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Co-creating a new service design process for media companies developing digital solutions in the business-to-business market

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As new technologies and softwares emerge, media companies are facing a challenge of continuously providing innovative digital solutions for their commercial customers in order to compete in the changing marketplace. Co-creation is in the key position in the strategy for innovation and this study presents a new solution on how digital solutions can be co-created with business-to-business customers.

The overall objective of this thesis is to enhance digital service design in Finnish media companies and this study will present a new service design process for these companies. This model will incorporate co-creation with business-to-business customers from the very beginning. The hypothesis based on research is that this new service design process can both enhance service development in media companies, create more profound customer relationships and improve the business-to-business sales process.

This thesis will focus on the relationship between the media companies and their business-to-business customers in the context of digital service design and business-to-business sales. The study will explore the current state of digital media as well as the Finnish media market. As the theoretical framework, service-dominant logic creates a fundamental understanding and philosophy of the customer-centricity necessary for service creation whereas service design provides the process and methods for creating digital solutions. The Double Diamond model is the basis for the research process and this thesis goes through the Discover, Develop and Deliver phases resulting in the presentation of a new solution for innovation: the model of a new service design process.

The data gathering for this thesis was conducted through empirical study: the qualitative research methods used were literary sources, one-on-one interviews and a co-creation workshop. The main focus of the research was to keep the process iterative and utilize different service design methods and tools, such as stakeholder map, personas, scenarios, customer experience map and prototyping.

Keywords: service design, co-creation, digital media, business-to-business, service design tools

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**Uuden palvelumuotoilun prosessin yhteiskehittely kaupallisia digitaalisia tuotteita luoville
mediayhtiöille**

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Digitaalisen median markkinat elävät jatkuvan muutoksen aikaa. Suomalaiset mediayhtiöt ovat haasteen alla joutuessaan jatkuvasti tuomaan markkinoille innovatiivisia kaupallisia digitaalisia tuotteita pysyäkseen mukana kilpailussa. Yhteiskehittelyn merkitys on noussut avainasemaan innovatiiviseen palvelukehittelyyn pyrkivissä yrityksissä.

Tämä opinnäytetyö tutkii miten digitaalisia palveluja on mahdollista luoda yhteistyössä business-to-business-kumppanien kanssa. Työn lopputuloksena luodaan uusi palvelumuotoilun prosessimalli digitaalisten palvelujen luomiselle, joka hyödyntää yhteiskehittelyä kaupallisten kumppanien kanssa. Työn tavoitteena on parantaa palvelumuotoilua suomalaisissa mediayhtiöissä kyseisen mallin kautta.

Opinnäytetyössä keskitytään tutkimaan mediayhtiöiden ja kaupallisten kumppanien välistä suhdetta palvelumuotoilun sekä business-to-business-myyntiprosessin saralla. Tutkimuksessa syvennytään tarkastelemaan digitaalisen media kehityssuuntia viime vuosien aikana sekä nykyisiä markkinoita Suomessa.

Palvelulähtöinen ajattelutapa toimii työn teoreettisena viitekehyksenä ja luo perustan asiakaslähtöisyyden filosofialle, joka yritysten tulisi ottaa toimintaperiaatteekseen. Palvelumuotoilu antaa tarpeelliset työkalut ja metodit niin työn tutkimukselle kuin digitaalisten palveluiden kehittämiseksi. Työn tutkimus noudattaa Double diamond-palvelumuotoilun prosessimallia ja käy läpi sen kolme ensimmäistä vaihetta: tutkiminen, määrittelemine ja kehittäminen.

Työn data kerättiin empiirisen tutkimuksen kautta ja laadullisina tutkimusmenetelminä käytettiin kirjallisia sekä digitaalisia lähteitä, haastatteluja sekä työpajaa, jonka aikana hyödynnettiin palvelumuotoilun työkaluja, kuten sidosryhmien karttamalli, hahmomallit, skenaariot, palvelupolku ja prototyypit.

Avainsanat: palvelumuotoilu, yhteiskehittely, digitaalinen media, business-to-business

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1 Introduction

As new technologies and softwares emerge, media companies are facing a challenge of continuously providing new and innovative digital solutions for their ends users as well as commercial customers in order to compete in the ever-changing marketplace. In the last ten years digital media has gone through significant transformations with the emergence of diverse social media platforms and the new concepts where the end user of digital solutions is not only a consumer but also an active participant. (Ryan and Jones, 2012, 6) This has increased niche markets and highlighted the importance of reaching the right consumer via the right channels and tools. This has changed the role, objectives and needs of not only the consumer, but also the media companies and business-to-business customers.

According to a report by McKinsey & Company, the spending on media is rapidly shifting from traditional to digital products and services and they estimate that by 2019 digital spending will account for over 50 percent of overall media spending (McKinsey, 2015, 5). In today's world media companies creating and selling digital solutions are expected to incorporate into their service offering more customized ideas and softwares to stay ahead of competition. This requires constant innovation, meaning the introduction of new services to the market, or developing a completely new market (Polaine et al., 2013, 40). According to a McKinsey & Company article, in recent years customers of media companies have become more demanding, insisting on both off-the-shelf products as well as complex, customized solution with different levels of sales support. As customer needs are becoming more diverse and can change from day to day, putting tremendous strain on the resources and capabilities of sales organizations. (Davie et al., 2010)

These new developments in digital media have created a great need for co-creation and co-design in the development of new digital solutions. Since new commercial online services must take into account not only the end user's needs, but also those of the business-to-business customer and marketer, media companies are realizing that both of these customers must be incorporated into the innovation process in order to create a viable online solutions. However, even with this realization becoming the main philosophy for a company's new service development, there is still the question of when to include the customers in the design and innovation process. Too often the customers are incorporated into the service design process after initial development is completed, which makes it more difficult to personalize products to truly meet the customers' needs.



This thesis will focus on the relationship between the media companies and their business-to-business customers in the context of new service development and business-to-business sales. The purpose of this thesis is to create a model of a new service design process, which incorporates co-creation, for media companies selling digital solutions to business-to-business customers. Through this new service design process the aim is to enhance the business-to-business sales and provide an innovative way of developing commercial online solutions.

The author of the thesis worked as an online producer for a Finnish media and broadcasting company for nine years and saw the emerging of new technologies and software, the change in attitude towards digital products and services as well as the changes in the competitive positions in the market place. This thesis will therefore focus on the Finnish media market and discuss its current developments, not focusing on any individual media company, but generating a new service design process for any media company selling digital solutions.

The new service design process will introduce a way to engage business-to-business customers in the development of digital solutions therefore enhancing the selling process and creating a new salespoint, a practical touchpoint for media companies to convince their business-to-business customers, both existing and potential, to buy the new services and products. The new service design process will look at ways to increase customer interest in the development process and create loyalty through participation. Co-creation will be in the key position in this new strategy for innovation and this thesis will draw up a new picture on how new digital solutions can be co-created with customers and users.

The data gathering for this thesis was conducted through empiric study: the qualitative research methods used were one-on-one interviews, literary sources and co-creation workshops. The main focus of the research was to keep the process iterative and utilize different service design methods and tools.

1.1 The objective of the thesis

The overall objective of this thesis is to enhance digital service design in Finnish media companies. In order to do so, we must first research the current state of the Finnish media market, discuss the changes that have occurred in digital media and ultimately offer a solution for media companies looking for new ways of conducting the development of digital solutions and conducting business-to-business sales. These questions will be researched through three different methods: interviews, desk research and workshops where various service design methods and tools are used.

The main objectives of this thesis are to:

- create a model of a new service design process for media companies selling digital solutions to business-to-business customers, which incorporates co-creation
- find, through this new model, a solution for innovating the R&D process and enhancing the business-to-business sales process of digital solutions
- use co-creation and service design tools to innovate

The research questions used for the study are:

1. What kind of new service design process do media companies have and where are the areas for development?
2. How is co-creation incorporated into the process and what are the touch points where business-to-business customers experience it?
3. What is the overall service experience like for business-to-business customer?
4. How does service design affect business-to-business sales?
5. How can co-creation in digital service design be improved?

1.2 The structure of the thesis report

This thesis has five main chapters. The first chapter introduces the subject matter of the study: improving service design in Finnish media companies and explains the objectives.

The second chapter introduces the theoretical background of the thesis. This chapter will focus on exploring the current state of digital media as well as the Finnish media market. We will discuss the changes which have led to a shift in attitudes towards digital services and competitiveness in the digital world. The last part of the chapter will introduce digital product and services in the framework of the business-of-business sales. The theoretical background continues to be explored by discussing Service-dominant logic and the importance of co-creation in service design. This chapter also presents the Double Diamond Model as the design process method for the thesis. In the last part relevant design methods and tools, which were used in research are introduced.

The third chapter focuses on the research process and methodology of the thesis and describes the reasoning behind choosing the different qualitative research methods. The author of the thesis presents the research process and the different techniques: interviews, desk research and workshops, used to uncover the problems and challenges in current service development and business-to-business sales process as well as come up with new solutions to enhance service design and sales. Research results and findings of the study are also presented in the last part of the third chapter

The fourth chapter uses the findings to introduce a possible solution: new service design concept/process through co-creation in business-to-business workshops, and analyses the benefits which implementing this idea would bring to both media companies and business-to-business customers. The chapter also tackles the challenges this would present to the participants.

The fifth chapter concludes the study with an analysis on the process, the different research methods and the results. It also discusses steps that could be taken afterwards for future research or implementation of the solution offered in this thesis.

2 Theoretical background

This thesis will focus on the relationship between the media companies and their business-to-business customers in the context of digital service design and business-to-business sales. This thesis is created for Finnish media companies operating in a rapidly changing business environment, which challenges their current service and product development processes in a new way. This chapter will take a look at how the digital world has transformed in recent years, offer some insight into some of the most important developments and try to understand how these changes have impacted the Finnish media market. Through understanding the current marketplace where media companies operate, we will then study how it is affecting the demand and development of new commercial digital solutions and the challenges of selling to business-to-business customers.

As the theoretical framework of this thesis, **service-dominant logic** creates the fundamental customer-centric philosophy for service creation and **service design** provides the process, methods for improving and creating digital solutions. This chapter discusses these terms and introduce service design as a concept which will be looked through the lens of service-dominant logic (also referred to as S-D logic). This chapter will also discuss **co-creation**, one of the building blocks of the S-D logic philosophy.

2.1 The changing world of digital media markets

One does not need literary sources to see that digital media is changing at a phenomenal pace with its constantly evolving technologies and the way people are using them. Many authors however help to understand how these changes are not only transforming how we access our information and communicate with one another on a global scale but also how we choose and buy our products and services. Ryan and Jones (2012, 8) describe that people are embracing digital technologies to communicate in ways that would have been inconceivable just a few short years ago, and digital technologies are today being seamlessly integrated by ordinary

people into their everyday lives. According to Weber and Henderson (2014, 1) the internet has empowered people all around the world and changed the relationships between businesses and the customers, who are now have the power in the buying process.

This has created a need to constantly develop the digital service offering and some media companies are struggling with it. According to authors, technological advances have punctuated the evolution of advertising, each fundamentally altering the way businesses could communicate with their customers (Ryan & Jones, 2012, 4). As digital innovations are disrupting industries, most companies have a great need to not only find right technology, but create an agile organization that can predict what kind of change is needed and respond to this need in an innovative way in order to remain competitive (Bascular, 2017).

Digital technology has created new ecosystems and transformed the economy by creating new business (Block et al., 2017). As Liu and Brody write (2016, 1), we are living in the time of a great business transformation, where companies have to find new ways to innovate, which has led to new technological advances such as smart mobile devices, big data analytics and social networking, as new digital platforms for further innovation and marketing opportunities. The modern media mix does not only include print, radio or television, now online and mobile services are the ruling class. The term Web 2.0 describes the next generation of online use and identifies the consumer as a major contributor in the evolution of the internet into a two-way medium (Ryan & Jones, 2012, 274-275). Everyday consumers are exposed to new and innovative digital products and services. The digital revolution has forever changed the world of media not only from the consumer's (or end user's) point of view, but also for a marketer's standpoint.

According DaSilva, Murray and Lieberman (2016, 5), since the media and entertainment sectors are benefitting from as well as being challenged by new digital tools and platforms, the industry leaders are looking for ways to offer relevant content to different demographics and identify ways for monetizing the demand to the maximum extent. For 2016 onwards a new trend has emerged: the consumers are increasingly themselves creating content and concepts using the new digital platforms. According to the authors, consumers want quick access to media and entertainment as well as the ability to share with ease. They write that not only content matters, but so does the technology platform and the software or networks that enable the transfer. (DaSilva & alt., 2016, 10)

McKinsey & Company (2016, 5) report that globally spending on media has shifted from traditional platforms to digital services in a rapid pace. The authors predict that by 2019 digital advertising, video games and broadband continue to be the fastest growing segments, and digital spending will account for more than 50 percent of overall media spending

(McKinsey & Company 2016, 4). According to the Millward and Brown report (2016) online video content, news and information sites, special interest content sites, social media, gaming, online retail, review platforms, and search are all distinct elements within the new media mix. “Until recently such sophisticated digital marketing was not in play, but this is rapidly changing. From a consumer’s perspective these are not one uniform medium. The best digital marketers recognize the different contexts of the diverse types of digital content. They know that one size fits all media mix planning is no more appropriate within the digital mix than it is across the wider mix. Effective digital marketers will identify the most relevant digital environments to deliver against their brand’s objectives. They will assign each form different roles and integrate them with the wider non digital mix, so that everything works synergistically to maximize the impact of marketing on brand performance.” (Millward & Brown, 2016) The authors continue that in order to be successful, marketers must work across a complete media mix that more accurately reflects the diverse media content forms delivered through these platforms.

2.2 The current state of the commercial media market in Finland

In the last ten years, the Finnish media landscape has changed dramatically. In addition to the traditional media, such as newspapers, radio and television, the online field of new media market has grown exponentially from a field with only a few operators into a competitive market place where the digital media consumer and business-to-business customers have a wide field of service providers to choose from. According to the European Journalism Centre there are three major operators in terrestrial and cable television broadcasting: YLE (Finland’s public service company), MTV Media (a commercial media company, owned by Bonnier Media) and Nelonen Media (a part of Sanoma Entertainment) with Channel Four and Sport channel. The fourth minor operator is SBS Broadcasting (by name TV5 Finland) (European Journalism Centre, 2017).

In online media, according to TNS Metrix (2017), the most popular websites in Finland are Ilta-Sanomat, Iltalehti, YLE, Helsingin Sanomat and MTV, which are owned by these operators. Below the graph illustrates the top brands in the weekly online use in Finland.

Even though compared internationally, the advertising arena in Finland remains quite limited, the competition in the commercial media market has grown to a market with many new companies (TNS Metrix, 2017). This development has brought more choices and marketing opportunities for businesses looking for a commercial partner.

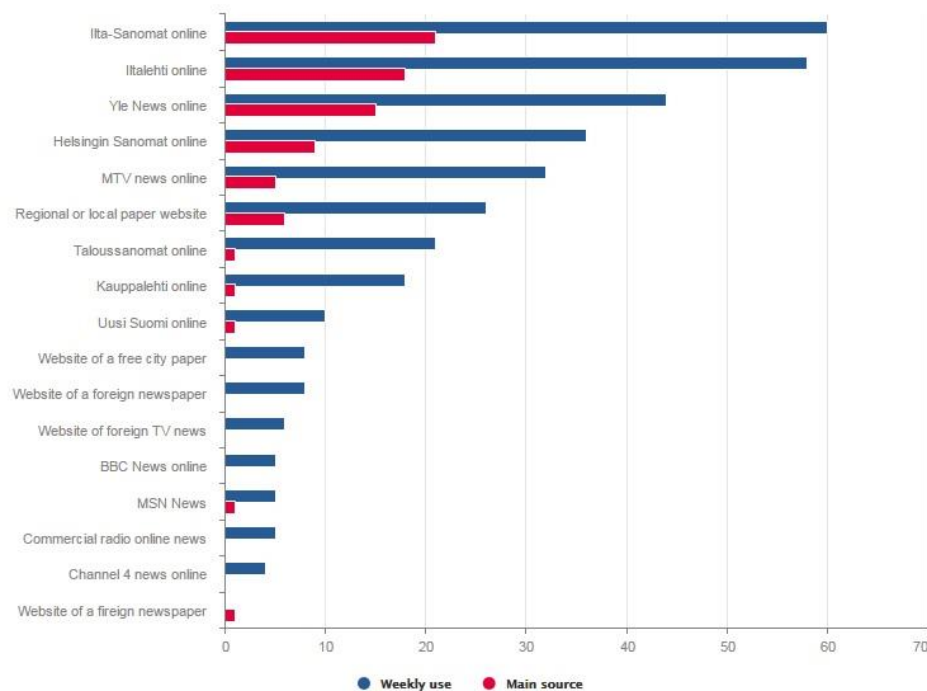


Figure 1: Top brands % weekly usage (Digital News Report, 2016)

In media sales, the traditional media such as newspaper and radio have suffered, but new media market has been growing exponentially. In recent years, digital advertising as a whole has quickly risen to become the largest category of advertising. Investments in digital advertising exceeded the print advertising volume for the first time in the first quarter of 2016, and in 2015, digital advertising spending in Finland amounted to MEUR 286.1 (Alma Media, 2016). Reuters reported that in 2016, advertising expenditure in printed newspapers decreased 8 percent while total media advertising spend was down 2 percent, and online advertising up 7 percent (Reuters Institute, 2016).

The most alarming development in the market the fact that the overall turnover of listed Finnish media companies is falling. In 2016 Sanoma Media Finland reported a reduction of 10 percent and Alma Media down 1 percent. The listed media companies, however, continue to be profitable, the operating profit income ranging from 2 percent to 11 percent. (Reuters Institute, 2016)

Media companies have tried improving digital business-to-business sales in different ways. In 2016 ten leading Finnish media companies (Sanoma Corporation, Alma Media Corporation, Otavamedia Ltd, Aller Media Oy, A-lehdet Oy, MTV Oy, KSF Media Ab, Kaleva365 Oy, Improve Media Oy and Keskisuomalainen Oyj) launched a shared Automated Guaranteed marketplace, which covers desktop, mobile and video advertising products. The purpose was to make it easier for media agencies to plan and buy digital advertising. (Alma Media, 2016) According to

Reuters, in the beginning of 2016, Finnish commercial broadcaster MTV, together with a number of partner companies established a new video network that sells advertising into the videos produced by MTV and the partner companies. This new network competes with Sanoma's Ruutu video network service and with international competitors such as Google and Facebook (Reuters Institute, 2016).

With the rise of new media companies, technologies, softwares and innovations, new challenges are facing both the media companies selling commercial digital solutions for their business to business customers as well as the companies buying them as advertising platforms. According to the survey done by Mainostajien Liitto (Advertisers' Union) 86 percent of companies are nowadays using programmatic buying in their media purchases, which had risen from the previous year's 75 percent. The term programmatic buying refers to a automatization of media purchasing, where the customer can use different platforms in order to buy advertising space targeting a specific type of audience. Programmatic buying gives the customers tools for more pragmatic, real time and optimized media buying, however it limits the human-to-human contact in the sales process, which can create challenges for both parties. Some of the challenges the client companies are facing are ineffectiveness of advertising, the limited number of media companies in the Finnish market, fraudulent platforms (with the customer to knowing where their ads are actually running) and their own lack of understanding or knowledge. In the survey, 72 percent of companies reveal that they therefore use media agencies as intermediaries when conducting media purchases. (Mainostajat.fi, 2017)

2.3 Digital services: selling the invisible

Media companies offering online services have two types of customer: the end user of the service (such as visitors of a website) and the business-to-business customer alias the marketer to whom the companies sell their online products for marketing purposes. The commercial business-to-business market is based on strategic partnerships. According to Ryan and Jones (2012) this partnerships can be visualized in a bricks-and-mortar retail context, where suppliers rent space in high-traffic department store in order to sell their products or services to customers who visit that store. Partnership between media companies and their commercial business-to-business customers in the digital world does not differ from this concept in a significant way: websites which attract large volumes of traffic will seek out long-term partnerships with suppliers to rent space in sections of their website. A media company and their customers must form a mutually beneficial strategic partnership. As Ryan and Jones suggest, in the context of digital marketing, a strategic partnership should be a win-win situation, which is based on synergy: all parties should come out of the relationship with more than any of them could have achieved alone (Ryan & Jones, 2012, 199).

This thesis focuses on the relationship between the media companies and their business-to-business customer in the context of new service development and business-to-business sales. The ever changing digital marketplace is creating challenges for both media companies as well as the business-to-business customer: with new commercial digital products and services flooding the market, business-to-business customers are finding new and innovative ways of advertising to their core audience. However the jungle of the changing digital world can be confusing for companies and create obstacles for digital buying.

The media companies, in their part, are facing challenges with the need to provide current and innovative digital solutions for their clients through successful service design. Kim Goodwin, the creator of Goal-Directed Product and Service Design (2009), argues that creating a market-leading digital service is extraordinarily difficult, because there are so many aspects that need to be right, from the timing of the idea, desirable design and technically sound implementation to effective sales and marketing. He writes that even when the design idea is valid, a bad implementation or marketing can deem it a failure. However, luckily the risk can be controlled with certain conditions that lead to success. The author states that a good service design process reduces risk and fosters creativity, and the right combination of skilled people accomplish more in less time and with better quality. (Goodwin, 2009, 98)

In the time when many customers are looking for multichannel approaches to meet their needs in advertising, the media companies need to be able to provide their customer with a digital solution that delivers the marketing message to the right audience through the right channel whether it is television, online or mobile, or a combination of all three. The different digital platforms have to be to create a seamless marketing experience from the audience's point of view.

However, even if a company manages to create an innovative new digital solution, the business-to-business sales process is not as simple as with traditional goods. Selling the digital services (aka solutions) means often selling the invisible. Since the solutions might be developed tailor-made for the customer, there is nothing concrete to present at the initial sales meeting, which might make it difficult for the customers to understand what they are buying. Therefore it is increasingly important for media companies to increase the customers' understanding of different digital solutions as offer more and more innovative ways to meet the customers' needs. (Davies, 2010)

Since there is growing competition in the line of digital solutions being offered in Finland with many competing media houses investing in new ways of doing research and development, this

thesis will focus on enhancing service design in Finnish media companies. At the same time the thesis tackles the need to improve the business-to-business sales process.

2.4 Service-dominant logic in business-to-business environment

This thesis examines the creation of services in the world of digital media. Before introducing the theoretical background it is important first to discuss what is *a service*. According to Goldstein et al. (2002), the service concept is a combination of processes, materials and skills which support the service. In order to create good services media companies must have successful and innovative service design. However in order to understand what makes service design successful, one must understand the concept of *service-dominant logic*.

In 2004 the authors Vargo and Lusch introduced the concept of Service-Dominant logic in an article where they predicted a new dominant logic for marketing in which service provision rather than goods is the foundation for economic exchange. According to Gannage (2014) Service-Dominant logic, also called S-D logic, is a mindset for a unified understanding of the purpose of organizations, markets, and society. The fundamental principle of Service-Dominant logic is that organizations, markets, and society are primarily concerned with exchange of service: the applications of competencies (knowledge and skills) for the benefit of the consumers.

In a commercial context, Vargo and Lusch write that all businesses are service businesses (Vargo & Lusch, 2008, 4) and state that “innovation is not defined by what firms produce as output but how firms can better serve”. The authors identified a shift from the emphasis on production to the emphasis on co-creation where the customer is always a co-creator of value (2015, 6). As Service-Dominant logic continues its evolution, the authors have widened their scope on co-creation from the micro-level (i.e. firm-customer) to state that markets are even more about cooperation than about the competition and economic networks are often “self-governed, self-adjusting service ecosystems engaged in value co-creation at various levels of aggregation” (Vargo & Lusch, 2015, 6).

This thesis focuses on Service-Dominant logic on a micro-level (concerning the relationship between a company and its customers) in which the philosophy proposes that all business and marketing has moved from a goods-dominant view (in which tangible offerings are essential) to a more service-dominant view (in which intangibility and relationships are fundamental) (Vargo & Lusch, 2004, 2). Service-Dominant logic embraces concepts of **value-in-use** and co-creation of value rather than the value-in-exchange as in Goods-Dominant Logic (Gannage, 2014, 1). Gröönroos (300) writes about **Customer service logic** which relates to how customers create value for themselves using the service offering. According to the author,

customers are not primarily interested in what they buy and consume, but in what they can do with what they have in their possession (i.e. value-in-use). According to the Service-Dominant logic, value is uniquely experienced by each customer when they use a service (Vargo & Lusch 2004, 2) and the consumer is viewed as an active party, where as in the Goods-Dominant view customers are only acted on and the value of a good is contained in the good itself. (Gannage, 2014, 2)

Goods logic	Service logic
Producing something (goods or service)	Support clients in their own value-creation processes
Value as created	Value as co-created
Clients as isolated objects	Clients in context of their own systems
Companies resources mainly as operand	Companies resources mainly as operant
Clients as targets	Clients as resources

Table 1. Shift for practitioners (Vargo and Lusch, 2008)

Table 1: Shift for practitioners (Vargo and Lusch, 2008; Wennerholm, 2012)

Although many companies even today still believe they are selling merely products, the idea of Service-Dominant logic is that all exchanges of goods can be viewed as services in the end and terms “products” and “services” cannot be separated from the other. According to Poulaine & al. (2013, 22), the customers don’t care about individual touchpoints in the service experience. They experience the service in totality and base their judgement on how the complete process works together to provide them with value. Grönroos writes (2008, 305) that when value is created by customers in isolation the suppliers have no direct means of engaging with the consumption process. Therefore companies should actively engage the customer’s in the value creation process actively

Even though technically digital solutions, which are not tangible, are seen as services, most companies unfortunately are still in the product-oriented (goods-dominant logic) state of mind, and as Poulaine & al write (2013, 22), these organizations often fail to see the potential of using their customers to make the service more effective. As Grönroos (2008, 300) writes, adopting a service-centred perspective is not a matter of adding weight to the service aspect of a logic in order to become service-dominant. It is a new logic in itself. This is why orienting the media companies should accept Service-Dominant logic as their main philosophy and embracing the idea that *co-creation*, which will be discussed in the next chapter, is crucial for innovation.

2.5 The importance of co-creation with customers

The role of the customer is also changing. Goodwin writes that professional designers must define financially viable products, services, and environments that meet the practical, physical, cognitive, and emotional needs of a wide range of people (Goodwin, 2009, 62). However, many companies struggle with how to make their services truly meet their customers' needs. In order to do this, they conduct extensive market research before starting the Research and Development (R&D) process. Grönroos (2008, 307) however writes that a company should develop its business and marketing strategies based on knowledge that goes beyond the needs that conventional market research reveals. This can be done by including the customer in the design process. Too often though companies invite the customer to give their insights in later stages of the R&D process and include the end user in only the testing phase, after which only limited number of adaptations and changes can be made.

One of the main principles of Service-Dominant logic, co-creation, however suggests that the customers and other stakeholders should be included in the design process from the very start, and - most importantly - not only think of them as participants, but *co-designers* of the service. "Co-creation is a joint value creation process (Grönroos & Voima, 2013) of developing services including co-design (Mattelmäki & Visser 2011; Sanders & Stappers 2008), influencing on the strategic level (Grönroos & Voima 2013; Vargo & Lusch 2006) and facilitating innovations (Kristensson et al. 2008; Roser et al. 2013)" Keränen, 2015, 41). According to the principles of Service-Dominant logic, "the customer is always a co-producer" (Vargo & Lusch 2004, 11). Hearing what the customer has to say about the product and getting feedback from the end users is a crucial factor in the success of a service. However, in these scenarios the term "customers" often refers only to the consumer of the service. In this thesis the emphasis will be on the advertiser and commercial partner alias the business-to-business customer.

Co-creation is a great asset in the commercial sense and could bring many competitive advantages to companies using it to enhance their business-to-business sales. Nowadays, users are usually integrated into firms' research and development processes in order to help firms to exploit first-hand use experiences and ideas for new products and stimulate employees' imagination in development projects (Alves et al., 2007). However, in the media market, this should not be only done also with business-to-business customers, whom should be co-designers of any new digital solutions. In her thesis from 2015, Keränen explores the characteristics of co-creation in the B2B service business to foster both the supplier's and the customer's value creation and writes that adding value through comprehensive customer solutions and getting new or changed services effectively into the market has become an important competitive advantage for companies. (Keränen, 2015, 19)

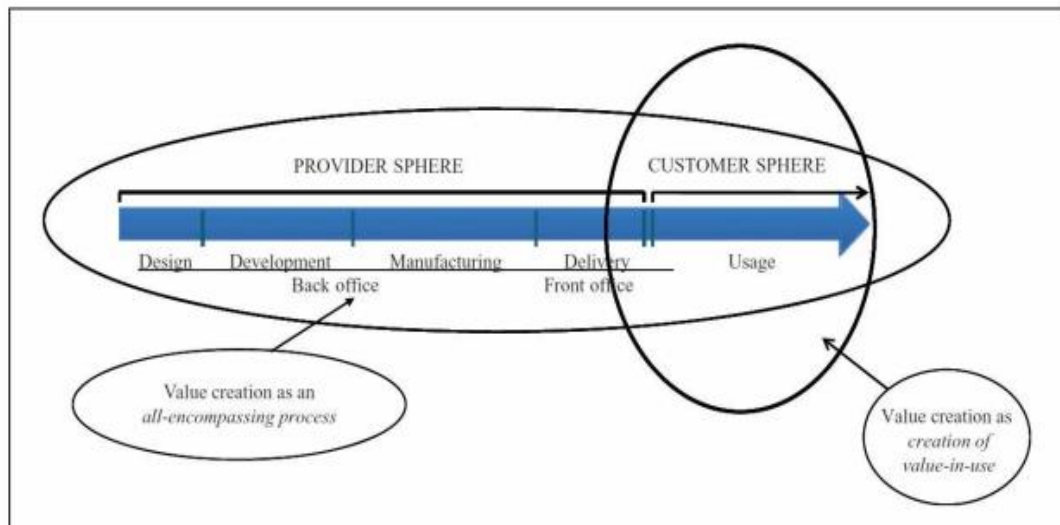


Figure 1. Value creation as the customer's creation of value-in-use or as an all-encompassing process including provider and customer activities

Figure 11: Value Creation (Source: Gronroos 2011)

Figure 2: Value Creation (Grönroos, 2011)

Keränen writes that “businesses are increasingly interested in developing service operations together with their customers and in order to do this they need to work more closely with them. Furthermore, existing knowledge challenges companies to understand how they can engage with their customers’ value creation and become value co-creators. Reasons for the emergence of co-creation might be the changed business landscape of having services as a dominant factor fostering communication and interaction between companies and customers.” (Keränen, 2015, 5)

As the literature suggest that co-creation is important tools for innovation and for understanding the business-to-business customer’s needs, even the latent ones, and should therefore be incorporated into the company’s service design process. Whereas service-dominant logic is a philosophy that every company should embrace, service design is the process of creating the services and solutions.

2.6 Service Design as the method for innovation

Before examining ways of improving the service design process, we must first focus on the term “service design” and its meaning. In recent years a design philosophy called **service design** has emerged as a successful framework for innovation in designing intangible and tangible products. Service design is “a participatory design-originated approach for designing services emphasising user involvement as a driving force in service development and service innovation” (Meroni & Sangiorgi 2011; Vaajakallio 2012). According to Polaine et al., service

design draws upon the user- and human-centered design traditions to form the basis of gathering insight into the experiences, motivations and needs of the people who use and provide services (Polaine et al., 2013, 38). In this thesis it is used as the method for improving and innovating a digital service development.

The service design ideology has its roots in 1920 United States and grew from industrial design. Poulaine writes that the first generation of industrial designers strove to turn industrialization into satisfying the fundamental human needs of the day and explored how the industry could create products in a more efficient way and what would make them more useful to people. (Polaine et al., 2013, 18)

As mentioned above, service design is seen as a discipline for innovation, a term which Chasanidou et al. define as a “multi-stage process whereby organizations transform ideas into new/improved products, service[s] or processes” (Chasanidou et al., 2015). Companies need to keep innovating their service offering in order to stay in the competition and keep their market share. This applies even more to media companies, which nowadays operate in a constantly changing and developing marketplace. In the book *This is Service Design Thinking*, the authors Stickdorn and Scheiner describe service design as “a new holistic, multi-disciplinary, integrative field”, which “helps to innovate (create new) or improve (existing) services to make them more useful, usable, desirable for clients and efficient as well as effective for organisations (Stickdorn & Schneider, 2011, 23).”

Service designers can use many different methods to study how people experience and use services. **Service design tools** (which are discussed more thoroughly in chapter 2.2.2) are design tools which enhance service design activities and whose purpose is to involve users in designing for services. According to Polaine service design is designing with people and not just for them (Polaine et al., 2013, 41) and it should involve research across all stakeholders of a project (Polaine et al., 2013, 38). Service design places the user at the centre of the design and development process. According to the Service Design Network, “service design is the activity of planning and organizing people, infrastructure, communication and material components of a service in order to improve its quality and the interaction between service provider and customers. The purpose of service design methodologies is to design according to the needs of customers or participants, so that the service is user-friendly, competitive and relevant to the customers” (Service Design Network, 2015).

Using Service design as a design framework also indicates that the design process will be iterative and nonlinear, meaning that in every phase of the process, the designers or researchers should be willing to take a step back and start again. Stickdorn & Schneider (2011) argue that iterative design development helps to solve problems found in user testing,

and stakeholders can assist in refining the outcome. Therefore there must be “a cycle of design, testing and measurement, then redesign, repeated as often as necessary” Stickdorn & Schneider, 2011, 117) in order to reach innovation.

Within Service Design, there are several different design process frameworks, which can be used when organization design new service offerings. As research and design frameworks, the Author of this dissertation has chosen The Double Diamond Model, since it offers an iterative process model for diverging and converging ideas and focuses heavily on collaboration with the users. It is very suitable for innovation and co-creation which are part of the main objectives of this research.

2.6.1 The double diamond model as the service design process

The author of this dissertation has chosen **The Double Diamond Model** as the research framework for the thesis because the aim of the study is to design a model for a new service design process. The Double Diamond, a graphic process model created by Design Council (Figure 3), a British organization in 2005, focuses on innovation and is particularly suitable for structuring a course with external collaboration and user involvement in the development of solutions.

“Every designer has a slightly different approach and different design specialisms also have their own ways of working, but there are some general activities common to all designers. The Design Council has developed the ‘Double Diamond’ model to illustrate this. Divided into four distinct phases: *Discover*, *Define*, *Develop* and *Deliver*, it maps how the design process passes from points where “thinking and possibilities are as broad as possible to situations where they are deliberately narrowed down and focused on distinct objectives” (Design Council, 2012, 6). The Double Diamond Model is very suitable for discovering new innovations through an iterative process.

This thesis will focus on the Discover, Define and Develop phases of the Double Diamond Model since the implementation of the results (i.e. designed ideas and innovations) of this study will require a media company as a partner. The Deliver phase will be the focus of future research. The design process starts with discovering the current situation and possible problems within it.

The start of the project, **the Discover phase**, is a period of discovery, gathering inspiration and insights, identifying user needs and developing initial ideas. Goodwin (2009) writes that in order to solve a problem, you must first understand it. In this stage, the methods of research include market research and user research (Design Council, 2012, 7). “Gaining a

clear understanding of the situation from the perspective of current and potential customers of a certain service is crucial for successful service design” (Stickdorn & Schneider, 2011, 120).

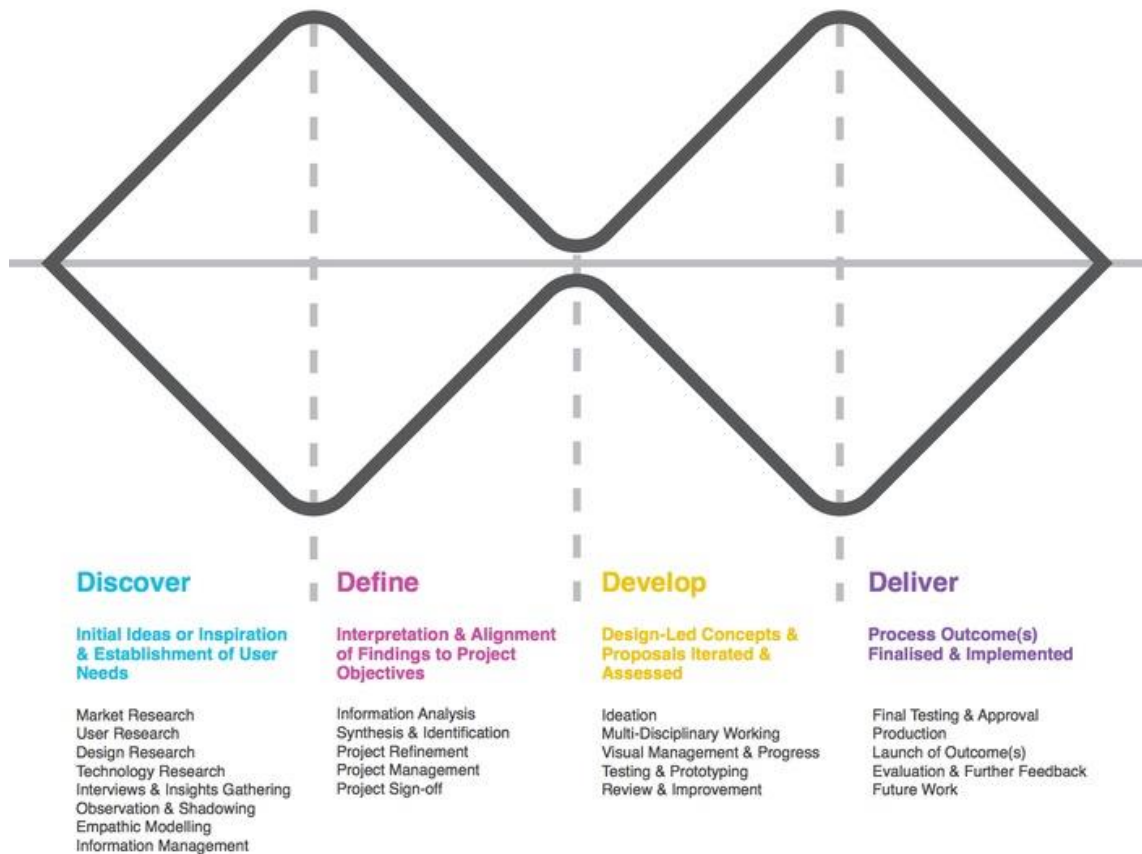


Figure 3: The Double Diamond Model by the Design Council (Design Council, 2017)

Next is the **Define phase**, which focuses on exploring and creating a clear definition of the problem. "The second quarter represents the definition phase, in which designers try to make sense of all the possibilities identified in the Discover phase. Which matters most? Which should we act on first? The goal here is to develop a clear creative brief that frames the fundamental design challenge to the organisation." (Design Council, 2012, 7) In the Define phase, "the task is to visualise these findings and as far as possible the underlying structure of the previously intangible services. This helps simplify complex and intangible processes and promotes a sense within the design team and amongst the service stakeholders that it is possible to change aspects of the service proposition that might not appear to be functioning appropriately." (Stickdorn & Schneider, 2011, 121)

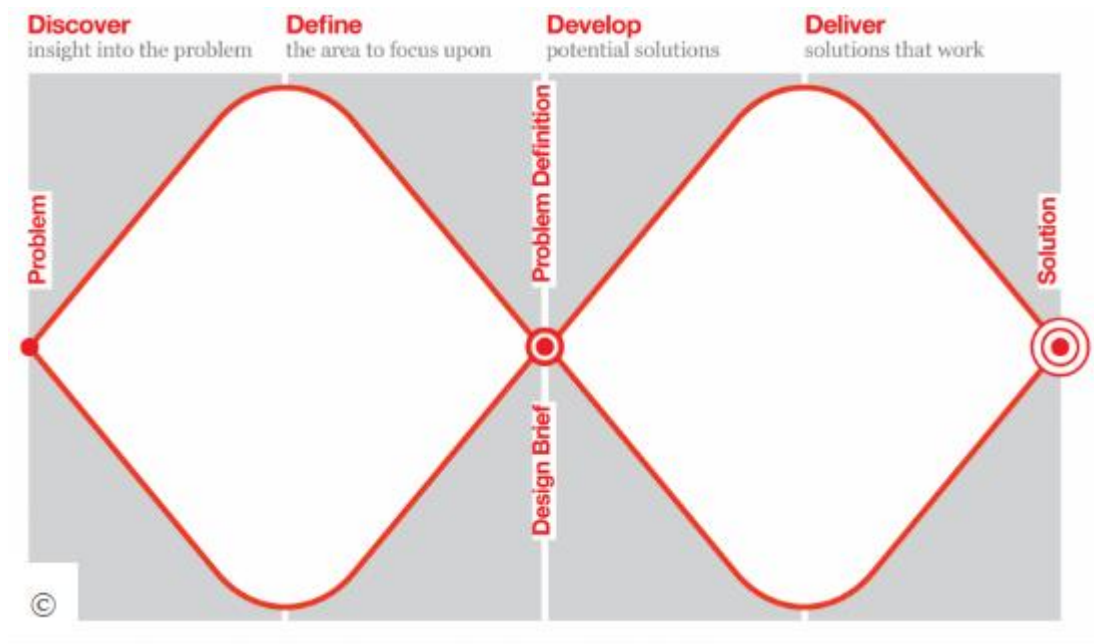


Figure 4: The Double Diamond Model by the Design Council (Design Council, 2017)

The Develop phase follows with the design of possible solutions. According to the Design Council this stage “marks a period of development where solutions and concepts are created, prototyped, tested and iterated. This process of trial and error helps designers to improve and refine their ideas” (Design Council, 2015). During this third stage design-led solutions are created in an iterative manner with testing with tools such as prototyping.

According to the Double Diamond Model, the final stage of the research and service design process end with **the Deliver phase**, where the result of the project is finalised is implemented and launched. The Double Diamond process of this thesis is further described in chapter 3.

2.6.2 Service design methods and tools

In service design, which is the overall process of creating the right touchpoint in the design process, using the right design tools and methods is crucial. There are several design tools which facilitate the innovation process and which designers can use to understand user needs and behaviour in a profound manner. Even though in most companies the research and development process might incorporate a larger team, often designing and implementing the design are in the hands of only a few employees and the developed service or product is tested at a later phase of this process with the end user. However since one of the principles of effective service design is co-creation, most service design tools are designed to be used in a multidisciplinary team, which should be used.

According to Segelström (2010) the exploration of design techniques and the insights gathered by a user-involvement process have to be reported in an appropriate way. The author suggests using graphic representations and visualisations. In this thesis, the author uses different design tools and techniques for data gathering as well as visualization and analysis of this data.

Many of these tools are also called **Design Thinking tools**. According to Polaine, *Design Thinking* is philosophy which incorporates most of the same principles as Service Design, such as co-creation. However, for example Polaine et al. see “service design as distinct from design thinking in that it is also about doing design and implementation. It also makes use of designers’ abilities to visualize and make abstract ideas tangible.” (Polaine et al., 2013, 7) According to Chasanidou (2015, 207), a Design Thinking process consists of five stages: 1) empathizing, 2) defining, 3) ideating, 4) prototyping and 5) testing. In the empathizing stage there is direct interaction with the users after which themes are defined, the ideation stage includes brainstorming and generating solutions and the prototype phase implies rapidly making numerous prototypes. Finally, the test phase can also include the final implementation. This thesis follows these stages using the Double Diamond Design model.

Chasanidou (2015, 207) also emphasized the importance of selecting the right tools for effective decision making and communication in a multidisciplinary team. The tools can be physical, such as a pen, paper and whiteboard, or software tools. In this thesis seven different design tools and methods are presented and used not only as part of the research process but as well as evaluated for their usefulness in new service development and co-creation. These are **storytelling, stakeholder map, personas, scenarios, customer experience map, prototyping and brainwriting**. The methods and tools were chosen because they have been developed for co-designing purposes, where users and other stakeholders are part of the design process. These co-design tools and activities support different levels of participation and help users create services together with the designers. Different tools were used in the different phases of research and service development process of this thesis. These tools and their use will be further explained and discussed in chapter 3.

Cluster analysis and **mind mapping** techniques were used as the main tools for data analysis throughout this thesis. Since the data collected was mostly verbal, the author of this thesis used these methods to organize the information and find similar themes and concepts used to draw conclusions and research results. According to authors cluster analysis is a convenient method to identify common themes and used to identify homogenous groups of objects called clusters. “Objects (or cases, observations) in a specific cluster share many characteristics, but are very dissimilar to objects not belonging to that cluster (Sarsted, 2014, 274).”

Chaudhary and Sharma write that (2013) cluster analysis classifies objects into different categories where the goal is to identify the actual groups. According to Rokach and Maimon (2005) the goal of clustering is also reduce the amount of data by categorizing or grouping similar data items together.

In order to organize the data another tool for visualisation, Mind mapping, was used. “The mind map is a tool for the visual elicitation of our thoughts and their connexions. The visualization begins with a problem or an idea put in the centre of the representation. Then signs, lines, words and drawings are used in order to build a system of thoughts around the starting point. The hand and the mind work simultaneously.” (Service Design Tools (15), 2017)

In the first step of data analysis, different mind maps of the data collected with desk research were created. By using the mind map technique, the author of this thesis was able to narrow down the essential information for this thesis. Even though mind mapping is a simple technique, it was extremely helpful for the author of the thesis to understand relationships between different concepts and terms. After conducting the interviews, a cluster analysis was used to find common themes and ideas that had been documented from five interviewees, and exclude unessential information. After using the service design tools, cluster analysis assisted in grouping the information into categories which could be then analysed further through the lens of the theory.

3 Research methodology: Applying service design tools in the study

As a framework for the research and the creative process the author of this thesis is using the **Double Diamond Model** introduced in chapter 2.2.1 focusing on the Discover, Define and Develop phases. The research methodology and tools used in the thesis were chosen based on the **qualitative approach**, which is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data (Hammersley et al., 2013, 10).

The Qualitative research approach was chosen because it aims to understand experience as unified (Ely et al. 2003, 4), and tends to adopt a flexible and data-driven research design, where unstructured data and verbal rather than statistical forms of analysis can be used. The in-depth investigative approach suited the research process of this thesis as well as the unstructured approach of conducting interviews, where the aim was for the interviewees to use their own words and descriptions. Hammersley also writes that qualitative researchers often use of documentary data, such as official reports, newspapers and magazines “without seeking to quantify their content in the manner of much content analysis.” (Hammersley et al., 2013, 16)

Since the resources for conducting the research and data gathering for this thesis were limited, the qualitative approach was more suitable as a research method than the quantitative approach. As authors on qualitative approach write, it is possible to conduct qualitative research with a small sample and a small amount of time (Goodwin, 2009, 183) and to study a small number of naturally occurring cases in detail. (Hammersley et al., 2013, 15). Qualitative research is also often used in design since according to Polaine et al. (2014) qualitative research helps designers to dive deeper into understanding the emotions and behaviour of humans. In this context, the researchers are interested in people's needs, behaviors, and motivations because these can form the basis of design problems that they try to tackle as designers. (Polaine, et al., 2014, 40).

The goal of the research design and methodology of this thesis was to understand the current situation of the digital media market, service design in media companies and, most importantly, through service design tools reach new levels of innovation by focusing on the users and their needs. Analysing the research process through the lens of the objectives set for this thesis shows that the chosen research questions and methods were valid and helped reach the goals set for the research.

One of the objectives was to *use co-creation and service design tools in order to innovate*, which was accomplished in all stages of the research process. This thesis reached the level of innovation by producing a new solution. As the main objective was to *create a model of a new service design process for media companies* which incorporates co-creation, this goal was reached by presenting a new service design model as the possible solution.

The research questions for this thesis were:

6. What kind of new service design process do media companies have and where are the areas for development?
7. How is co-creation incorporated into the process and what are the touch points where business-to-business customers experience it?
8. What is the overall service experience like for business-to-business customer?
9. How does service design affect business-to-business sales?
10. How can co-creation in digital service design be improved?

Table 2: The research questions of the thesis.

The research methodology for this thesis included **desk research, interviews and a co-creation workshop**. The interviews and workshops were organized with the same focus group of Finnish media professionals, and during the workshops different service design tools were used. These tools, which will be discussed later in the chapter, were chosen because they create an environment for innovation and help discover latent customer needs through

teamwork. In this context innovation means introducing a new service to the market or developing a completely new market (Polaine et al., 2015, 40). The authors also write that the same tools and methods can be employed in innovation work or improvement work for already existing services, even if the purpose of insights is different in each case. With innovation, the aim of the research is “to generate insight about needs and behaviours that can lay a solid foundation for a productive project and robust ideas, and to confirm these by prototyping early and often to test them out” (Polaine, et al., 2015, 40).

There were different objectives in the different stages of the research with different research questions based on the Double Diamond Model (Figure 5). Below, Figure 6 illustrates the stages of the research for this thesis including which service design tool was used in which phase. The main goal was the let the previous steps guide the next steps of the research.

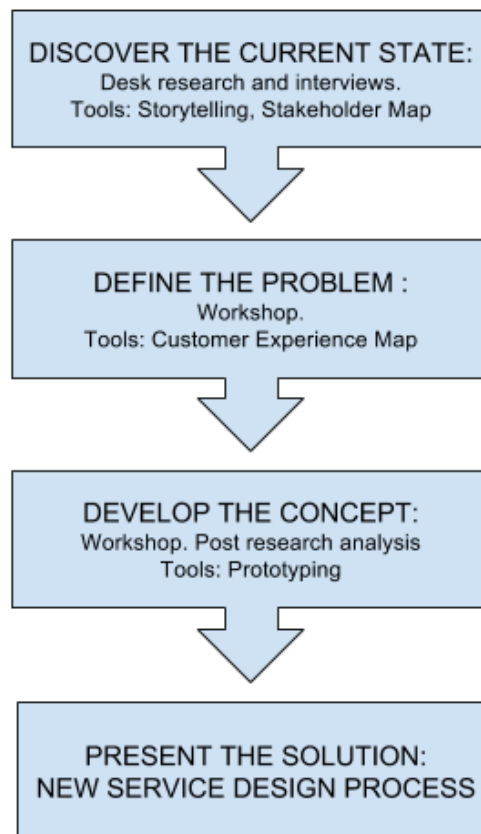


Figure 5: The process for co-creating a new service design process in this thesis

Discover phase

The Discover phase, the start of the research and design process, began with an initial idea. The subject area of this thesis was chosen because it was a personal observation of the thesis author, who worked at a leading Finnish media company for nine years and saw firsthand the challenges in digital service design and business-to-business sales in recent years. After deciding the broad subject of the study, in order to understand the context for these personal observations, the first step was to conduct desk research to understand the current state of the subject; changing world of digital media and focus on the Finnish media market.

Discover is a divergent phase where of a broad range of ideas were created in order to find the focus area. Goodwin argues that the first part of the research should focus on understanding the business or organization creating the product or service. This can be done with stakeholder and expert interviews, which inform the design team about the business and the domain of the problem (Goodwin, 2009, 182). Therefore desk research was followed by interviews with professional for the Finnish media field. The goal of the interviews was to get a wide range of unstructured data in order to understand the all problems and possible areas of development as well determine what research questions the thesis should focus on.

This phase focused on the two research questions: *1) What kind of new service design process do media companies have and where are the areas for development and 2) How is co-creation incorporated into the process and what are the touch points where business-to-business customers experience it?*

Define phase

The Define phase was the next stage where the different ideas were explored, analysed and selected for further development. This stage included condensing the information gathered from desk research and interviews into something more manageable in order to identify patterns and relationships using Cluster analysis and Mind Mapping techniques. This data could then be interpreted in order to move onto the next stage of the research. In the Define phase it was important to define the research problem more profoundly, to create a problem statement: a lack of co-creation with customers in the service design process of media companies.

The research method used in the Define phase was a workshop organized with Finnish media professionals. In this stage in the thesis research and design process, the focus of the study narrowed down to a few simple problems which needed attention. After which ideas for solutions were generated using different service design tools.

This phase focused on the two research questions: 3) *What is the overall service experience like for business-to-business customer* and 4) *How does service design affect business-to-business sales and what could be done better?*

Develop Phase

During the Develop phase of the thesis ideas for solutions to the problem statement were innovated and prototyped. This phase included the use of service design tools in the workshop and post research analysis. In the workshop different solutions were created and discussed. This helped to refine the idea of *the model of a new service design process incorporating co-creation* created in this thesis. The possible outcome of the findings of this phase is presented in chapter 4 with a process map and an explanation. The visualization of the new service design process was created, because displaying the data in various ways will also help to communicate the information to all stakeholders (Goodwin, 2009, 556).

This research phase focused on 5) *How can co-creation in digital service design be improved?*

3.1 Desk research: Insight into the subject field

The data gathering for this thesis was done through empiric study and started with desk research, which was the first tool used in the Discover phase of research. Desk research is a source of secondary research data that can be collected before starting the actual fieldwork. According to Hauge (2013), this secondary research data can be obtained in the form of already existing publications, presentations or any prior work done in the same context etc. Data collection for this thesis was conducted in the beginning of the research process by using online and literary sources as references for the theoretical background. The literary sources on Service design and Service-dominant logic helped in the creation of the theoretical framework, while the desk research also covered subjects such as co-creation and service design toolkit. Since this thesis researches the field of digital media which is changing rapidly with new information being created and emerging every day, the aim was to use as contemporary sources as much as possible. This meant using a wide range of online sources.

The desk research also delved into the subjects of digital media and services, which were the focus of the study. While the broad subject of this thesis was chosen based on the author's own knowledge and experiences, doing market research via online resources was essential in order to discover the current state of digital media as well as the trends and changes in the last ten years in the Finnish media market.

The desk research began with questions:

- How has digital media changed in the past ten years?
- What are the current digital trends?
- What is the current situation of the Finnish media market?
- Who are the main operators?
- What are successful digital services?

The most useful sources for current information on the subject of digital media were electronic sources, which varied from articles in online publication to media research sources, such as analytical websites and media companies' own websites. The web search was conducted using terms such as "digital media transformation", "digital services", "digital media trends", "Finnish media market", "digital media in Finland" etc.

The data from the desk research was analysed and visualized with a mind mapping technique, introduced in chapter 2.5.2., where a map of all the terms and concepts were drawn in order to find the relationship between them. The author of the thesis used handwritten mind maps for the concepts of *Service Design* and *Digital Media* in order to organize the terms and in the end to see how the two concepts overlapped to find the essential information for the thesis.

3.2 Interviews and storytelling: Discovering the current state and focus area

Interviews were chosen as one of the primary research methods for this thesis since, according to many experts, such as Poulaine et al. (2013) they are a productive way of gaining insights into an individual's perceptions, behaviours, and needs. "They are good for uncovering values, opinions, explicit and latent information, interactions and idea inspiration. These interviews are guided by a theme, and provide an opportunity to explore relevant issues in depth with participants. Interviews are the most efficient way to engage with people in their own context and allow them to explain how they see things." (Poulaine & al., 2013, 50)

According to Goodwin (2009) interviews with stakeholders, which are the first components of research, provide a clear view of the business objectives and technical parameters, while uncovering risks and assumptions you should examine. The next step, ethnographic research with potential users, gives you insight into goals, environments, communication needs, and other important factors. (Goodwin, 2009, 88) "The first part of your research should focus on understanding the business or organization creating the product or service. The research starts with stakeholder and subject matter expert interviews, which inform the design team about the business and the domain of the problem. The remainder of the research focuses on understanding who the potential customers and users are, how they think and act, and what they need." (Goodwin, 2009, 182)

The research for this thesis began with face-to-face interviews, which were one of the main methods of the Discover phase. The aim of the interviews was to get a better understanding of the current state of digital service design and co-creation in Finnish media companies and narrow down the subject of the study. The primary data was collected during May 2016 to March 2017 with five interviewees. The participants were chosen because they are professionals from Finnish media companies and agencies and in the field of digital media and marketing. Although the interviews will be discussed anonymously in this thesis, the titles of the interviews were 1) the head of digital development, 2) a product manager for digital products, 3) a consultant, 4) a key account manager and 5) an online producer.

The one on one interviews with each participant were conducted using a beforehand prepared list of questions, but the interviews followed a more unstructured and conversational form with follow-up questions and free discussion. The interviews were recorded by the author of the thesis, transcribed and analysed later using cluster analysis (introduced in chapter 2.5.2).

In the interview, the focus was on questions:

- What kind of new service design process do current media companies have and where are the areas for development?
- How is co-creation incorporated into the process and what are the touch points where business-to-business customers experience it?
- How are media companies able to customize their services for different customers?
- Why are Finnish media companies not being able to sell their digital products as effectively as before?
- Why do business-to-business sales fail and what could be done better?
- What is the overall service experience like for a business-to-business customer

In addition to traditional interview technique of using open questions and free discussion, a service design method called **Storytelling** was also used. “Storytelling supports the exploration of the service idea. Through the use of simple words, the teller will illustrate the solution as it is a story. This allows the communication of the idea inside a group but also the preparation of the first sketches for the storyboard. The storytelling leave some blanks to be fill in by the suggestions of other stakeholders and users.” (Service Design Tools (3), 2017)

The interviewees who work in new service design and development of digital products were asked to describe how the process works from their point of view in a story form. Interviewees who work in business-to-business sales of digital product and services were asked to describe a successful and unsuccessful customer journey through different encounters. Then they were then asked to describe how the service design process and

business-to-business sales process would happen in a perfect world. This helped understand the whole customer experience from the seller company's point of view, but also offered insight into what kind of challenges there are in a service design process and sales situations.

The data collected from the interviews was analysed by the author of the thesis by using a cluster analysis technique. Using this method common words, ideas and subjects were found in the transcribed interviews, which were put into categories based on common themes. The concepts which were mentioned by more than three interviewees were identified as important, which helped to find main problem areas in service design of media companies.

Findings:

According to the five interviews conducted for this thesis there are many challenges in the new service design and development in the media companies, which affect not only the customer experience, but also the competitiveness of the companies by hindering business-to-business sales. Six different main problems were identified:

- 1) The world of digital media is developing in a fast pace with customers wanting innovative solutions which media companies can only develop by understanding the customer's needs;
- 2) customers are not involved in a systematic way in new service development from early stages, and this lack of co-creation which creates challenges later;
- 3) customers are looking for more personalized and tailor-made products, but media companies cannot produce them without in-depth customer information;
- 4) there is a lack of research done by media companies, especially on customers' latent and future needs;
- 5) business-to-business customers might not understand the digital solutions offered therefore making a barrier for purchase and;
- 6) differentiating digital products from competitors is difficult, and customers get similar products from all media companies, so the only way to compete is pricing which drags the prices down.

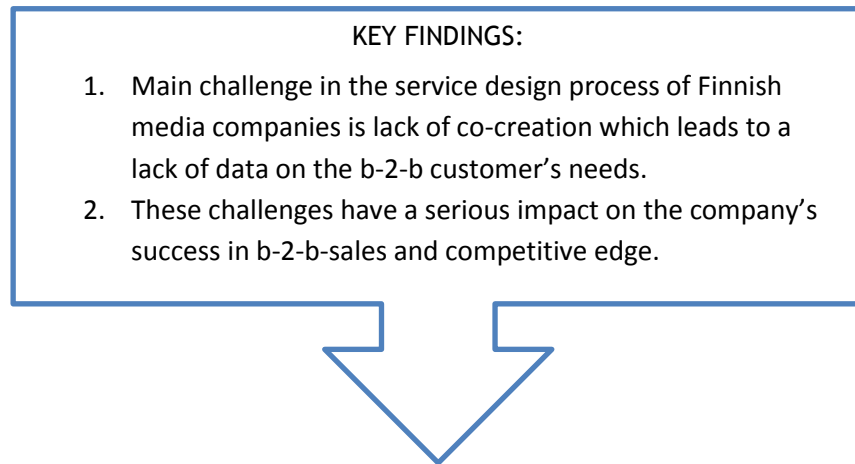
According to the interviews, there is a **need of involving the customers in the development of commercial digital solutions** from the very early stages of research and development process. The **lack of co-creation or co-operation with the customer** was one of the most important observation, named by four out of five interviewees. The interviewees stated that there is also a growing need for **more current customer information**, especially about the future needs of the customers, but some companies focus too much on past and present data in their analysis and research. This leads to a **lack of personalization** of digital solutions and in many situations the service offering of the media company does not meet the needs of the customer, thus creating a barrier for purchase.

This challenge was described with storytelling by one of the interviewees (translated from Finnish): *“Our customer was looking for an easy and cheap digital solution as a part of a multichannel marketing campaign. The product we felt suits their needs the best was a microsite we can divert visitors to using TV, radio and online banners. This is a standardized product, which content is tailored to meet the customer’s needs. However when later in the sales process the customer expressed a need to incorporate more social media elements, we realized we could not technically meet all of their needs. This has been one of our most successful digital products for a long time, which we haven’t modified or updated and now are realizing that customers have new and fast developing needs which we are struggling to meet.”*

Another challenge in the business-to-business sales process mentioned by three out of five interviewees was the fact that some **customers are not technically savvy** and do not have extensive understanding of the digital world. In many cases this leads to many customer companies using media agencies. In these cases, the relationship between the media company and the media agency becomes essential, but this might make it difficult for new companies to enter the market with new products. In the developing market, **differentiating the service offering** from competitors’ digital solutions is also becoming increasingly difficult.

These findings supported the hypothesis put forward by the author of this thesis based on her own observations and experiences, but also guided the subject of the study further. Based on the interview the focus of the thesis shifted to the need for co-creation with business-to-business customer in new service design and development process. A consensus that could also be drawn from the interviews was that the business-to-business customers of the commercial digital services should be engage in the development and creation process more profoundly from the very beginning.

The interviews helped to narrow down the research problem to two different areas: 1) *the need for co-creation with business-to-business customers in order to understand their needs*, 2) *the current service design in media companies which does not incorporate co-creation in a cohesive way* and 3) *the challenges lack of co-creation causes the business-to-business sales process*. These findings were then used to guide the theme and goals of the workshop organized after the interviews.



3.3 Co-creation workshop: Finding solutions and developing the concept

After getting insight into the current state of the new service development and co-creation in media companies through the interviews, service design methods and tools were put to use in a co-creation and co-design workshop. The objective was to further study and verify the findings from the interviews: the need for co-creation with business-to-business customers to enhance the business-to-business sales process. In order to do so, it was important to first examine more thoroughly the role of the customer in service design and sales process with the focus on the customer experience. The main goal of the workshop was to understand how co-creation in digital service design happens and how it can be improved.

A workshop was chosen as a research method since “examining a problem shouldn’t be a solo activity. Designers need input and other points of view from clients, stakeholders, colleagues, teammates and others who have maybe thought about this situation.” (Saffer, 2007, 26) According to the literature on the subject service design should be about designing with people and not just for them. Polaine et al. (2024) state that ‘people’ doesn’t only mean the customers or users, but also in-house employees of the service provider, because their experience, both in terms of their knowledge and their engagement in the job, is important to the ongoing success of a service for two key reasons” (Polaine, et al., 2014, 41).

According to Goodwin, “the design team conducts design research with potential users and customers, identifies behaviour patterns and needs based on that research, and determines the form and behaviour of the solution that will address those needs within the constraints.” (Goodwin, 2009, 99)

The author of this thesis conducted a co-creation and co-design workshop with professionals from the Finnish media market. Six participants, with different backgrounds and roles, were selected from Finnish media companies and media agencies. Five of them had already been interviewed previously for this thesis. The participants took part in the workshop, organised in May 2016, which lasted for approximately 3 hours. None of them had participated in a service design workshop previously or had significant knowledge of the different design tools that were used.

The aim of the workshop was to focus on the relationship between media companies and their customers, the role of the business-to-business customers as well as to understand the current state of service design and the process of business-to-business sales process. The objective was to understand who are the customers, how do they experience the service offering of media companies and what kind of needs they have. The emphasis of the process was to re-evaluate and finalise the problems, themes and questions raised in the interviews and finding potential solutions for them.



Image: Participants in a Co-creation workshop. (Leena Salo, 2017)

The author of the thesis selected six different service design methods and tools to examining the research problem and finding the potential solutions. The different service design methods, 1) Stakeholder map, 2) Personas, 3) Scenarios, 4) Customer Journey Map, 5) LEGO Serious Play and 6) Brainwriting, were chosen because these tools met the requirements of being simple to use, didn't require too many resources and gave insight into user needs. Figure 6 describes the process and order of using the tools.

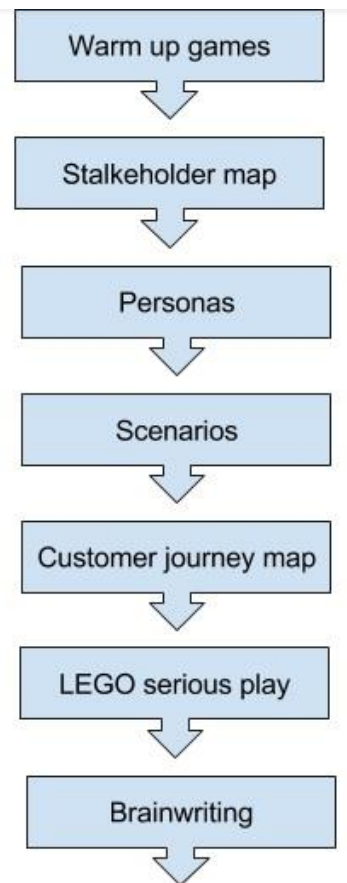


Figure 6: The process of using service design tools in co-creation workshop

Polaine et al. (2013) write that only using verbal input during interviews or workshops can be limiting. Since some people can describe their thoughts better through images, diagrams, sketches and activities, these design tools were used in the workshops. In order to preserve the data collected in the workshops, many different visualization tools were used. Not only did the participants use pen, paper and post-it notes to write down and draw their thought and ideas, tools for prototyping were also used. The process and outcomes from using the tools were also photographed.

Because some of the participants of the workshops were not acquainted with each other, the workshop began with warm-up exercises and easy brainstorming methods to energise the participants and get them relaxed. The workshop began with a 15 minute warm up session

where fun, easy and physical games. The participants were then divided into two groups (Group 1 and Group 2), which used the same tools at the same time, afterwards presenting their creation and findings to the facilitator of the workshops and other group for discussion.

3.3.1 Stakeholder map

A stakeholder map is a visual or physical representation of the all the groups or individuals involved in a particular service (such as customers, end-users, partners, suppliers and other organizations). With this tool the different level connections among these stakeholders can be visualized and analyzed for various purposes. (Chasanidou et al., 2015, 16-7) This method was used during the workshop to understand the different players in the Business-to-Business sales process of digital services.



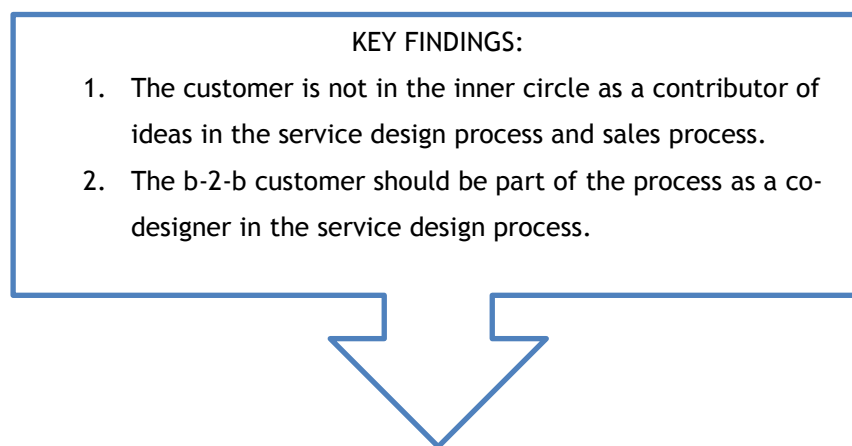
Image: Creating a stakeholder map. (Leena Salo, 2017)

In the first exercise the groups were asked to fill out stakeholder maps to understand the business-to-business sales process of a digital service starting from the first contact with the customer until the delivery of the service with the focus on the transfer of resources and flow of information. The participants spent 15 minutes drawing up the maps and then 15 minutes on discussion. Even though participants were from different media companies, they were able to create stakeholder maps, which illustrated who are the key players and what kind of roles they play. The goal was to understand what is the customer's role in the sales process, who they are in contact with and what is the flow of information to and from the customer.

Findings:

The use of the **Stakeholder map** focused on the people involved in the business-to-business sales process and the production of the digital service, which starts with the first contact with the client, introducing the digital service, sales discussions, successful sales agreement, tailoring the product to meet the customer's needs, delivery and follow up.

The stakeholder map helped to determine who are and should be involved in these processes and what their roles should be. Observations were *that the business-to-business customer is not in the inner circle as a contributor of ideas in the service design process* and the role of the media agencies is significant and growing. The lack of direct communication between the media company and the actual marketer is especially strong in a case when companies are using media agencies as customer representatives. The *need to have the customer as part of the process and as a co-designer* who is involved in the flow of information was flagged as one of the main findings.



3.3.2 Personas and scenarios

After filling out the stakeholder map and getting a better understanding of the flow of information and relationships between different stakeholders, the groups spent 30 minutes creating personas of the decision makers in client companies and discussing them. “The personas are archetypes built after an exhaustive observation of the potential users. Each persona is based on a fictional character whose profile gathers up the features of an existing social group. In this way the personas assume the attributes of the groups they represent: from their social and demographic characteristics, to their own needs, desires, habits and cultural backgrounds.” (Service Design Tools (1), 2017)

This was done to understand what kind of aspects influence the decision making in the buying process of digital solution for marketing purposes. Using personas can help identify the user's needs and desires and they are often used as a method in the development of marketing products, for communication and service design purposes. Goodwin argues that personas are not only about creating and iterating solutions, they also help the design team to understand what users and customers need. (Goodwin, 2009, 610) Personas are often used in product and service development, when professional designers must define financially viable products, services, and environments that meet the practical, physical, cognitive, and emotional needs of a wide range of people (Goodwin, 2009, 78).

After creating two personas, the groups were asked to pick one of them and then used 15 minutes to create a *scenario* for how they would behave in a sales situation and present it. Goodwin explains that scenarios are stories about the personas using the future service, which highlight additional needs and requirements, business objectives and constraints. (Goodwin, 2009, 89)

In the thesis the aim of creating scenarios was to help understand the business-to-business customer's needs and identify potential problems in the sales and development of digital services. Scenarios are narratives that tell a story describing one or more specific situations and understand the flow of the customer experience. According to authors, scenarios are among the most powerful tools in product and service design, with uses ranging from developing requirements to ensuring that a design accounts for the full range of possible interactions, because a good scenario can explain user or customer motivation and indicate what are the personal and professional goals and values. (Goodwin, 2009, 781-782).

Findings:

Using the personas and scenarios helped to determine what different types of buyers there are for digital services (Table 4), what their needs are and what kind of barriers for purchase. The personas the groups in the workshop created can be divided into two basic concepts: the knowledgeable buyer and the uninformed buyer. These personas were then used to come up with scenarios.

<i>The knowledgeable buyer</i>	<i>The uninformed buyer</i>
<ul style="list-style-type: none"> • Digital media expert/ has a team of experts at hand • Large corporations • Manages a strong brand • Knows what they want • More difficult to please • Strong ideas for the digital service they want • Expresses needs clearly • Smoother sales process • Uses media agencies as an intermediate 	<ul style="list-style-type: none"> • Small or medium sized companies • Managing a weaker brand • Wants company to do digital marketing, but doesn't fully understand digital services • Can have many different roles in the company • No team of digital experts • Less clear idea of goals and needs • Needs convincing, yet relies on the media company representative for ideas

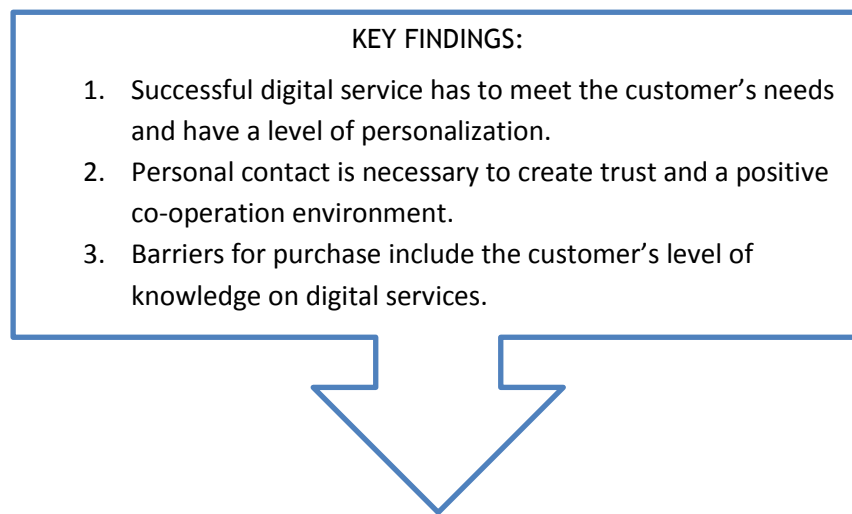
Table 3: The two personas created in the workshop.

The knowledgeable buyer understand digital marketing and is familiar with digital services and platforms. This type of a buyer has clear vision of the campaign and its goals and ways of measuring them. This buyer usually has a team of experts and resources to rely on. The sales process is usually smoother because everyone has a clear role and they know what is expected for them. The purchase barrier for this type of customer comes with the innovative quality of the digital service and the ability meeting customer needs and goals. Tailoring the product then becomes the key and if the media company is unable to meet these needs, the customer will turn elsewhere.

The uninformed buyer knows that the company should do digital marketing, but is not overly familiar with all the possibilities and services. This is often the case in small to medium sized companies who do not have the resources for getting specialized digital marketing experts. This type of buyer relies heavily on the marketing manager of their company but also on the personnel of the media company for ideation and concept and might not have clear goals in mind for the marketing campaign. When there is trust and a long-term relationship between the customer and the representative of the media company, the media company has huge influence on the way the marketing campaign is created and the digital service is produced for the customer. However selling digital services to an uninformed buyer can be challenging if the customer doesn't fully understand the concept and possibilities of the service and there are no case examples of this intangible product.

These personas were used to create scenarios, which focused on sales encounters with customers. When discussing the scenarios the subject of tailoring was emphasized: successful service has to meet the customer's needs and have a level of personalization. Too often the needs are ignored or cannot be fulfilled, and many media companies offer ready-made products, which lack the ability for significant modifications. The theme of communication between media companies and customers was discussed with the scenarios highlighting that personal contact can help create trust and a positive co-operation environment.

Using the personas and scenarios didn't produce much new information which hadn't already been acquired during interviews. However the data collected verified the already accumulated data. Challenges in the sales process were identified; *media companies have a challenges in selling digital services to customers who have a limited understanding of the world of digital media* as well as convincing existing and potential customers to buy new digital solutions without a case example; *tailoring the digital service and offering to customer needs is the key to successful sales*, yet many media companies lack this ability.



3.3.3 Customer Experience map

After creating personas and scenarios, the workshop groups then got a chance to delve deeper into the flow of the customer experience by creating a *customer experience map* of new service development and sales process. The participants had 30 minutes to draw on paper and a whiteboard a customer experience map and then 15 minutes to present and discuss it. The aim was to see what the touch points of developing a new digital solution and selling it to business to business customers are, where the challenges lie and how co-creation happens in the whole customer journey.

According to Chasanidou et al. (2015) The Customer Experience (or Journey Map) describes a collection of touch points from the beginning to the end of the service delivery, as seen from the customer's point of view. The authors define a touch point as an instance or a potential point of communication or interaction between the customer and the service provider. Using a customer journey map helps the designer of a service to identify chances for service innovation and problem areas for improvement. (Chasanidou et al. 2015) It is used as a visualization, while the interaction is described step by step as in a blueprint model. "There

is a stronger emphasis on some aspects as the flux of information and the physical devices involved. At the same time there is a higher level of synthesis than in the blueprint: the representation is simplified through the loss of the redundant information and of the deepest details.” (Service Design Tools (5), 2017)

The customer experience map helps a designers to think of the key moments as the customers experience the service. In making the Customer Journey Maps the participants have to put themselves into the customer’s point of view and reflect on the way the customer sees the different points of contact. In the context of this thesis the customer experience map was used to understand how the business-to-business customer interacts with media companies from the beginning of a service design process where a new service is developed from the beginning and to identify problems and challenges. It was an important visualization tool for finding out what works and what doesn’t work in the design and sales of digital services.

The customer experience map was created by two dimensions: 1) the steps of the service design process and 2) customer participation. During each step in the process the teams analysed how involved the business to business customer was in the design process and how that influenced the outcome of the whole service design and sales process and customer satisfaction in the overall digital service.

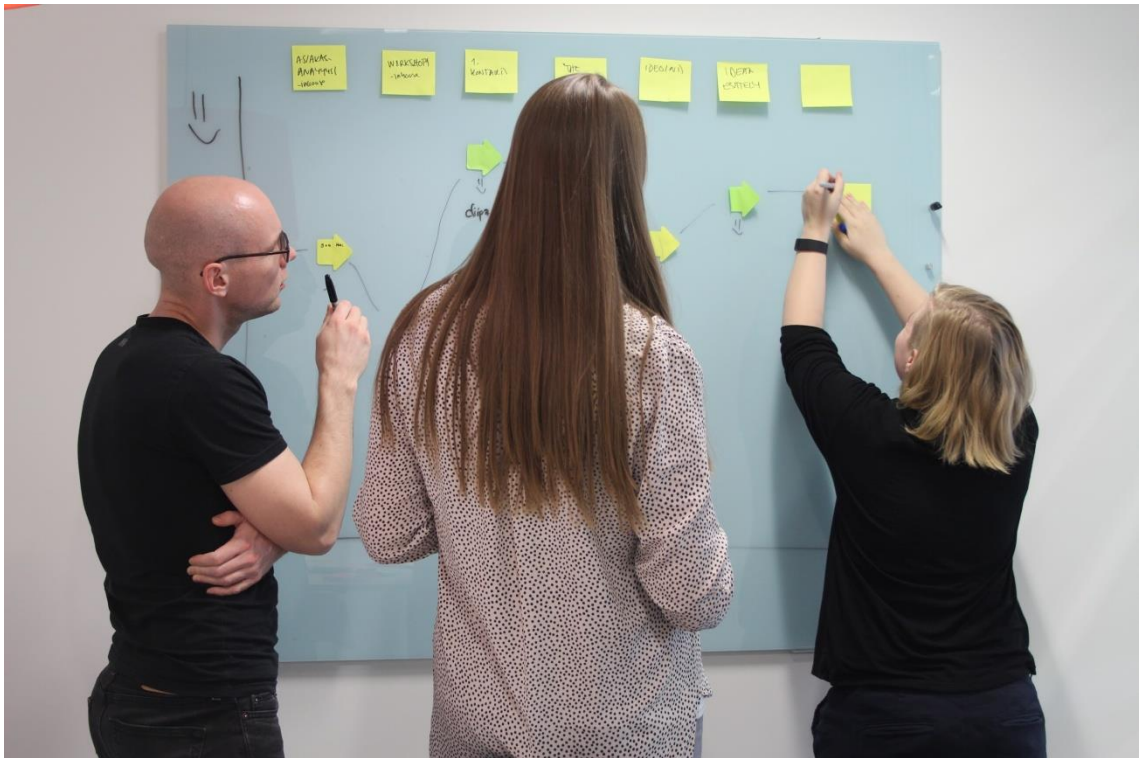


Image: Creating a Customer Experience Map. (Leena Salo, 2017)

Findings:

Customer experience map was one of the most useful and beneficial service design tools used in the workshop, because the groups were able to put themselves in the shoes of the business to business customer but used their own experiences in digital service design and sales to find areas for development when a company created a new commercial digital service.

The two customer experience maps created in the workshop focused on the customer's role in service design and business-to-business sales process, from which same conclusions can be drawn. Often a project of designing a new digital service in media companies is triggered by declining sales, where a service offering is re-evaluated and found lacking. Designing a new digital service is mainly based on inhouse data and customer analysis. The R&D process includes most often a designer and technical experts who start the design process and created a visual or digital prototype of the service, after which input from marketing, sales and content experts is needed. After these inhouse design meetings, the design and technical aspects of the digital service are developed further. The digital service is then tested with the end-users, for example website users, and in an iterative process the final design and technical elements are implemented. This service is then added to the service/product portfolio and presented in a sales meeting to a business to business customer.

Both of the customer experience maps created in the workshop reflected in essence the same challenges; 1) *commercial digital solutions are designed and developed without much customer participation* based on inhouse ideation and research done by the media company on its own; 2) *these solutions are then introduced in the sales meeting but might not meet the customer's needs*; 3) *customer had limited ability for participation at the later stage*; and finally 4) *personalization of these solutions might only be superficial*.

KEY FINDINGS:

- 1) Successful customer experiences usually include a level of co-creation.
- 2) Too often commercial digital solutions are designed and developed without much b-2-b customer participation.
- 3) Most often the current service design model does not incorporate co-creation in a cohesive way.
- 4) Customer had limited ability for participation at the later stage and personalization of might only be superficial.



3.3.4 Prototyping with LEGO Serious Play

As determined in the previous steps of the research, there is a need for customer participation in the creation of digital services. The last part of the workshops focused on finding a way to innovate the digital service design and sales process and ideate ways to incorporate the business-to-business customer in the best way into a new service design process. This thesis used LEGO Serious Play as the prototyping method. With LEGO serious play the teams were given a free hand of creating the perfect service design process, which would end up in successful sales. The participants had 30 minutes to build a prototype using LEGO, 15 minutes to present their model and 15 minutes for discussion.

Poulaine et al. (2013) writes that the value of gaining real insight from all stakeholders (customer, staff and management) is only part of the research and service design process. One of the most essential aspects is translating the insights into a clear service proposition and experience prototyping of the key touch points. (Poulaine & al, 2013, 14)

Prototyping can be done in various way. According to the Service Design Tools website, a rough prototyping is a quick method to build prototypes using materials available in that specific moment and location. With this method materials and elements are used to simulate the service components in order to explain the idea of the service to others. It is an interactive visualization tool for ideas and a way to test solutions in a concrete manner, to make sure all members of a team are on the same page with the service offering. (Service Design Tools (5), 2017) The most important aspect is showing how users interact within the service, and in which place, situation and condition the service exists.

Prototyping with LEGO Serious Play helped created innovative solutions and ideas in an easy, cost-effective and fun way. “The process is based on the use of common LEGO in order to envision and share thoughts inside a team while discussing about the context and the system in which the new offering has to be positioned. This kind of hands-on, minds-on learning produces a deeper, more meaningful understanding of the world and its possibilities; moreover LEGO Serious Play deepens the reflection process and supports an effective dialogue.” (Service Design Tools (6), 2017)



Image: Using LEGO Serious Play to innovate. (Leena Salo, 2017)

The aim of the prototyping was to understand how the service design and sales process could be enhanced in media companies and how business-to-business customers could be incorporated more acutely in the design/development process. With the prototyping the teams could imagine a new way of designing and selling commercial digital solutions and focus on who are the key players and how both the customer and the media company representatives should experience it.

While one group presented their solutions, the other group and the facilitator observed the model and afterward could ask questions and specifications. After creating the LEGO Serious Play scenarios, the group and the facilitator voted for one of them to be further discussed and developed. This was the idea of co-creation workshops with business-to-business customers.



Image: LEGOs used in a prototyping exercise in a workshop. (Leena Salo, 2017)

Findings:

The aim of prototyping was to innovate a new service design process for media companies. After understanding the challenges in the process and the business-to-business customer current role in the service design and sales process, both groups started ideating ways to engage the customers in the best way in service design.

Both groups created a model of the service design and sales process and both incorporated co-creation with the business to business customers as a way to innovate the process. While Group 1 brought the customer into the process in the first stages of testing a new digital solution a media company was developing, Group 2 focused on bringing co-creation to the centre of the research and development process from the very first steps. Group 2 began the prototyping process with ideating all the steps where the customer could and should be involved. Their conclusion was that the business to business customer should be involved in the design process from the very beginning and the customer's needs should guide the whole design process. Group 2 created an idea of using co-creation and co-design workshops with business-to-business customers to enhance new service development. This idea was voted to be the superior idea by the participants, discussed further in the Brainwriting exercise discussed in chapter 3.3.5 and used as the basis for the new service design process presented in this thesis in chapter 4.

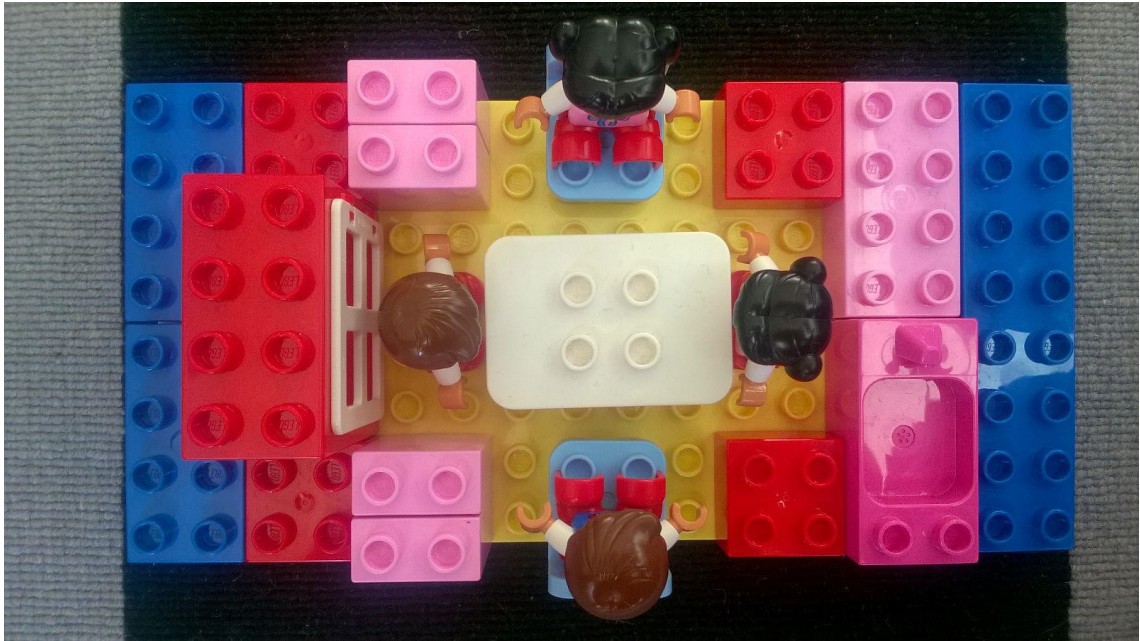
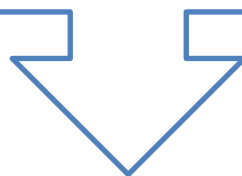


Image: Using LEGO Serious Play to prototype a possible solution and acting it out. (Leena Salo, 2017)

KEY FINDINGS:

- 1) Customer should be the co-designer from the very beginning.
- 2) Co-creation workshops with business-to-business customers should be organized in the beginning and during the design process.
- 3) Iteration in the process is important.



3.3.5 Brainwriting

After creating an idea of using co-creation and co-design workshops with business-to-business customer to enhance service design, the participants of the workshop used a method of brainwriting to further the discussion of the idea. According to Goodwin, brainstorming is a gathering a group of people in a room and generating a bunch of possibilities and is a popular way to begin defining requirements. Because an effective brainstorming session encourages creative thinking, it can result in some great ideas. An effective brainstorming session gets a little crazy. It should be a safe place for people to have silly ideas because sometimes those silly ideas lead to fantastic ideas. (Goodwin, 2009, 779-780).

Brainwriting was chosen as a service design tool for the workshops because it is an easy and quick method which can possibly create a wide range of ideas. According to Tschimmel, the objective of brainwriting is to produce a large quantity of ideas in a short time, where emotions and intuition are more important than rational thinking. Since some participants are more comfortable communication through writing rather than verbally, brainwriting was a good method to use. (Tschimmel, 14)



Image: The participants of a workshop engaging in brainwriting. (Leena Salo, 2017)

Brainwriting was done by the participants writing down ideas on post-it-notes, which made it possible for posting them on the wall for grouping and discussion. This was done in two phases. First all the participants had two minutes to write down all the terms, ideas and thoughts that came to their mind about the new service design model. In this way everyone could come up with their own ideas without the influence from the other participants. There was a time limit for the ideation, controlled by the facilitator, to ensure that the participants wrote down everything that came to their mind without a filter. The ideas were then presented to the rest of the group and put in categories based on themes.

The categories that emerged were: 1) benefits for the media company, 2) benefits for the business-to-business customer, 3) challenges of implementing the new service design process and 4) miscellaneous questions. The groups then had another two minutes to write down further ideas that they had based on the discussion. These written down ideas were then added to the categories.



Image: Participants of a workshop using the brainwriting method. (Leena Salo, 2017)

Findings:

In the workshop 15 possible benefits for media companies and business to business customers if the new service design process was implemented. The benefits will be discussed in chapter 4.1. There were also challenges (cost for media companies and customer; creating customer motivation for participation) and questions raised (Who should be invited to the workshop and who will be the facilitator?). The challenges and questions will be discussed in chapter 5, when the author analyses the validity of the research and the feasibility of implementation.

KEY FINDINGS:

- 1) Implementing the new service design model could prove to be beneficial for both media companies and the business-to-business customers.
- 2) However some challenges and open questions need to be answered before implementation.

After the workshops the idea for a new service design process was analysed and developed further by the author of this thesis, and it is presented in chapter 4 as the solution for the research objectives of the thesis.

4 Solution: A new service design process incorporating co-creation

The objective of this thesis was to find a way of enhancing digital service design and business-to-business sales process in Finnish media companies. In this chapter the author presents a **new service design process** as the solution for engaging business-to-business customers more profoundly in the development and creation of innovative digital solutions. This process is modelled after the idea created in the research workshop for this thesis.

The new service design process (Figure 7) has co-creation and service design methods at the heart to the process. This model can be used to develop completely new digital solutions or improve existing ones. However in the context of this thesis, the focus is on designing new services.

The basic idea is to start a new digital service design project by organize innovative **co-creation workshops** with existing and potential business-to-business customers. This way the whole design process is guided by the needs of the customers. Other participants could be for example representatives of media agencies and companies' marketing, sales, design and digital media experts. In these workshops various service design methods will be used the main tools for innovation.

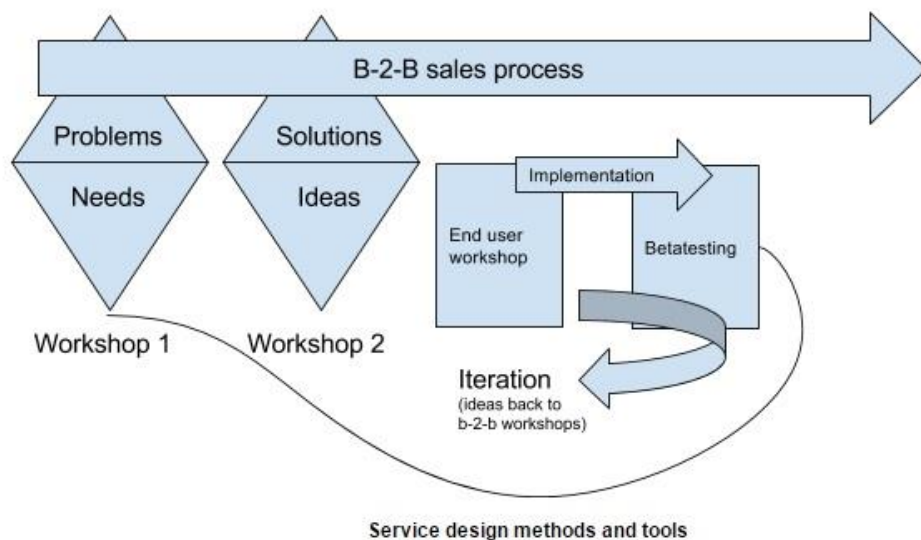


Figure 7: The new service design process incorporating co-creation with business-to-business customers in co-creation workshops.

The process to ideate and create new commercial digital solutions would begin with **Workshop 1** where the focus would be in uncovering Problems and Needs using different Service Design tools and methods. Here the focus would be on the business-to-business

customers and their current and future needs. The main objective of these workshops would be also to discover latent customer needs, which could be used to create innovative and successful digital solutions. After this the data collected in this session would be analysed and used to guide the next phase, **Workshop 2**, where the service design tools would be used to ideate solutions and new innovations.

Since the aim is to create commercial digital solution for the business-to-business market, the process would begin the customers. However after organizing the co-creation workshops with business-to-business customers and analysing the results, the next step would be to incorporate the end-users into the process. In these **end-user workshops** ideas and solutions could be further developed and tested from the end user's point-of-view.

The most feasible solutions and ideas could then be analysed and implemented by the media company before the beta-testing phase. This service design process would be kept **iterative** by refining and improving the ideas, designs and functionalities through discussing, ideation and testing in each stage. Ideas rejected by the end-users could be later taken back for further development to the business-to-business workshops and feedback from the beta-testing phase can be used to redefine the solutions.

Since the objective is to create successful commercial digital solutions, the business-to-business sales element should to be included in the process. The goal is for the new service design process to both enhance service development in media companies, create more profound customer relationships and improve **the business-to-business sales process**. Even though the service design process is about listening to the customer and not about selling, which is important for the media companies to remember, the new service design process would incorporated a business-to-business sales process within it. The sales process would begin from the first contact with the customers who are invited to the workshop. While the aim of the first stages of this service design process does not include selling, only gathering market information and customer needs data, the media company representative will be in constant contact with the customers throughout the process, especially in the follow up after the workshops, when feedback can be received and given, and later after completing the service design process, when new solutions can be presented. This would keep the communication between the customer and the media company active, increase the customer's interest in the developed solution and offer the sales personnel an opportunity of presenting the finished solution to the customer in a unpressured and accepted way. The hypothesis is that this new service design process incorporating co-creation would therefore influence the business-to-business sales process positively.

Discussion on the benefits of implementing the new service design process

As stated in the previous chapter, the hypothesis is that this new service design process (Figure 7) would be beneficial for the media company implementing it. However based on the research for this thesis it could to have benefits for both parties: the media companies and the business-to-business customer.

In the last stage of the research the media professionals participating in the co-creation workshop were asked to brainstorm and discuss the new service design process. During an exercise of brainwriting (chapter 3.3.5) possible benefits of implementing the new service design process were listed, discussed and grouped together using the cluster analysis (chapter 2.5.2). The author of this thesis documented these ideas (Table 5) and used them as a basis for analysis. In this chapter these possible benefits of media companies using the new service design process are highlighted and analysed through the lens of existing literature.

Benefits for the media companies:	Benefits for the business-to-business customer:
Systematic way of developing solutions Co-creation brings new ideas in an innovative environment Better understanding on customer needs Creating new customer contacts through workshops Deeper customer loyalty through participation Positive effect on long-term customer relationships Shared responsibility in the success of the service Competitive edge over competitors Better pricing (since innovative and tailor-made products) New selling point	Getting tailor-made digital products Getting your voice heard and influencing a huge media brand Knowledge of the digital world, trends and products Connection with digital experts and Networking New ideas for own business

Table 4 The possible Benefits of implementing the New Service Design Process

The idea of workshops with customers is often mentioned in the literature on service design. Polaine et al. (2013, 75) for example write that client workshops are a good way of discovering needs and opportunities and use the insights as inspiration to help generate ideas. According to them in order to be successful in the future all businesses must foster a more equal and reciprocal relationship with their customers and recognize the customer as a co-producer of the service (2013, 37). Table 3 shows data collected with the research for this thesis, according to which the new service design process would have many potential benefits for both the media company utilizing it and the business to business customer involved in the process.

As mentioned in the finding of this thesis, many media companies in Finland lack a process where the customer is strongly incorporated into the design and development of digital services. The new service design model (Figure 7) could therefore offer a **new systematic way of co-creation digital solutions**. Polaine et al (2013, 48) also write how most designers work in commercial context in which budgets and time are generally pressured and how research is often time consuming and thus expensive. Therefore a systematic and easily followed design process would be cost-effective and enhance the R&D process. Following this process would provide media companies a model of how to involve the customer in the design project, and the customers would experience the design of a new digital solution and the business to business sales process as one linear service. According to authors customers always experience the service in totality and base their judgement on how everything works together (Polaine et al, 2013, 23).

According to Poulaine et al (2013, 40) service design and innovation go hand in hand. Valjakkala et al (2011) also emphasize that companies benefit from using external sources of knowledge concerning both technology and market when innovating. This free exchange of information generates new knowledge and thereby also new ideas and innovations. According to the authors one of the main reasons for collaboration within business networks is combined resources. Co-creation in workshops would create **an innovation environment**, bring **new ideas** to the media company and explore customer needs in a deeper way. This is supported by Darmody (2009) who writes that companies must recognize the new collaborative commercial reality in order to achieve superior organizational performance and increase consumer involvement and satisfaction. According to him “the sum total of creative consumer energy is greater than what the company can achieve alone. Consumers have a range of specific skills and competencies that companies are unable to match.” (Darmody, 2009) Although he writes about consumers, the same logic can be applied in the business-to-business world.

According to the data collected in the workshop one of the most important benefits that co-creation with business-to-business customers would be is having a **new selling point** for media companies: the media company **can uncover and meet customer needs** in a new way and even discover the latent needs. They are engaging a customer in a new way in order to create value. Valjakkala et al. (2011) state that “In b-to-b relationships, value co-creation requires inter-organizational collaboration and combining of resources. Companies and customers share, combine, and renew each other’s resources and capabilities to create value through interaction. There is no value co-creation unless there is interaction between the company and customer.”

Creating new customer contacts through the workshop could be an opportunity for media companies enhance both knowledge and the customer base. Especially with new customers, it is possible to create a new start for a partnership, and with the existing customers a **deeper customer loyalty** through this new service design process, which could lead to **long-term customer relationship**. As Ryan and Jones (2012, 19) write a successful strategic partnerships desires a deal where the outcome in a win-win for both parties. He states that there should always be synergy: all parties should come out of the relationship with more than they could have achieved alone.

Prahalad and Ramaswamy write (2004) that co-creation and “an active dialog and the development of a shared solution, the firm and the consumer must become equal and joint problem solvers”. By incorporating the customer into the design process of digital services, there would also be a **shared ownership and responsibility** for the success of the service, since the customers are the co-designers. Goodwin also shares this opinion: “Stakeholder attendance at design meetings is absolutely beneficial because it gives the client organization greater ownership of the outcome” (Goodwin, 2009, 136). The co-creation and co-design element could also **lower the barrier for purchase** and increase satisfaction in the solution.

Tanev et al. (2009) write about innovative management and state that value co-creation and strategic co-operation are seen as means to compete and innovate in dynamic business environments. The research for this thesis suggest that more innovative and tailor-made solutions would give the media company a **competitive edge over** its competitors. Kotler et al (2009, 409) write that “high-quality interactions that enable an individual customer to co-create unique experiences with the company are the key to unlocking new sources” of competitive advantage. This is also supported by Valjakkala et al. (2011) who state that by “creating and nurturing network relationships, companies can gain a competitive advantage that is difficult to imitate and that reduces barriers to co-operation. (Syson & Perks, 2004).” According to Prahalad and Ramaswamy (2004) globalization, deregulation, outsourcing, and the convergence of industries and technologies are making it much harder for managers to

differentiate their offerings and services are facing commoditization, which leads to lowered pricing, when companies have to reduce costs. The solution the authors mention is offer a solutions: the companies must escape the firm-centric view and co-create value with customers through a focus on personalized interactions between the consumer and the company (Prahalad & Ramaswamy, 2004). With the new service design process media companies could bring new innovations to the market and the possibility for more personalization could lead to **better pricing**, which would increase the company's profit.

“Dialog is an important element in the co-creation view. Markets can be viewed as a set of conversations between the customer and the firm (Levine, Locke, Searls, & Weinberger, 2001). Dialog implies interactivity, deep engagement, and the ability and willingness to act on both sides.” (Prahalad & Ramaswamy, 2004). Being involved in the co-creation workshops would provide the business-to-business customer an opportunity to engage in dialogue with the service provider, be heard and have **influence on a media brand** and its service offering. The workshops would also give the customers the opportunity to develop the digital services they need, and most significantly help media companies to discover latent and future needs the customers are not even aware of.

Since one of the challenges of business-to-business sales was having customers who don't understand enough about the digital world and its solution, educating customers of the changing world of digital media and its many trends can be a major factor. Ryan and Jones (2012, 201) write about the challenges marketers are facing as they manage the transition from broadcasting a message to entering an ongoing dialogue. Marketers have to understand new communications tools, and how to use them to connect with customers who are ever more fragmented. This can be a painful and difficult change for the old-school marketers. (Ryan & Jones, 2012, 247). The co-creation workshops of the new service design process could become an important possibility for gaining knowledge. Darmody (2009) also writes that customers should “effectively apply and enhance their knowledge for the benefit of everyone”. Everyone, meaning the customer themselves. Taking part in the new service design process can provide the business-to-business customers not only a **networking opportunity with digital experts**, but also **knowledge of the digital world, trends and solutions**. According to Ryan and Jones (2012, 19) the marketing landscape has never been more challenging, dynamic and diverse, which is why companies need a cohesive digital marketing strategy. In order to achieve this, one has to understand not only the market and how customers are using digital technology nowadays, but also how the companies can best utilize that technology. The authors write that as digital channels continue to broaden the scope available to us as marketers, so they add to the potential complexity of any digital marketing campaign. Having the business to business customer understand more about digital trends and services would also help media companies sell their products, since service

designer often have to make the invisible visible to explain the service concept (Poulaine et al, 2013, 31). This aspect was discovered when creating Personas when the research indicated that an uninformed buyer is often more difficult to convince.

“Consumers today have more choices of products and services than ever before, but they seem dissatisfied. Firms invest in greater product variety but are less able to differentiate themselves.” (Phahalad & Ramaswamy, 2004) Understanding more about the digital media and can also lead to **more tailor-made digital solutions**, when the informed customer is able to ask for them. All these different aspects will help the customers to understand the added value of taking part in the development of digital solutions. This can also lead to customers getting **new ideas for their own business**. Goodwin writes that the design team should educate stakeholders about the design process and about effective collaboration techniques (Goodwin, 2009, 135), therefore this would be a chance for business-to-business customer to also get educated about service design and its methods, which can then be taken back to their own companies and applied.

5 Discussion and conclusion

The main objectives of this thesis were to *create a model of a new service design process* for media companies selling digital solutions to business-to-business customers, which incorporates co-creation and *enhance the business-to-business sales process*. The first goal was reached by the end as the thesis by presenting a new service design process model (Figure 7) as the possible solution. The hypothesis, created based on the research for this thesis, is that this new service design process would both enhance service design in media companies, create more profound customer relationships and better the business-to-business sales process by giving the company a new selling point therefore having a positive impact on the commercial success of the company. However since this thesis does not include the implementation of this solution, the possible benefits of this model can only be theorized and are not verified until the research is expanded into Deliver Stage of the design process.

In the terms of increasing knowledge and creating new information, the author of this thesis believes the data accumulated with this research builds upon existing theories by strengthening the concept of co-creation and its importance with customers, which many previous authors have mentioned as the building block for successful business. This research created new data of the concepts of co-creation in a business-to-business environment, by flagging the issue of using co-creation from the very beginning of new service design. Based on the results of this research, media companies should incorporate the business-to-business customer into the service design process from the very beginning by using co-creation and co-design in workshops, and has the customer’s ideas and needs guiding the whole process.

The third objectives of the thesis was to *use co-creation and service design tools* in order to innovate, which was accomplished in all stages of the research process. There were challenges with resources, such as finding participants for the workshop, and time limitations while doing the data analysis, which lead to the research scope not being very wide. Research for this thesis was done however using multiple methods, such as interview and different service design tool. The qualitative data that was acquired was analysed using mind mapping and cluster analysis, since most data collected was verbal. The six service design tools chosen for research provided good and valid data, however not all of them produced new data, only verified previously acquired information. This did keep the research iterative.

The research did answer the research question posed in the beginning of the study. While it did not identify any individual service design processes of Finnish media companies, it did find out the common touch points in the processes many media companies use as well as the challenges. This was done by interviewing and co-creating with professionals from the media field who had taken part in these design processes from inside media companies and outside of them. During the interviews and workshops a customer journey map of the touch points where commercial customer experience co-creation was created and this lead to the discovery of the lack of co-operation, co-creation and co-design with the business-to-business customers when then lead the research forward. One of the research question was how does service design affect business-to-business sales. This was discovered during the interviews and workshops where for example the lack of personalization and innovation as well as knowledge in digital services where flagged as important challenges to the sales process. The most important research question was how co-creation in digital service design can be improved. This was answered in the form of the presented new solution where business-to-business customers are brought into the service design process in the beginning and the innovation uses their needs as a starting point.

In hindsight, given the resources and time limitations, amount of service design methods and tools used at the workshops was excessive and the amount could have be limited to three or four to ensure that all the data could be analysis more deeply and systematically. All the service design methods and tools brought some insight, but the most useful and beneficial were the **Customer experience map** and prototyping with **LEGO Serious Play**, where the groups were able to bring to life the customer experience as well as see it from the media company's point of view. The sample (five participants in interviews and six participants at workshops) was quite small, but this was acceptable since the goal was to get qualitative research data. All the participants worked within the industry and had relevant skills and knowledge, but actual business-to-business customers should be included in future research.

The author of the thesis believes that implementing the new service design process in a media company successfully is possible. However it would require resources and willingness to adapt from the company's point of view. Since this thesis offers only a basic model, almost a wireframe, of the process, some challenges should still be looked. The challenges in the implementation could be the focus for future research on the subject.

One of the biggest challenges of the new service design process is organizing the workshops with the business-to-business customers. Even though the actual workshops do not cost anything financially for the customer, there is still a cost in resources for the participants, since they will have to be willing to give up time to spent time in the workshop and, depending on where they are organized, also travel there. Since they are operating in a busy business environment, there is the possibility that some customer might not have the resources, for example personnel, to participate. This is why the customers need a good reason to participate, which is where the benefits discussed earlier in chapter come into focus. For example, to increase the motivation to participate, the media company can offer knowledge and data about the current and future trends in digital media in form of lectures, which business-to-business customer can use to enhance their own business or marketing. Getting comfortable using service design methods and tools, can also become as reasoning for using the resources for participation.

One of the open questions which came up during the brainwriting exercise was who to invite to the workshops proposed in the new service design model. According to Polaine (203, 75) an ideal workshop size would be 6-12 people. Would customers be willing to participate in a workshop with possible competitors from the same business sector? Or should workshops be organized with operators from different fields of business, and therefore not inviting direct competitors. If the customer are from business sectors that complement each other and participators have the same overall market goals, this could create a successful co-creation environment.

One possibility could also be to go through the service design process with only one business-to-business customer. If the client is a large organization, a single business-to-business customer could be invited to a workshop with the participants coming from different departments of this particular company. While deciding who to invite, the size and place of the workshops also needs to be decided. This depends largely on the space available for the workshop. A question to ponder is also where to organize the workshop in the media company's own office, or somewhere more neutral. Polaine et al. (2013, 76) advice that client workshops would be organized outside of work environment, since people are then more able to think creatively.

The new service design process can provide an inexpensive way of gathering data. Depending on how the workshops are organized, the cost for the media company would range from mere refreshments, the physical tools and participant incentives to possible rent for a space and the salary for the facilitator. The positive aspect of the new service design model is however that it is scalable, for example by the size of the workshop and the tools used.

One of the key issues for future research is defining the role of the facilitator. How would this be organised in the co-creation workshops? Who would facilitate the workshops and analyse the findings? Does the media company outsource the organization or provide the facilitator from inside the company? One of the suggestions could be for a media company to train some of its employees to become experts in service design methods and tools or hire a service designer, whose responsibility it would be to organize the workshops and help analyse the data. In addition to the facilitator, other roles in the new service design process also need to be determined. Who will lead the whole process inside the media company; the service designer, separate project manager or a key account manager? How will participants in the workshops from the media company? If business-to-business customer need incentives to participate, such as lectures about digital media trends, who will be the expert used?

The author of this thesis does believe that piloting the new service design process in a Finnish media company should be done, but before this can be accomplished future research should be done on the open questions posed in this chapter.



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