Paper presented at 22nd IMP-conference
7-9 September in Milan

Understanding Service Development in Public Transport Sector in Sweden - An Analysis Conducted from a Network Perspective

Patrik Gottfridsson

PhD in Business Administration
Service Research Center,
Karlstad University,
E-mail: Patrik.Gottfridsson@kau.se

Abstract

Purpose of the paper and literature addressed

The aim of this study is to integrate the two rather broad theoretical settings, network theory according to the IMP-school and service development research. This integration is done by using the classical IMP-models considering "Actors, Activities and Resources" (Håkansson & Johansson 1992 and Håkansson & Snehota 1995) and "the Interaction Model" (IMP 1982) on a service development setting, in order to investigate what actors that are involved in the service development process and what resources they contribute with.

Research method

In order to integrate the two above discussed theoretical areas, three cases with focus on service development in the public transport area in Sweden has been used. The cases is about the development and transformation of the public transport that has been made in order to make the public transport more easy available for different group of travellers, including elderly and disabled citizens.

Research findings

The cases under study have helped to identify and create an understanding of which actors needed to be incorporated and managed in the service development process. Based on the study one could identify at least five different groups of actors involved in and playing important roles in the service development process. These actors are; the policy makers, the driving actors, the supporting actors, the providers and the users. From the cases one could find that there are some actors who are controlling certain resources that are of great importance for the service development. In some cases those resources are physical in other the resources are information and not the least, the power to decide about and implement the service development. Since the resource used for one purpose might obstruct the use of the resource for other projects there might be conflict between different needs and interest. From this point of view it is important to have actors with power to decide over the scarce resources engaged in the project.

Main contribution

The studies main contribution is the identification of five different actor and their roles in the service development process. The study also combines IMP-network perspective with New Service Development theory

Key words: service development and network

Introduction

New service development (NSD) is recognized to be an area that is highly under-investigated in comparison to the importance services generally plays in people's life se for example deBrentani 1991; Martin & Horne 1993; Johne & Storey 1998; and Syson & Perks 2004). Most of the research in the service development area has been with a focus on an intra-organizing perspective, *i.e.* focusing on the actors and resources within the organization (Johne and Storey 1998). In the service context the interaction and co-operation between various actors are vital and interaction and co-operation are an integrated part of a service offering (Grönroos 1990). This logic indicates that interaction and co-ordination also constitute an important aspect of the service development process, a reality that has been overlooked in most of the existing service development research (Syson and Perks 2004).

The purpose of this paper is to integrate two theoretical themes; the service development theory and the IMP-network theory. Applying a network perspective on service development; *"…helps identify actor member's resources and facilitates understanding of the development of relationships"*(Syson and Perks 2004 p. 263). According to the basic outlooks of the IMP-school most organizations are dependent on resources held by others, and in order to get hold of these resources companies need to interact in with other actors (IMP 1982 and deBurca 1995). Companies' activities are therefore performed together with other companies and the resources, as well as the activities, are co-ordinated through interactions between the companies. This interaction process takes place within the context of an ongoing relationship between the interacting companies, but also in the context of relationships to other actors that the company has relationships to in some way (Turnbull et al. 1996). In comparison, when it comes to product development, Johansson and Vahlne (1992) argue that the development does not take place solely in one company's laboratory. The process proceeds as a result of interaction and co-operation between a changing set of actors. Johanson and Vahlne (1992) states that the*"...boundaries given by the business firm are arbitrary and cannot provide much of an understanding of the development of the process*" (p. 17)"---- *Also, it is not possible to understand the focal company as a homogeneous body but rather as a collection of groups and individuals with different powers, skills and interests*" (p.23).

Our investigation contributes to the research in several ways. First, we contribute to the IMP- and network theory by inducing a new context by using IMP-theory on service development. This indicates that the logic behind service development is so different that it is needed to be studied on its own merits and not to be seen as a part of the theoretical field of product development. The main argument for this is that the service development process is more of an intellectual process (Sundbo 1997), where most of the development works is about gathering knowledge and information in order to form service routines and service delivery systems. This contrast the development of products where the development work often are centred on a clearly specified entity (*i.e.* physical product) and therefore the resource exchange is typically enacted around specified resource exchange requirements (Syson & Perks 2004). Only a few of the previous IMP-research has been occupied with service development. One example is the above referred Syson and Perks (2004) who in their studies has investigated new service development with the specific focus on innovation processes within networks in the financial service sector. The second contribution of this paper is to the service development research by inducing an inter-organizational perspective by investigating which actors (internal and external) that are involved in service development and what roles they play in the process.

In summary, the motive for this study is to integrate the two rather broad theoretical settings, network theory according to the IMP-school and service development research. This integration is done by using the classical IMP-models considering "Actors, Activities and Resources" (Håkansson & Johansson 1992 and Håkansson & Snehota 1995) and "the Interaction Model" (IMP 1982) in order to investigate what actors that are involved in the service development process and what resources they contribute with.

Theoretical Points of Departure

From the discussion above two main theoretical areas for this paper, service development and the network perspective according to the IMP, could be identified.

Service Development

In this study, the concept of service development is used in a broad sense. In our use of the concept, we include development of new services, as well as redesign and refinement of existing services. In addition to the discussion and definition of the object developed (*i.e.* the service), it is also important to define the procedural extension of the concept. In this study, we have chosen to include all activities from when an idea of a new service (or how an existing service could be refined) first turns up until the (new or modified) service reaches the market (Edvardsson et al. 2000).

Within the existing research about service development there exist a number of models that in different ways and from different perspectives describes how services are, or at least ought to be developed. On an aggregated level those models could be divided into three broad categories (Johnson et al. 2000). The first category is those models describing a certain aspect of the service development process, for examples studies focusing on the innovation process for generating ideas to new service. In the second category we find the so-called translational models that to a large extend draws experience from models describing the development of physical goods and translate this knowledge to the service area (se example below). The third category of models is those models that try to describe service development from its own perspective and on its own merits (Johnson et al 2000).

Most of the models existing in the service development research describe a sequenced and structured approach to how the companies' services are developed. For example, we have Scheuing and Johnston's detailed model from 1989 consisting of fifteen sequential steps describing how service are, or at least ought to be, developed. Other authors have used models with fewer steps and more non-linear approaches to describe how services are developed (see Johne and Storey 1998 for a review of different NSD-models). In most of these models, one could identify at least three rather broad phases that the service development process goes through (Lievens et al. 1999):

1. The planning step; consisting of the up-front pre-development activities; such as idea generation and screening, preliminary market and technical assessment, market research, financial and business analysis, and concept development and evaluation.

2. The development stage; involves activities such as service design and process development, and in house service testing among customer and front-line staff.

3. The market launch stage; comprises of pre-launch activities in form of marketing and training to the front-line staff, the marketing to the customer.

In the first phase, the planning stage, one could usually find various descriptions of how the idea to the new service is generated and evaluated. According to research conducted about idea generating the customers (se for example Pitta & Franzak 1996; Von Hippel et al. 1999; Herstatt & Von Hippel 1992 and Berry & Hensel 1973) as well as the front-line staff (Edvardsson et al. 2000; Sundbo 1997, 1998) are important actors to involve in the efforts to generate new ideas. One important aspect of the idea generating process is that the process should be conducted in a structured and formalized way (see for example Edgett 1996; Johne 1994; deBrentani 1991 and Imamura & Jog 1991). In reality the generation of ideas is seldom conducted in a structured and formalized way (Easingwood 1986 and Bowers 1988), and the ideas are seldom generated from the customer and/or the front-line staff (Edvardsson et al. 2000; Sundbo 1997, 1998). Most ideas occur from competitors or are generated as a result of complex internal processes within the company. Like Smith and Fischbacher (2005) states, it is often difficult to establish from where ideas actually emanate, but in most cases the ideas are generated as a result of the meeting between different actors with different kinds off knowledge about and perspective on the business conducted.

In the next phase, the development stage, descriptions about how the previously generated ideas are refined to a service that are ready for the market is encompassed. The effort in this phase is very

extensive and consists of for example developing and forming the service concept, the service system and the service processes needed for delivering the service (Edvardsson et al. 2000). The finals phase, the market launch stage, includes descriptions about how the services are introduced to the market.

Albeit the models could be seen describing very structured processes consisting of different phases, the process seldom are that structured (Johne and Storey, 1998; Edgett, 1996; Martin and Horne, 1993 and Bowers, 1988). In reality there exist a lot of overlaps between the phases and therefore the process could be characterized more as an iterative process than a sequenced one.

The Network Perspective - Actors, Activities and Resources

According to Håkansson and Johansson (1992) a network is built up by three, to each other, related variables; *actors*, *activities* and *resources*.

Actors are those who perform activities and control resources. Actors can be individuals or a group of individuals (an organization or a part of an organization). Therefore actors can be seen on different organisational levels. By engaging in exchange processes with other actors, relationships are created. Actors could therefore be seen as embedded in network of relationships, giving access to other actors' resources. An actors control over a resource can either be direct through own ownership, or indirect by the relationship to another actor. By controlling resources and activities a company may not only gain access to important means, the control could also lead to the development of knowledge that can improve the company's ability to achieve certain goals. An increased control by one actor means that some other actor decreases their control. Therefore one can spot reasons for conflict as well as co-operation in the network.

An activity takes place when an actor, or a number of actors, combine, develop or exchange resources by utilising other resources. The activities could either be a transformation or a transfer activity. Transformation activities are carried out within the control of a single actor, and change or refine a resource by using other resources. Transfer activities involve the shift of direct control from one actor to another. Activities are connected to each other, either direct or indirect, and constitute parts of activity cycles. A complete activity cycle contains always both a transfer and a transformation activity and therefore an activity cycle could never be fully controlled by a single actor.

Resources can be divided into tangible and intangible resources. Examples of tangible resources are different types of physical assets, such as production equipment, component, and material. Examples of intangible resources are knowledge, skills, and routines. All resources, either tangible or intangible, are viewed to be heterogeneous. Resources are, as noted above, always under control of some single actor or jointly by several actors. Depending on the scarcity of the resources the importance of controlling the resources differs. If there are a shortage of the resources, and if the resources are important for either the transformation or the transfer, it is important to getting control of the resources.

The Interaction Model

According to the classical "Interaction Model" (IMP 1982), the interactions and the exchanges that's takes place between the parties in a network are influenced by at least four groupings or levels of factors. To start with, the interaction parties*,* or more precisely the *characteristics of the intervening parties* will affect the interaction and relationship between the parties. According to the model, both the characteristics of the organisations as well as the individuals representing them, will affect the interaction between the parties. Some of the factors affecting the relationship are for example the organisations positions on the market, the products, the production technology and the organisations relative expertise in the area. In addition, the interactions are also affected by the size of and the strategy held by the intervening organisations, as well as the experience from for example co-operation with external actors that is held by the company.

The second factor affecting the interaction is the elements and processes of the actual interaction or as the model outlines, *the interaction process*. The interaction consists of episodes which in their term involve the actual exchange between the parties. The exchanges between two parties could consist of:

- Product and service exchange, which is often the core of the exchange.
- Information exchange; here are several aspects of interest. First there is content, which is of big importance (if it is technical, economic or other questions dominating), but the width and depth of the information shared are also of interest.
- Financial exchange works as an indicator of the economic exchange between the parties.
- Social exchange has an important role in order to reduce the uncertainty between the parties and the process of building trust between the parties.

Over time the different kinds of exchanges might successively lead to the creation of more institutionalized relationships, in which the parties tend to have different roles and adapt to each other.

The interaction must be seen in a wider context, and therefore *the interaction environment* is important to consider when discussing the interaction between the parties. The relationship between the intervening parties must be viewed in the context of all other relationships existing in the same market. Further on the degree of dynamism and internationalization as well as the position of the relationship in the market channel and the over all role in the wider social system surrounding the interaction are important aspect to consider.

The final dimension to consider is *the atmosphere* encompassing the interaction. Important aspects of the atmosphere are the degree of conflict and cooperation characterising a business relationship. Conflicts are a natural effect of the fact that companies involved in the relationship wish to achieve different targets. These conflicts do not always have to be negative. In a relationship with a low degree of conflict the parties may place too few demands on each another, and are therefore not really trying to explore the potential for collaborative actions.

Research Method and the Cases Studied

In order to integrate the two above discussed theoretical areas, we have used an in-depth qualitative case study based on three cases with focus on service development within the Swedish public transport since we want *"…to collect a rich and detailed information across a wide range of dimensions about one particular case*" (Daymon and Holloway, 2002, p 106). The cases are about the development and transformation of the public transport that has been made in order to make the public transport more easily available for different group of travellers, including elderly and disabled citizens. The selection of the three cases was based on the idea of systematic and intentional sampling of information rich cases, *i.e.* cases from which one can learn a great deal of the intended phenomena (Patton, 1991). In this study we wanted obtain information about Public transport Authorities that works extensively with service development in order to provide a thoughtful description of how public transport are developed.

The data has been gathered by a combination of methods. The main method has been the use of semi-structured interviews made face-to-face and by telephones. In addition to the interviews, observations and documentary studies has been conducted in order to complement the data collected from the interviews. The data has been analysed by the use of open coding of the transcribed interviews, complemented with the data from the document study and the observations (Miles and Huberman, 2004).

The Cases

In the first case the empirical data has been collected from the re-construction of a bus-line between a neighbourhood with many elderly citizens, and a shopping and service location in a metropolitan area. Even though this could be seen as a minor re-construction of the public transport, the case shows the high complexity in this kind of efforts, due to the fact that many different actors with their own agendas and resources has to be involved in the re-construction efforts. Besides the actors from the local government, private house-owners and private shop-owners had to be involved in the work of creating the new service-line. Likewise has the involvement of interest groups for elderly and disabled been of great importance. The main focus on this case has therefore been to study the integration between the various actors from public as well as the private sectors that has been involved in the work.

In the second case a more comprehensive re-construction of the public transport solution within a sparsely-populated municipal has been studied. In this case the local politician wanted to create a totally new public transport solution in order to decrease the cost, as well as increase the accessibility and the attractiveness of using public transport. In order to achieve those goals, much of the effort was dedicated to integrate different groups of travellers (for example schoolchildren and commuters) to use the same public transport mode. This was done by re-planning travel routes and time tables, as well as re-building the physical entities supporting commuting. In addition to this, a great deal of effort was put into engaging the sub-contractors to increase the quality of the public transport service.

The third and final case was a study considering the re-construction efforts conducted in a metropolitan area during a number of years in order to make the public transport available for elderly and disabled people. In this case we have been following a number of minor projects that together has aimed at making the public transport more available to a broader group of travellers. Examples of achievements in this work are the development and implementation of a live traffic information system, the re-building of bus stops, the re-planning of traffic routes and a marketing campaigns informing of the higher degree of accessibility for elderly and disabled. The main experience from this case has been the engagement from a number of key actors and their roles in the transformation process.

Discussion and Implication (Research Findings)

In this section we will present the identified actors and their roles in the development and transformation in the studied cases. The discussion will be centred on the different levels derived from “the Interaction Model” (IMP 1982). First the interacting parties and the actual interaction process will be discussed. Herein a discussion of the actors, activities and resources (Håkansson & Johansson 1992 and Håkansson & Snehota 1995) used in the process will be infolded. Thereafter a discussion about the interaction environment and the atmosphere will follow.

The Interaction Parties and the Interaction Process

According to Håkansson and Johansson (1992) an actor is someone who performs activities and/or control resources. From this point of view an actors can exist on different organisational levels. Like in Syson and Perks (2004) case, this multiple case study has helped to identify and create an understanding of which actors needed to be incorporated and managed in the service development process and what their main role is in the process.

From this study one could identify at least five different groups of actors; the policy creators, the driving actors, the supporting actors, the providers and the users. Each of these groups has their own agenda and consists of individual actors that in various ways either supports or obstructs the transformation process.

The group of actors with the most power is of course the ***policy makers*** consisting of the Swedish Government, and the Local Councils. Besides making policies they, at least to some extend, also sets the financial frames by granting funds and directing other resources. One example of the effect the policy makers have on the development of the public transport is the proposition that the public transport in Sweden should be fully available for all travellers, including senior citizens and disabled, from year 2010. This proposition has forced the local Public Transport Authorities to engage in different kinds of development projects in order to accomplish the regulation. This has resulted in that resources has had to be redirected from other projects as well as the day-to-day operations to give space to the, by the policy makers, inflicted redesign of the public transport.

The ***driving actors*** are those actors who actually make the service development occur by creating and gathering the ideas, developing the service concepts and the service systems needed to refine the service. This group tends to consist of actors with little formal power. Their main resources are their information and knowledge about the system and awareness about the users’ needs and wants. In each of the studied cases one could notice one or several actors who were more engaged and enthusiastic about the development work than others. Those highly engaged individuals function as prime movers, leading the actual development process. Worth noting is that the driving actors could change from one time to another during the development process. In the first case the driving actor changed during the process, from being the person working as the administrative manager for the

unit responsible for the transportation service for old and disabled persons, to a recruited project leader with strong engagement and experience from the area. This situation are consent with the findings of Syson and Perks (2004), who argues that the network perspective incorporates a dynamic view of service development; actors move in and out of the new service process and the development .The driving actors could also be a group of individuals, motivating and engaging each other in the development work. For example this was the situation in the third case in which such a group of enthusiastic actors appeared. In this case the group consisted of a number of actors each with their different skill, but driven by the same eager to develop and make the public transport easier to access for elderly and disabled. One conclusion that could be drawn from the cases is that how well the service development processes succeed is often dependent on this driving actors and how much they are given resources and support to perform their task.

In order to refine the ideas and develop the public transport service the driving actors need support from other actors (***supporting actor)*** who have the power to decide over other actors' priorities. When it comes to the cases here studied the most important supporting actors were the local politicians who have the power to grant funds as well as give the appropriate support and to help with the prioritization of the, many times, scarce resources. This formal support is important since it is a vital ingredient in the quest for manoeuvring space and resources to perform the task. These supporting actors could also be of more indirect kind in form of different interest, or pressure groups who creates support for the development work. Examples of this are interests groups for elderly and disabled who, by their participation in the daily debate, put pressure to the society and the politicians to create functional solutions (in this case easy accessible public transport).

Since the actual service is provided by actors outside the organisation of the public authority the actual ***service providers*** are an important actor in the development process. They are the actually provider and performer of the developed service and their motivation to be active and willing to compel in the development process is somewhat crucial. The providers obligated undertaking is regulated in the contract between the providers and the Public Transport Authorities. Due to the fact that the providers are selected by public tendering there is little incitement for the provider to exceed the contractual agreement. Previous achievements do not help the provider to prolong the contract since a new public tendering must be held. The reason for this is the fact that the Public Procurement Act states that the price, given a certain level of service, should be the dominating factor deciding who will receive the contract. Often the providers have to do prioritization between different engagements and spend their resources on the projects they believe deliver the most possible value.

The last group identified is the ***users***, who have an important role in the process. First of all they are consumers using the service. In addition to this, they are co-producers participating in production process as well as in the development process by contributing with information. One common heard theme in service development is the importance to involve the customer (se for example Pitta & Franzak 1996; Von Hippel et al. 1999; Herstatt & Von Hippel 1992 and Berry & Hensel 1973), since they are the one that in the end should consume the product. One problem by involving customers is the disparate needs and wants different groups of users have. The differences could be of various sorts, from minor differences in the liking of a thing to the fact that the needs of some group prevent the accessibility for another group. One example of this is the situation that a wheel chaired person might find it difficult to drive the wheel chair to the bus stop due to the pavement setting needed to guide visually impaired persons.

Activities and Resources

From the theoretical discussion above one could identify at least three main activities are undertaken in the service development process.

The first activity is the generation of ideas. Like Smith & Fischbacher (2005) states it is often difficult to establish from where ideas emanate, but in most cases the ideas are generated as a result of the meeting between different actors with different kinds off knowledge about and perspective on the public transport. In the first and third case this closeness to other actors with the same interests, but with somewhat different horizon, was an obvious driver of the idea generation. In those two cases the interviewed actors clearly indicated that it was the informal talk about their line of business and the particular problems existing within their area that triggered the ideas. This highlights the thesis that

closeness between actors and informal communication mechanisms are appropriate means to generate this kind of knowledge (Syson & Perks 2004). The main resource communicated was the information that was shared between the different actors. The information was then transformed into an idea, most often by the above described driving actor, about how the public transport service could be developed. Depending on the type of and the degree of newness or innovativeness there are different actors and different types of actors and network needed to be incorporated.

The second activity is the phase where the actual service is designed. This phase is the most extensive phases since it incorporates all activities needed to prepare the actual service. Given that we are taking about public service there are often call for formal processes with specified project groups, especially in cases where the development incorporate other formal actors, such as other local government committees or the contracted service provider. In this phase the resources involved are information as well as more tangible resources. The third and final phase is the implementation phase in which the finished service should be brought to the customer. The most important task here is to inform about the service to different groups of actors in order to make the interested in the new service.

From the cases it stands clear that the main contribution from other actors in the service development process is information, knowledge and expertise (cp Syson & Perks 2004), *i.e.* intangible resources. Normally these intangible resources are implanted in the organisation and to some extent tacit, which makes the access for other actors somewhat difficult.

The Interaction Environment and the Atmosphere

According to the IMP-model it is important to see the interaction in a wider perspective, *i.e*. to realize that the interactions do not exist in a vacuum, they are sooner to be seen as a part of a web of actors in which one has to adjust to each others demands and priorities. Therefore *the interaction environment and the atmosphere* encompassing the interaction are important aspects to consider (IMP 1982)

The relationship between the intervening parties must be viewed in the context of all other relationships existing in the same market. In the public transport area the actual public travel is mainly provided via networks of actors and resources, wherein the providers and other actors contribute in various ways to different parts of the customer-perceived service. Within the framework of these formal or informal networks, a large number of actors collaborate more or less actively, in order to jointly create and provide the perceived customer offering. The complexity is high in this kind of network since we deal with a lot of actors on different level with different power and resources.

An important aspect of the atmosphere is the degree of conflict and cooperation characterising a business relationship. The relationships formed from an open public tendering could according to Laing and Lian (2005) be described as elementary relationships. Those kinds of relationship tend to have a more short sighted focus, even if the contract time is long term. The targets to be met by the contracted are formed by the purchaser alone, and are often short-term performance targets. This means that the service provider must comply with the requirements if there should be a relationship at all. From this point of view the purchaser, *i.e.* in this cases the Public Transport Authorities, is to be seen as the actor in control of the demands put on the service provider. During the running time of the contract this relation with one powerful actor might create conflicts between actors.

Conclusions

The challenges of new service development may be greater in the public sector, due to a more complex structure and a wider variety of stake holders each with their opinions and agendas to be handled in the development process (cp Smith & Fischbacher 2005). Anyhow, from this study one could identify at least five different groups of actors involved in and playing important roles in the service development process. These actors are; the policy makers, the driving actors, the supporting actors, the providers and the users.

Based on this multiple case study one could find that there are some actors who are controlling certain resources that are of great importance for the service development. In some cases those resources

are physical, in other the resources are information and knowledge. Since the resource used for one purpose might obstruct the use of the resource for other projects there might be a conflict between the different needs and interests. From this point of view it is important to have actors with power to decide over the scarce resources engaged in the project. In many cases the conflict over resources obstruct the development possible to undertake in the Public Transport sector, since it is financed mostly by government spending, *i.e.* resources that are scarce and always under debate how to use most efficient.

Since the service studied is a public service the driving forces behind the development is sometimes some sort of regulation or policy decision induced by the central or the local policy makers. These decisions affects to a high extent what is developed and how the development is done, and with what resources. One conclusion that could be drawn from the studied cases is that how well the service development processes succeed is often dependent on the driving actors and how much they are given resources and support to perform their task. Since the fact that this group seldom has formal power or the power to grant or direct funds, this group must be backed up by all the other functions, especially the backing from the group named the supporting actors. Formal support could therefore be seen as an important resource in the service development process, since support from powerful actors is a vital ingredient in the quest for space to perform the task. Those supporting actors could also be more of indirect nature in form of interest or pressure groups who by their existence and work creates support for the development work. This gives another important conclusion, that all important actors in the process must not necessary be an internal actor in one of the organizations, they can as well exist outside the organisations. Another important actor is the service provider. When it comes to public transport in Sweden there is a definitive time line when the relationship should end and the prolonging of the contract has nothing to do with the result or the investments done between the parties. This makes it somewhat difficult to engage the undertaker to be involved in service development project since the gain from it enhanced quality of the travel not resulting in prolonging or earning of money. Here one must think of other way to engage or force the sub-contractor to be a part of the development processes.

The users have an important role in the process. Despite the fact that they are consumers of the actual service, they are also co-producers of the service as well as they are important co-actors in the development work by sharing information about their needs and wants. One problem by involving customers is the different needs and wants different groups of customers have. When it comes to consumers of a public service the role of the customer becomes somewhat complicated. The customer (or any of the other actors involved for that sake) are not only a customer; he or she is also a citizen who thereby has the authority to place certain demands on the public service provided, as well as the resources used. This multiple roles played by the customer makes the consumer position in the service development process somewhat complicated to study.

As can be seen from the study the main contribution from other actors in the service development process are mostly intangible resources, such as information, knowledge and expertise (compare Syson & Perks 2004). These kinds of resources are embedded in the organisation and therefore more difficult to access for other organizations. Even if the access is possible there are difficulties for the receiving organization to accommodate these new resources, they have to develop new skills in order to be able to enable this kind of resources. According to Syson & Perks (2004) informal communicative mechanisms are appropriate means to this kind of knowledge transfer.

Reference List

Berry, LL & Hensel JS, 1973, Why some new bank products fail, *Bankers Monthly Magazine*, July 15, pp. 26

Bowers, MR, 1988, Developing market-driven insurance products: A suggested model, *Journal of Professional Services Marketing*, Vol. 3, No. 3/4, pp. 161-173

Brentani de, U, 1991, Success factors in developing new business services, *European Journal of Marketing*, vol. 25, no 2, p 33-59

Burca de, Sean, 1995, ”Service Management in the Business-to-Business Sector: From Networks to Relationship Marketing”, pp. 393-419 in Glynn, W B & Barnes, J G (ed), ”*Understanding Service Management -Integrating Marketing, Organisational Bahaviour, Operations and Human Resource Management*, John Wiley & Sons, Chichester

Daymon, C. & Holloway, I. (2002), *Qualitative Research Methods in Public Relation and Marketing Communication*, Routledge, London.

Easingwood, C, 1986, New product development for service companies, *Journal of Product Innovation Management*, Vol. 3, No 4, pp. 264-275

Edgett, S, 1996, The new product development process for commercial financial services, *Industrial Marketing Management,* vol. 25

Edvardsson, B, Gustafsson, A, Johnson, MD, Sandén, B, 2000*, New service development and innovation in the new economy*, Studentlitteratur, Lund

Grönroos, C, 1990, *Service management and marketing: managing the moments of truth in service competition,* Lexington Books, Lexington, Massachusetts

Håkansson, H & Snehota, I., 1995, *Developing Relationships in Business Networks (Ed.),* London, International Thomson Business Press

Håkansson, H & Johansson, J, 1992, A Model of Industrial Networks, in Axelsson, B & Easton, G (ed.), *Industrial Networks: A Review of Reality*, London, Routledge, pp. 28-34

Herstatt, C & von Hippel, E, 1992, From Experience: Developing New Product Concepts via the Lead User Method: a Case Study in a Low-tech Field, *Journal of Production Innovation Management*, No 9, pp. 213-221

Hippel Von, E, Thomke, S and Sonnack, M, 1999, Creating breakthroughs at 3M, *Harvard Business Review*, September-October, pp. 47-57

IMP, 1982, An interaction Approach, in Håkansson, H (Ed), *International Marketing an Purchasing of Industrial Goods – An interaction Approach,* John Wiley, London

Iwamura, A & Jog VM, 1991, Innovators, organization structure and management of the innovation process in the securities industry, *Journal of Product Innovation Management*, Vol. 1991:8, pp. 104-116

Johne A, 1994, Developing new products: marketing for success, *Capital Market Strategies*, vol.1 pp. 41-46

Johne, A & Storey C, 1998, New service development: a review of the literature and annotated bibliography, *European Journal of Marketing*, vol. 32, No 3

Johnson, SP, Menor LJ, Roth, AV & Chase, RB, 2000, A critical evaluation of the new service development process, in Fitzsimmons, JA & Fitzsimmons, MJ (ed), 2000, *New service development, - creating memorable experience,* Sage Publications inc., Thousand Oaks, California

Johansson, J & Vahlne, J-E, 1992, Management of Foreign Market Entry, *Scandinavian International Business Review*, Vol. 1, No. 3, pp. 9-27

Laing, A.W., and Lian, P.C.S. (2005), Inter-organisational relationships in professional services: towards a typology of service relationships, *Journal of Services Marketing*, 19/2, pp. 114-127.

Lievens, A; Monaert, R & S'Jegers, 1999, Linking communication to innovation success in the financial service industry: a case study analysis; *International Journal of Service Management;* Vol. 10, No. 1, PP. 24-37

Martin, CR & Horne, DA., 1993, Service innovation: successful Vs unsuccessful firms, *International Journal of Service Industry Management*, Vol.4, sid.48-64

Miles, M. B. and Huberman, A. M. (2004), *Qualitative Data Analysis*, SAGE Publications, London.

Patton, M Q; 1990; *Qualitative evaluation and research methods*; Sage Publications, Newbury Park

Pitta, D & Franzak, F, 1996, Boundary Spanning Product Development in Consumer Markets: Learning Organization Insights, *Journal of Consumer Marketing*, vol. 13, no 5, pp. 66-81

Scheuing, E & Johnson, E, 1989, A Proposed Model for New Service Development, *The Journal of Service Marketing*, vol. 3, Nor 2, pp. 25-33

Smith, A & Fischbacher, M, 2005, New Service Development: a Stakeholder Perspective, *European Journal of Marketing,* Vol. 39, No. 9/10, pp. 1025-1048

Sundbo, J, 1997, Management of Innovation in Services, *The Service Industries Journal*, Vol. 17, No. 3

Sundbo, J, 1998, *The Organisation of innovation in services*, Roskilde University Press, Roskilde

Syson, F & Perks, H, 2004, New Service Development: a Network Perspective, *Journal of Services Management,* Vol. 18, No. 4., pp.255-266

Turnbull, P, Ford, D & Cunningham, M, 1996, Interaction, Relationships and Networks in Business Markets: an Evolving Perspective, *Journal of Business & Industrial Marketing*, Vol. 11, No. 3/4, pp. 44-62