and industry insights (meetings with other restaurant owners, customers and preparing resources). The first implementation (20m2 local, sandwiches to go - visualised in Figure 32) plan is presented in Figure 30:

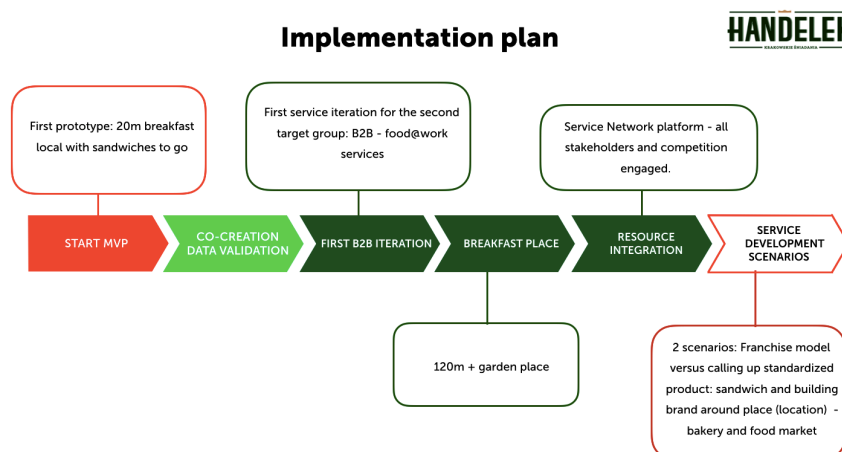


Figure 30 Draft of implementation plan

Below on figure 31 comparison between first and second service iteration is visualised:

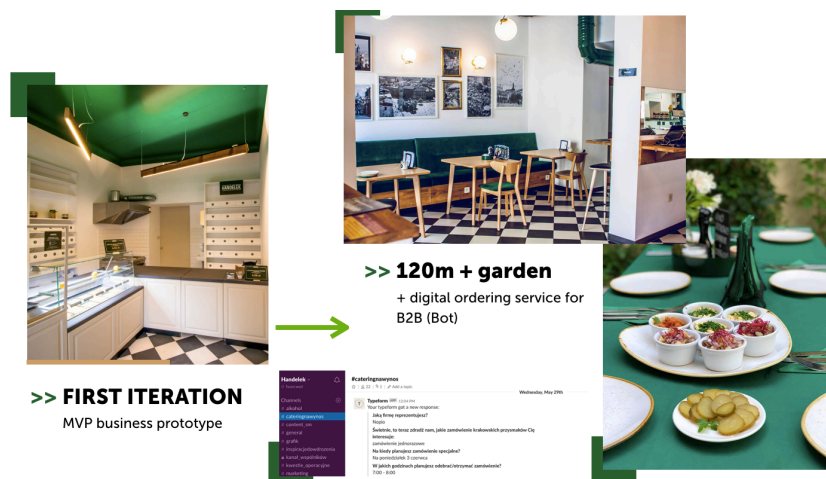


Figure 31 Two service development iterations



Figure 32 Handelek's first product: sandwiches to go

5.1. First service iteration - results

Data validated during the first implementation was:

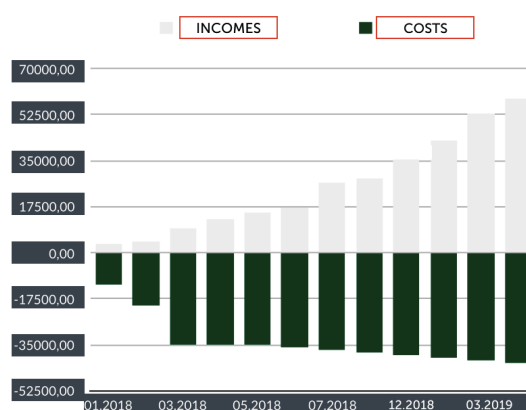
1. Value proposition
2. Product validation - the concept, flavour, the brand idea (sandwiches)
3. Food costs, prices of potential menu
4. Food to go, ordering, service experience
5. Co-production - co-creation as a strategical attitude to resources, mainly customers
6. Constant reinvention approach - gathering data from previously used research methods (netnography, observations, interviews)

Tools involved in the process were: interviews with customers, surveys added to each sandwich to go package (over 85 results), Facebook and Instagram comments (150 comments and interaction during first implementation) Reviews: Google, Tripadvisor, Facebook (30 reviews). Some of the insights and needs from the customers' feedback (interviews, surveys) were one of the most important points for the second service iteration. Examples are listed below:

1. Menu: More vegan and vegetarian options in the menu
2. Packaging - more eco-friendly approach
3. No music, no atmosphere
4. Staff does not know all menu options
5. No place to eat, only to go (bad choice for not nice weather)
6. Allergens, calories and ingredients listed in document presented somewhere at Handelek's place
7. Opening hours during the week and weekend days (6.30 in the morning, closing time after 2 p.m., weekends - need to open from 8.00 a.m.) - insights from clients and neighbourhood observations
8. Service for business clients - breakfast office offer - stated by over 15 clients

Costs and incomes (first and second iteration, preparation for third iteration)

HANDELEK
KAWAŁOWSKI DZIAŁAŁO



[Figure 33](#) Handelek's business implementation results (first and second iteration)

5.2. Preparation period before second service iteration

According to co-creation framework layers (Figure 1: Strategy layers of co-creation), its methodology shows direction for service development. The first service iteration's summary and further development was planned with the inclusion of resources and partners. In January 2018 co-creation workshop took place in the possible new space for second place iteration: 80m2 (wall to wall to first Handelek place).

Just before the general refurbish of the new possible space, 35 people were invited to take part in a special event. Firstly - the presentation of Handelek's origins, concept, and results from the first months of service implementation were delivered as a speech made by two main co-partners (the CEO and vice-president). Then, the feedback session of questions and answers was conducted. During the event, new menu ideas and improvements were validated. Finally co-creation workshop was introduced in a world caffe' method (a special tool for discussion session with four different engagement platforms located on the plain walls of the space with people assigned to groups of 5, The World Caffe' programme). The groups' goal was to discuss and put all of their ideas and comments on post-its on the wall.

The world cafe' topics was as following:

1. Feedback from the first iteration (what did you like, what should we improve?)
2. New space design (your ideas for the place, furniture, design objects and its settlement) - a possible architectural plan was shown
3. What are your favourite Krakow culinary ingredients (what did you like to eat in your childhood?),
4. What are your favourite ingredients from different culinary areas?

Workshop results were significant for the second service iteration and covered one of the main goals of service design process mentioned in **Figure 4**: validation as implemented in the whole design process. Quantitative summary is as following: 30 new ideas from which 7 were implemented in the new menu and are one of the top popular products in Handelek presently. The new ideas for design direction and facilities in the spaces (covering needs of different personas and target groups which representatives were attendees of the co-creation workshop). The whole workshop was yet another proof of co-creation approach as successful in generating new service directions, inviting partners and actors of resource integration model to play an active role in design process and putting constant re-invention attitude as a key point in gastronomy business.

Finally, one area to start the second iteration was missing: Customer service process at eating place. Including the staff and a future manager, customer journey from the very first action as entering the door and moving to the final payment was illustrated on Service Blueprint. Classic service blueprint was personalised for gastronomy (based on example from Design Thinkers Academy gastronomy service blueprint: Figure 34):

3 | 4 restaurant case >>> service blueprint

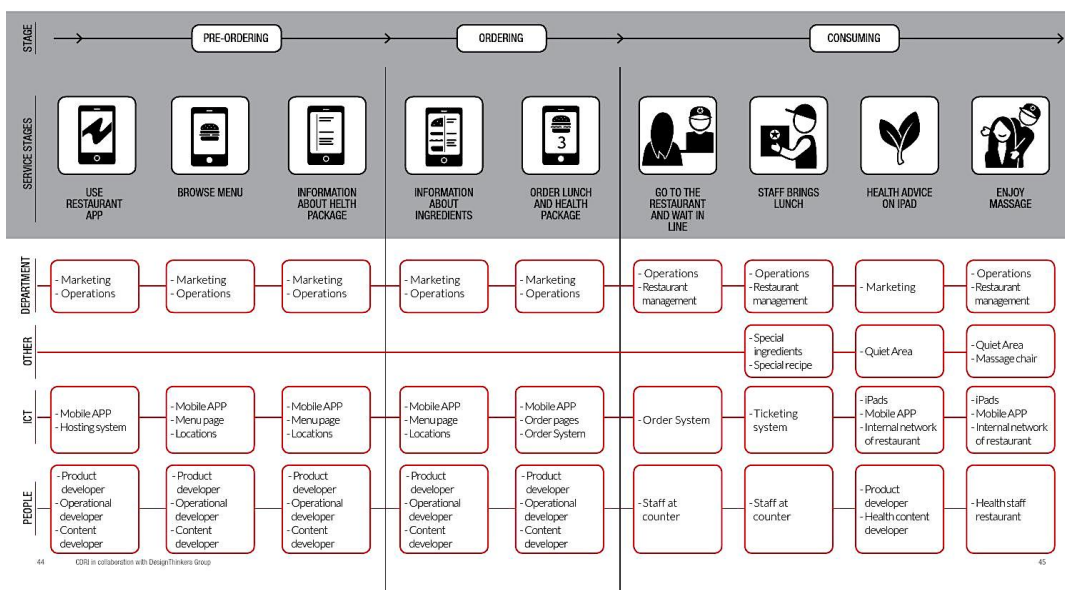


Figure 34 Service blueprint model for restaurant, DesignThinkersAcademy

Apart from the most important elements of the model (customer actions, frontstage actions, backstage actions) Handelek's service blueprint (Figure 35) consisted the perspective of si-

multaneous actions on each step in a triangle - Customer-Customer Service- Kitchen. Four observations were made on possible clients to fill in the framework. Based on it, the first month of the customer service process in Handelek was planned and implemented. The goal was to validate if it was applicable, effective, and clear both for frontline employees and customers. After this period some changes in the process were introduced (specific actions and roles of Customer service and the order card with all necessary questions to ask during the ordering process - Figure 35). Service blueprint was presented to customer service staff during the workshop with a tool of role-plays.

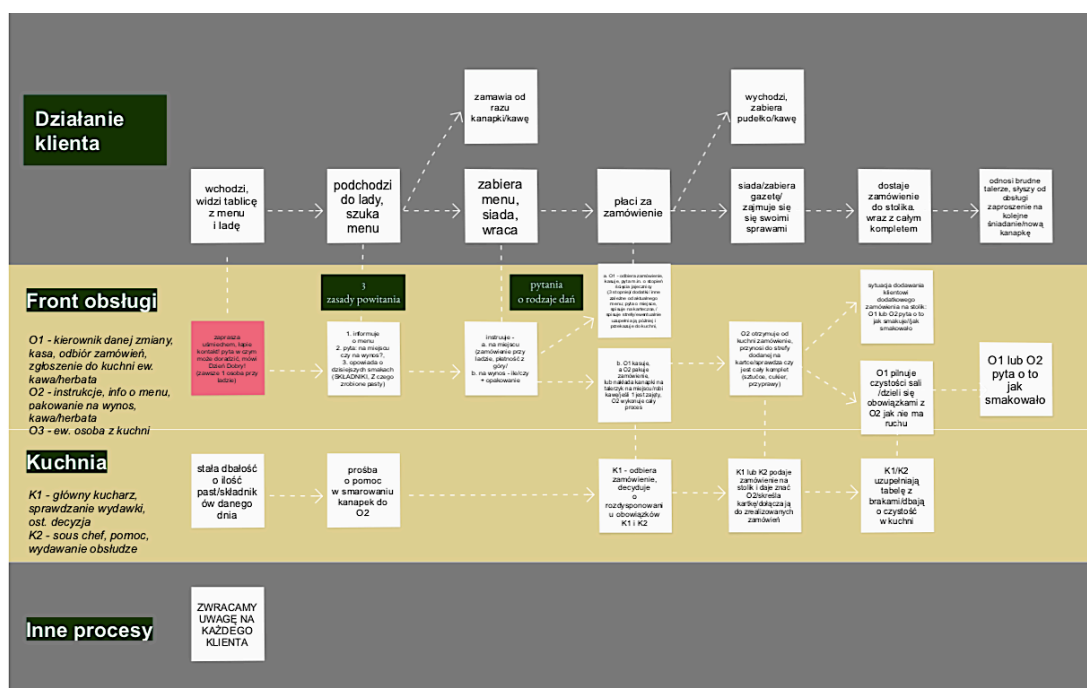


Figure 35 Service blueprint of Handelek service (final, polish version for Customer Service employees)

5.3. Second service iteration - results

The implementation plan (**Figure 30**) included the second iteration of Handelek service. From 20m² place with one product: sandwiches and only with “to go” option in November, packed in specially designed boxes to eating place with 25 seats in March (the first round of iteration), and another round - patio in garden with another 15 sitting spots. In August also evening opening hours were tested to investigate the interest in different timeframe with alcohol options. The result of this iteration was disappointing - less than average day income was generated, the staff was unmotivated and the place was reviewed as non-friendly for evening meetings and without an appropriate atmosphere. From the observations, another insights were generated - less than 20 people were passing the street in the evening hours in this location. Co-partners decided to resign from evening timeframe and concentrate on another service idea and persona needs from previous stages: office clients, breakfasts, and catering options for companies.

This step came out to be a success. After two months of implementation three companies ordered breakfasts in regular contract once/twice a week. It generated additional income.

As mentioned in Service Business model Canvas (**Figure 29**), and what was in accordance with resource integration and idea of co-partners and dynamic capabilities in organisation, Handelek service was complemented in autumn, with digital ordering in a special survey - digital bot implemented in the main website.

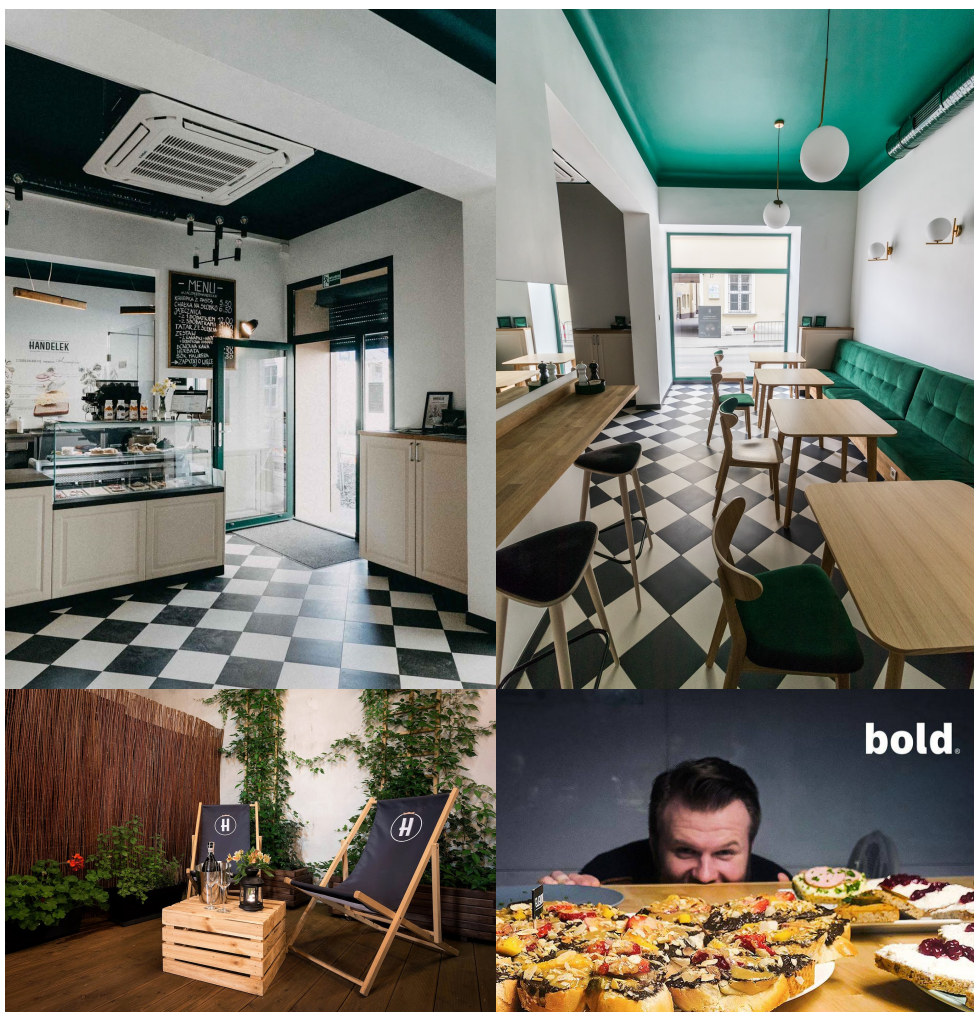


Figure 36 Second service iteration: 80m2 eating place, patio-garden, service orders for companies

Moreover, insights from the research (netnography), the first iteration validation data and co-creation workshops were implemented. The New Menu consisted of customers' and partners' ideas included the option from brand identity and core direction (mentioned in Figure 23). It included both the main product: sandwiches, but also tasting menu, hot option and new position: scrambled eggs (one of the ideas from co-creation workshop). The new menu (Figure 37) was also validated with bloggers - influencers from Krakow (10 people), who were invited in June for the workshop with the same plan (same questions) asked during the co-creation workshop.

Personalisation and some improvements were important for them to implement in future Handelek activities. It covered at the same time Handelek's brand values and transparency on different level approaches. It all resulted in great outcomes: Handelek was starred 4.9 in Google reviews and 4.8 in Facebook reviews (based on over 300 reviews). Netnography methods (inspection and interaction) was implemented as a regular communication practice with

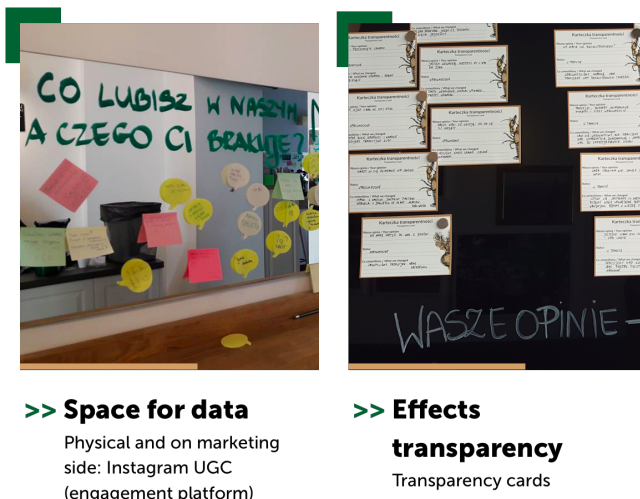
adding user-generated content from social media as a part of content marketing strategy on Facebook and Instagram, which resulted in over 5000 community followers. In March 2019 Handelek was awarded the best breakfast in Krakow diploma with the menu of scrambled eggs with traditional cottage cheese from Podhale covered with black seeds in a set with traditional Handelek sandwich. Since that moment the sale of scrambled eggs in Handelek raised from 70 to approximately 300 during weekends.



Figure 37 Handelek's menu after iterations

5.4. Co-creation and constant-reinvention in further service development

Future of Handelek as a brand and its service was not only influenced by service design process and ideation methods based on co-creation framework. As mentioned in co-creation strategy layers (Figure 1) co-creation with constant research and gathering significant data should be a regular element of a business strategy in the gastronomy industry. To support this two additional steps in the process were implemented. Firstly - a special platform for constant feedback was located in the place with a transparency board showing all the important negative feedback and the status of the change. The mirrors were used as a place for adding quick feedback post-its. It generated over 100 opinions so far. Please see figure 38.



>> Space for data

Physical and on marketing side: Instagram UGC (engagement platform)

>> Effects

transparency

Transparency cards

Figure 38 Co-creation engagement platform for constant feedback

Secondly, co-partners meeting was arranged to discuss the future vision of Handelek as a brand and further service development. Each of co-partners had to check recent industry data - other breakfast places in the market since Handelek was founded, future trends, back to basics trend signal (mentioned in the first Handelek's mindmap in Figure 6), service business model canvas possibility of development, new return on investment ideas. Co-partners met on Google hangouts and showed their vision in their presentations (Figure 39). Final round was Q&A session and new service direction was chosen. Since April 2019 further development has been implemented: the idea is to build a brand around one location which is situated in an environment advantageous for resources. The next iteration is own bakery, own food market place, and delicatessen. Planned date of implementation is October/November 2019. Creating a story day by day and gathering constant feedback from the community is one of the main netnographic tactics, at the same time supporting the idea of constant validation and providing new insights for service design process.



Figure 39 Co-partners Handelek further service development online meeting

6. Conclusions and reflection

Service concept and implementation, which became a topic of this thesis and took almost two years, is in the process of constant re-invention as a stated approach. It covers all main elements of implemented co-creation framework in all strategical levels throughout all service design process. The main meaning of new - revised definition of co-creation proposed in this thesis is that it is *implemented from initial phase, fully integrated with agile way of creating products and services, involving all actors and stakeholders as partners to the process by*

learning with the market approach. If considered as mentioned, it determines all stages of service design process with a focus on each actor being a part of the resource integration model. Furthermore, the application of dynamic capabilities in service and constantly adding new competencies from different actors into service performance is emphasised. Author indicates that nowadays to create services owners/designers need to take a role of facilitator facilitating a process of constant learning from different resources integrated in one platform. Furthermore, a real competitive advantage is now a common and shared value between all actors (sometimes previously competed with each other) created in the process of integrating all resources (knowledge, operational, logistics, HR, marketing, selling). Finally, the importance of building a new standard of data acquisition and validation is mentioned. By considering the present state of technology and people's behaviour patterns, new directions and research methods are indispensable: netnography became a new value for designing a human-centred service, involving actors in the process of constant co-creation and reinvention. According to the research in the gastronomy industry there is a brand new approach to designing a service and running restaurant concepts.

Nevertheless, working with co-creation methods required a well-prepared plan. On the one hand - a plan of collecting data, validating the previous results, but also being very attentive and open as a process facilitator. There is a boundary between using data (ideas, reviews, reflections) from people (stakeholders and resources) and being seriously responsible for the implementation in their work. In some processes mentioned in this study, ethical issues appeared. During the first iterations of the service it is sometimes not possible to implement all the ideas and content, so it's essential to be transparent and to show a real goal from people's commitment and engagement in a process. Communication of the project could have been more transparent.

It is one of the first implications of sandwiches to consider them as a product itself. Not as a service. A sandwich has been one of the symbols and most popular food objects since centuries. That is why the creation of a brand, concentration on value and directly value in use: exploration and transparency, storytelling, location and origins, involving different actors and creating a service was a challenge. Moreover, the approach and frameworks presented in this thesis can be considered as a direction for a brand and service design and development and provide value for the whole industry. Furthermore, an iterative approach and nature of a service design process presented in this thesis is a key indication for gastronomy business to be considered in a standard and common attitude in running a business in this field. According to

the research, work included in this thesis is unique in the sense, there is lack of public examples of co-creation as a main framework in service design process in gastronomy. Especially, when taking into account business strategy perspective. We can point only a few sources where service design in gastronomy case studies and practical implementation are presented.

Handelek is now a successful business with over 20 employees on board and 3 managers responsible for 3 service fields: Handelek breakfast restaurant (presented as a case in this study), Handelek bakery and Handelek wines and plates (a bistro with Polish tapas and spreads). All of these iterations and new development directions happened in 2 years since the first MVP service version (20m place with sandwiches to go). The value of this study is presenting the whole process including real business validation steps and factors and service implementation.

6.1. Implication for further research

There are several implications for further research and new practical and theoretical value in the co-creation area on different levels. On the industry level co-creation can be more as a main point in creating new gastronomical businesses. Furthermore, research methods like food netnography and concepts for validation and prototyping can be implemented and be a part of research in different countries. One of the main service design premises - integration of resources is not yet a main attitude in gastronomy business. However, according to the research more and more examples emerge on the market (last ones: crowdsourcing, linking new areas of nutrition with well-known traditional ones: Bobby Burger and VegeGuru cooperation, crowdfunding - famous Krakow restaurant EDRED looking for new co-partners and selling shares with customers). These areas and trend signals can be a scope of further research on how service design premises and service design process is becoming one of strategical approaches in development of the gastronomy industry.

Co-creation framework on a strategical level shows how co-creation will be a main part of creating business in different industries with new models and ways of collaboration using technology and digital platforms. Finally, the framework for netnography research presented in this thesis is a unique and universal, handy model and checklist for digital research in different contexts.

6.2. Research and work limitations

The author of the thesis has encountered some limitations during research and thesis development. As mentioned, there is very little research about co-creation in gastronomy and service design in gastronomy. Moreover, this paper presents the typical limitations of the deductive approach based on literature review and concentrating on one industry and case study of Handelek - breakfast place. Despite complex picture and framework application opportunities for more than one specific industry thus supported with strategical elements, for a deeper understanding of value co-creation management in different areas and industries, a broader theoretical, as well as empirical, research is necessary.

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