Chapter 14
Service Design:
New Methods for Innovating Digital User Experiences for Leisure

Satu Miettinen
Savonia University of Applied Sciences, Finland

ABSTRACT

Service design is establishing itself as a method for developing services and service business. Service needs, new ideas and ways to utilise technology are encountered when the customer and the end user participate in the design process. This chapter focuses on service design methods and the process of how service design can help in innovating customer-orientated service concepts for e-tourism. Service design connects the areas of cultural, social and human interaction. Use of design methods acts as a link between the different views in the service design process. Service design is an emerging field where the terminology and methods are still developing. Mager (2009) has pointed out that the need for service design is evident, as economic development has changed dramatically during the last four decades from manufacturing to provision of information and services. Service design looks at service development from the designer's point of view. Design thinking has the ability to create concepts, solutions and future service experiences for users.

INTRODUCTION TO SERVICE DESIGN THROUGH A CASE STUDY

The tourism industry is a complex area where service design provides a new perspective to service development. In the tourism context service design can be related to at least two approaches: a) Service design as a tool for improving a customer

experience, innovating new service opportunities and ROI (return on investment), and b) Service design as a tool for innovating new sustainable service systems and well-being. Stickdorn (2009) writes about tourism as a service-intensive industry depending on the customers' service experiences and their consequent assessments of its quality. There are a number of factors that make tourism service challenging: the importance of service quality in tourism, the high proportion of SME's

in the tourism sector, the fragmented constituent parts of tourism product bundles, the significance of expectations and overall customer satisfaction. The design of services has become an increasingly important issue. Service design needs to respond to a new service-dominant logic where companies need to make more attractive value propositions than their competitors. For tourism service providers, superior value propositions rely on the consumers' experiences.

Cipolla (2009) has distinguished a *relational service model,* where the "clients" and "providers" are interwoven. This means that it is difficult to think about *service scripts* or guided (standardised) service performances. As a case she presents an example called "the Living Room Restaurant". This is a service open to everyone, i.e. total strangers are received in a family living room. The "host" family invests their "trust" in others, but there is also a certain level of trust required from "guests": they are entering someone else's place, and it is not known if this unusual service could be a trap. There are mechanisms to relieve this tension: indications about the service trustworthiness can be passed on by word of mouth, for example. The case Living Room Restaurant is a paradigmatic example where we can observe the highest level of trust-making. Relational services propose the achievement of well-being based on interpersonal encounters: an approach that focuses more on "actions" or "relations" than on "things", which leads to sustainable practises. Services that promote ways of living based on sharing and collaboration reinforce the transition towards sustainability: they regenerate the local social fabric and promote the creation of new common goods.

Iteration and co-creation are processes that can also be used to develop services in the tourism area. An iterative design process is based on a cyclic process of prototyping, testing, analysing, and refining work in progress. This applies well in a service design process where prototyping tools are in active use. Innovating opportunities for new co-creation processes between the client and the user is part of the service designer's everyday working life. Prahalad and Ramaswamy (2004) discuss co-creation experiences as new ways to create value. The focus on value in business transactions has shifted to experiences, and experiences are increasingly created through services. Consumers are co-creating value with the firm. Co-creation allows the customer to co-construct the service experience to suit her context, and the service design process offers methods to enable this. Value creation and interaction processes are thus central to service design. Thackara (2008) describes a process where designers transform public services and work with local communities in a co-creation process. Designers have co-developed and prototyped the ideas with the community, and later these ideas have been tested and launched.

The tourism industry brings new challenges to the service design process. Service products are offered by number of service producers as Stickdorn (2009) notes and there may be a lack of communication between the service providers. This means that iteration rounds will be repeated to include all the stakeholders and special attention has to be paid to identifying both the right service channels and all the users of service channels to include them in the co-creation process.

This chapter looks at one specific tourism development case. The case was part of the "Experiencing Well-being – Developing New User Interfaces and Service Platforms for Leisure" project, which was funded by the Finnish Funding Agency for Innovation and Technology, TEKES. The case worked with the development of a future digital service for leisure. This chapter studies how the service design process was used in this case. The aim of the chapter is to learn about the service design process and methods through a practical case study. This was divided into five parts: a) brief, b) experience prototyping, c) redefining the brief, d) involving the users and e) evaluation. This formed an iterative service design process.

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