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The role of context in investigating service experience co-creation – implications for studying dyadic business to business service relationships

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Abstract

This study explores the role of context in service experience co-creation, especially with regard to dyadic service relationships. Even though service experience co-creation has received quite much attention in recent years, it has been argued that there are still gaps in our knowledge about the role of context in it. It has also been argued that it is not only the immediate context of co-creation – for example between a service provider and a customer in a specific time and place – that influences the co-creation but the much wider environment that surrounds it. Recently there has been plenty of research that investigates this by zooming out, i.e. studying co-creation from a macro perspective where one searches for the big picture and generic concepts rather than details. We, however, suggest that there is still a need to pay attention also to the "basic unit" of everyday business relationships, i.e. dyadic relationship between service provider and customer, to better understand service experience co-creation in practice. The present study suggests a conceptual framework that clarifies the context in which a dyadic relationship is embedded. It serves and guides the future empirical research, which will be conducted on service experience co-creation in dyadic knowledge-intensive business service relationships.

Keywords: service experience, co-creation, context, dyad

Introduction

Service experience co-creation is a topical theme in marketing research (Jaakkola et al., 2015b) as both practitioners and scholars regard it to be closely tied with creating superior value (Jaakkola et al., 2015a). Value that is created in service relationships is argued to be based on experiences (Helkkula and Kelleher, 2010), which, in turn, are argued to emerge when actors interact with each other (Jaakkola et al., 2015a). In other words, it is posited that service experiences are co-created (ibid.). In addition, the importance of understanding the context and its influence on co-creation has been widely emphasized (Vargo and Lusch, 2004; Edvardsson et al., 2011). For example, Vargo and Lusch (2011) and Edvardsson et al. (2014) argue that as resources become valuable only after they have been integrated in a particular way in a particular situation, value co-creation is inherently contextual and moreover, each context is unique. As stated by Chandler and Vargo (2011, p. 45), context "frames exchange, service, and the potentiality of resources from the unique perspective of each actor". Hence, in analyzing and understanding co-creation, it is not enough to study the resources, actors who integrate them, and the process of integration, but one should put all this into a context. More precisely, what and how can be co-created depends on the context in which co-creation takes place (Edvardsson et al., 2011; Chandler and Vargo, 2011).

Recent work by e.g. Mele et al. (2015) and Wieland et al. (2015) on one, and Leroy et al. (2013) on the other hand have brought up a notion that there still are gaps in our knowledge about the context. The formerly mentioned perspective put emphasis especially on the characteristics and influence of a wider service system (e.g. Vargo et al., 2008), service ecosystem (e.g. Vargo and Lusch, 2011; Vargo et al., 2008) or the market (Mele et al. 2015) where co-creation takes place. That is, instead of concentrating on the immediate context of co-creation between actors such as a service provider and a customer that operate in a specific time and place, they investigate the wider environment or a system, and its influence on co-creation (Vargo and Lusch, 2011; Wieland et al., 2015). The latter perspective, represented by e.g. Leroy et al. (2013), in contrary argues that much attention has been recently given to investigating value co-creation by zooming out, i.e. studying it from a macro perspective, where one searches for the big pictures and generic concepts rather than details. According to this perspective, it would, however, be equally important to zoom in to value co-creation to find the nuances and specifics (ibid.). In line with Leroy et al. (2013), we argue that there is still a need to pay attention also to the "basic unit" of everyday business relationships, i.e. dyadic relationship between service provider and customer, to better understand service experience co-creation in practice. In line with this view is also the interaction and network theory represented e.g. by the IMP Group, which has long acknowledged the importance of dyadic relationships as a basic unit of analysis (e.g. Möller and Halinen, 1999).

The purpose of our upcoming empirical study is to investigate service experience co-creation in dyadic relationships in different knowledge-intensive business service contexts. In order to do this, we need firstly to create a generic conceptual framework that guides the empirical data collection of our upcoming study. From the context-dependent nature of service experience co-creation it follows that the framework should illustrate how a dyad is embedded, in other words positioned, in its surrounding context. **Hence, the purpose of this paper is to create the conceptual framework,** which is based on literature review considering research in the fields of service and relationship perspectives. In the following phase of the research we will then present a multiple case study exploring service experience co-creation in knowledge-intensive business service (KIBS) relationships, more specifically in the fields of advertising, healthcare and finance industries.

This paper is organized as follows: first, we briefly present the methodology of our conceptual paper. Second, current discussion and definitions related to the concepts of service experience and co-creation are introduced. After that we will present the layers of context for service experience co-creation basing on existing research. Following that we will briefly introduce the current status of literature review regarding the empirical work already conducted on service experience co-creation at the different levels of context. In the end of this paper we will conclude our current findings and introduce the context of our own upcoming empirical work.

Methodology

This study is conducted as a conceptual research paper. According to MacInnis (2011) conceptual studies can contribute to knowledge in various ways, for example by envisioning new ideas, relating ideas, debating ideas or explicating ideas that all move the field of marketing forward by setting an agenda for future research. In other words, integrative reviews, like our study here, contribute to the process of justification by validating what is known. Based on MacInnis's categorization, our conceptual contribution relates to explicating and more specifically, delineating, that entails the goal of detailing, articulating, describing or depicting an entity and identifying things that should be considered in the research. Accordingly, we illustrate in our study the current state of the research and on what aspects to focus on in the further research.

As the purpose of this study is to create a conceptual framework on the basis of an extensive literature review, the first stage in addressing the aim was to identify and collect as many relevant research articles as possible on the topic under research. Following the study of Aarikka-Stenroos et al. (2014) we chose to employ two relevant databases rather than a set of high ranking journals to ensure rich and versatile set of articles. We selected the multidisciplinary EBSCO Business Source database and ProQuest database as they cover a wide range of high quality journals in the field of marketing. We started with a search on all articles in which the title, keywords, or abstract mentioned the keywords "service experience", "co-creation", "service experience co-creation", "business relationships", and "dyadic relationships". In addition, we utilized a snowball sampling method in which primary data sources nominate another potential data sources to be used in the research (see e.g. Noy 2008) by identifying new relevant articles from the references in the primary articles found using databases. In total, we have reviewed 81 articles that form the basis for the conceptual framework illustrated in Figure 3.

Theoretical foundations for service experience co-creation

In order to investigate the role of context in service experience co-creation, we first explain what we mean by the concepts of service experience and service experience co-creation.

What is service experience?

The focus of studying business in general, and services in particular, is shifting to a view which emphasizes that value is interpreted and experienced individually by each actor, and that the interpretations and experiences are both subjective and context-dependent (Jaakkola et al., 2015a; Vargo and Lusch, 2008). However, even though experience is thus regarded to be an integral element of the whole service business, the concept of experience has been defined and dealt with in various ways depending on the theoretical background and the research context (Helkkula, 2011; Carù & Cova, 2003).

Regarding the different conceptualizations, it is firstly noted by Jaakkola et al. (2015a) that the terms 'customer experience' and 'service experience' have been used quite in similar ways, even as synonyms. Even though the concepts are somewhat similar, customer experience can be argued to refer to a narrower, more specific role of the "experiencer", i.e. that of a customer (e.g. Meyer and Schwager, 2007), whereas service experience refers to experience of any actor (e.g. customer, service provider, a third party) (e.g. Jaakkola et al., 2015a). Therefore, in line with Jaakkola et al. (2015a) we will utilize the term service experience in this study even when it refers to customer experience. Also, even though we are interested in service experience co-creation in business-to-business service relationships, we will not make a distinction between business actors and other actors such as consumers when regarding service experience, but in line with Helkkula (2011) argue that service experience can refer to both parties.

Second, when talking about experience, one can mean a multitude of things (Carù and Cova 2003). For example, as Helkkula (2011, p. 368) notes, experience can refer to perceptual experiences which are "events or occurrences that are 'impressive' or have a hedonic connotation" (cf. *Erlebnis* in German). It is especially these types of experiences that were investigated by Holbrook and Hirschman (1982) in their seminal work that highlighted the role of experience in marketing and service related phenomena. Experience can also refer to actual lived experiences which "involve practical contact and acquired knowledge or skills" (cf. *Erfahrung* in German) (Helkkula 2011, p. 368). In addition, as Dube and Helkkula (2015) note, experience can be used as a verb, which refers to a personal activity of experiencing, or as a noun, which implies more a cognitive aspect of tacit or explicit knowledge. Carù and Cova (2003) investigated experience through conceptualizations of the term in different types of research streams, where in positivist sciences experience refers to experiment, in philosophy learning (or self-transformation, as interpreted by Dube and Helkkula 2015), in sociology and psychology subjective and cognitive activity, and in anthropology the way of living. Dube and Helkkula (2015) note that despite the differences in conceptualizing experience, overall it can be said to refer to the subjectivity of human perception.

Third, according to Helkkula's (2011) analysis and categorization of service experience conceptualizations, three main approaches towards the concept can be identified: process-based, outcome-based and phenomenological (see also Dube and Helkkula, 2015, p. 229, for a categorization of service experience definitions and their characterizations). First, *process-based characterizations* of service experience acknowledge that experience is embedded in the service process. An example is Edvardsson et al. (2005, p. 151) who describe service experience as "…a service process that creates the customer's cognitive, emotional, and behavioral responses, resulting in a mental mark, a memory." Second, *outcome-based* service experience characterizations regard experience to be a measurable attribute or a variable of a service. In other words, service experience is one part of a causal model linking various service variables or attributes to the outcome of a service (e.g. Verhoef et al., 2009). Lemke et al. (2011, p. 847) propose a concept of customer experience quality, which is "a perceived judgment about the excellence or superiority of the customer experience." Third, *phenomenological characterizations* regard individual actors to be the subject of service experience. In other words, experience is a subjective interpretation or response of an individual (Helkkula, 2011). Such experience can be e.g. perception, imagination, thought, emotion, desire, volition and action (Smith, 2007). Yet, as the phenomenological characterizations also acknowledge that individuals do not exist in isolation, experience is simultaneously social and context-specific (Akaka et al., 2015; Helkkula 2011). This is also the viewpoint this study takes into service experience and its co-creation.

Fourth, in relation with the above, there is also a very close, yet somewhat mundane connection between the concepts of service experience and value (Helkkula and Kelleher, 2010; see also Gummerus 2013). As Gummerus (2013, p. 28) notes, already Holbrook argued that "value is an experience based on interaction between a subject and an object as well as relative". Gummerus (ibid.) also proposes that experience would be the link between value creation processes and value outcomes. In addition, concepts such as value-in-use (e.g. Vargo and Lusch, 2008) and value-in-(social)-context (e.g. Chandler and Vargo, 2011; Edvardsson et al., 2011) have regarded experience and value being heavily intertwined. In their tenth foundational premise of service-dominant logic, Vargo and Lusch (2008) posit that "value is always uniquely and phenomenologically determined by the beneficiary" (p. 9), meaning that value is a phenomenological, i.e. experiential matter (Vargo and Lusch, 2016), and value is what we experience it to be (Frow and Payne 2007; Prahalad and Ramaswamy 2004). In addition, according to Helkkula and Kelleher (2010), (customer) perceived value and (customer's) service experience are interlinked concepts that form a complex, dynamic and circular process where "customer's ongoing service experience influences customer perceived value and customer perceived value influences cumulative customer service experience" (p. 48). As Helkkula and Kelleher (2010, p. 49) summarize it, "customers do not perceive value solely in a cognitive fashion; rather they perceive and experience value through their cumulative lived and imaginary experiences." Therefore, one can argue that service experience and value are so heavily intertwined that it is difficult to fully separate them. Consequently, following the work of Helkkula and Kelleher (2010), Helkkula et al. (2012a) conceptualize a "hybrid" term of value in the experience, which they define to be 1) individually intra-subjective and socially intersubjective; 2) both lived and imaginary; 3) constructed on previous, current and imaginary future experiences and being temporal in nature; 4) emerging from individually determined social contexts (p. 61-62).

To sum up, basing on previous conceptualizations and studies regarding service experience, Jaakkola et al. (2015a) integrated the predominant phenomenological approaches to service experience and presented a conclusive summary of how service experience is currently understood and defined. According to them, *service experience is an actor's subjective response to or interpretation of the elements of the service, emerging during the process of purchase and/or use, or through imagination or memory"* (Jaakkola et al. 2015a, p. 186).

It is this summary that also we will adapt as a work-in-progress definition of service experience in our work. We argue that this definition takes into account all relevant aspects of experience (and value in the experience) needed in understanding service experience co-creation, and the role of context in it.

What is service experience co-creation?

When we move on to discussing co-creation of service experience, we remind that as argued above, in this study we treat service experience and phenomenological value as very similar concepts. Hence, we refer to existing literature of both experience and (phenomenological) value co-creation, even though we acknowledge that there is ambiguity in how value and experience are defined (Helkkula and Kelleher 2010).

Creation vs. co-creation. Even though co-creation as a term has received much attention in recent service and marketing discussions, it is worthwhile to remind that there are also other streams in investigating how value is created, as Gummerus (2013) points out in her categorization of value theories. Gummerus (ibid.) has categorized the streams into three,

where the traditional viewpoint has placed value creation processes within the firm, and the stream of customer logic or customer-dominant logic (see e.g. Heinonen et al. 2013; Heinonen et al. 2010) has emphasized that customer is the actor that is in charge of value creation (Gummerus 2013).

Co-creation. In-between the two extremes described above, there is, then, the stream of research that centers on co-creation (Gummerus 2013), which, as Jaakkola et al. (2015a) point out, is often referred to as joint creation of offerings or value in the current marketing literature. Even though there might be variances in some specific aspects of co-creation definitions, "the core idea refers to multiple actors creating something in interaction and collaboration with, or influenced by, other actors" (ibid., p. 187). Interaction and collaboration are, indeed, essential elements in the different research perspectives, such as S-D logic, service logic, service management, consumer culture theory and service innovation and design, which have recently investigated service experience co-creation (Jaakkola et al. 2015a). To put short, in investigating experience and co-creation, consumer culture theory has centered more on consumption, service management on creating superior experiences, and service innovation and design on developing offerings (Jaakkola et al. 2015a). This paper, then, applies the more generic conceptual thinking of service-dominant logic (Vargo and Lusch, 2004, 2008) and service logic (Grönroos, 2008, 2011) when discussing service experience co-creation. This is because both these research streams consider value to emerge through experiences, and experience to be subjective, context-specific and phenomenologically determined (Jaakkola et al. 2015a). Next, we will first introduce both approaches in short, together with relevant, supplementary notions from the IMP and network approaches, which are centered in investigating and analyzing business to business relationships.

Service-dominant logic. Beginning from S-D logic, **co-creation is said to occur in interaction between actors who integrate resources** (Jaakkola et al. 2015a; Vargo and Lusch 2008). To be more precise, according to S-D logic, all actors are, fundamentally, integrating resources and engaging in service-for-service exchanges in the process of co-creating (phenomenologically determined) value (Vargo and Lusch, 2016). Hence, resource integration is in the core of S-D logic (Peters et al. 2014), and it is said to occur when actors (individual(s) and/or organization(s)) perform series of activities (processes, co-operation, experiencing) on operant and operand resources for the benefit of another party (Peters et al., 2014, p.254; Kleinaltenkamp et al., 2012, p. 202; Payne et al., 2008; Vargo and Lusch, 2004). Notably, as Peters (2016) indicates, the concepts of resource integration and interaction are not synonyms, as not all interaction leads to resource integration. In addition, S-D logic posits that (phenomenologically determined) "value is co-created by multiple actors, always including the beneficiary" (ibid., p. 8), and that a single actor cannot deliver value, but participates in creating and offering value propositions (ibid.).

Notably, especially from the viewpoint of this paper, S-D logic is also emphasizing the influence of context, a wider system to be more precise, surrounding co-creation, as the following quote indicates (Vargo in Jaakkola et al. 2015a, p. 188): "so the narrative of S-D logic has become one of resource-integrating, reciprocal-service-providing actors cocreating value through holistic, meaning-laden experiences **in nested and overlapping service ecosystems**, governed and evaluated through institutional arrangements."

Service logic. According to service logic, then, **co-creation is the process of creating something together in a process of direct interactions between actors**, where the actors' processes merge into one collaborative, dialogical process (Grönroos and Gummerus, 2014;

Grönroos, 2008). Interaction is referred to as "situations in which the interacting parties are involved in each other's practices" (Grönroos and Voima, 2013, p. 140). In the core of interaction are physical, virtual, or mental contacts, and interaction is said to be a dialogical process (ibid.). Notably, according to service logic, co-creation is one sphere of the value generation process, and the actual value creation is eventually a customer's process, service providers creating only value propositions (Grönroos and Gummerus, 2014).

From the viewpoint of context, service logic is specifically interested in **dyadic interactions, which are said to provide a platform for potential co-creation** (FitzPatrick et al. 2015). In these platforms, and hence in the core of co-creation, is argued to be relatedness, which refers to the level of influence, interdependence, engagement, reciprocity, trust, commitment, learning, knowledge renewal, and adaptation between actors (ibid, p. 467).

IMP and network research. Closely related to the premises and principles of both S-D logic and service logic is the interaction and network research conducted by IMP (Industrial Marketing and Purchasing Group) in business-to-business context. As Ford, Håkansson & Johansson (1986) suggest, company's interaction with others leads to an activation and an integration of its resources. Thus, the interaction with others is the force that gives the company the capability to perform its activities. Or as Ballantyne and Varey (2006) put it, interaction is a driver of co-creation and a "generator of experience and value".

Within IMP research, companies are viewed as sets of interrelated interactions, through which capabilities are developed and employed. Similarly, wider industrial systems are seen as networks of inter-related interactions where several interdependent companies interact in order to influence and adapt each other's future activities and resources. (Håkansson and Snehota 1995). The IMP perspective has also always emphasized the role of surrounding context, such as social, political, and technological, for interaction, as well as the temporality and history of interaction (see e.g. Håkansson and Waluszewski, 2013).

Notably, even though the IMP perspective has emphasized interaction between companies, the latest view onto business-to-business context suggests that there is no need to distinguish B2C from B2B but rather to use actor-to-actor (A2A) perspective where complex and dynamic system of actors co-create value (Vargo and Lusch, 2011).

Service experience co-creation. Thus far we have indicated that service experience can be regarded to be a subjective, yet social, and context-specific phenomenon. In other words, service experience is subjective to *an actor*, yet it does not emerge in isolation but is co-created *between actors* and *within a context*. Additionally, co-creation is argued to take place when actors *interact* with each other, and this interaction takes place within and is influenced by the context – both the immediate context, or platform, where the actual interaction activities takes place, and the wider context, or ecosystem, which surrounds the actors. Hence, service experience co-creation can be said to include experiencing actors who interact within a context.

As was already mentioned previously in this paper, *time* is an integral element of service experience. Hence, service experience is not restricted only to the immediate, current point of time, but has also past and future, as well as lived and imaginary dimensions (Jaakkola et al. 2015a; Helkkula et al. 2012). This is illustrated by Grönroos and Voima (2013, p. 138), when they discuss about phenomenological value as follows: "value creation may take place on different levels of consciousness, where becoming "better off" (or worse "off") may occur in different ways (imagined before, perceived during, or evaluated after) in the experiential use

process." Also Medlin (2004) argues that human perception of time – past, present, and future – is an essential element of interaction. Present, past and future can hence be regarded as contexts where the past and future influence present, as argued by Medlin (2004, p. 188): "while interaction is constrained to the present, the objects of cognition and the focus of interaction may be positioned anywhere in time.".

Consequently, service experience co-creation can be argued to refer to experiencing actors interacting within a context and time. Jaakkola et al. (2015a) integrated the work of prevalent service approaches, i.e. S-D logic, service logic, service management, consumer culture theory and service innovation and design, to create a summary of how service experience co-creation has been understood in current academic literature. They came up with the following conclusion (see also Figure 1):

> *"Service experience co-creation occurs when interpersonal **interaction** with other actors in or beyond the service setting influences an actor's subjective response to or interpretation of the elements of the service. Service experience co-creation may encompass lived or imaginary experiences in the past, present, or future, and may occur in interaction between the customer and service provider(s), other customers and/or other actors."* (Jaakkola et al. 2015a, p. 193).
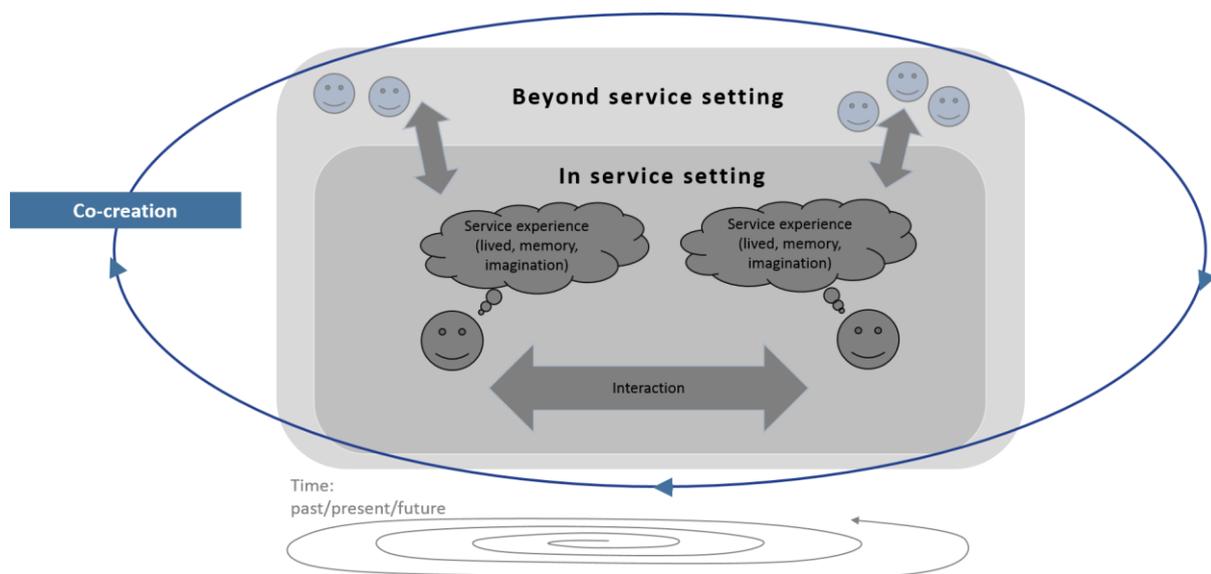

Figure 1: Service experience co-creation (adapted from Jaakkola et al. 2015a)

We argue that the summary created by Jaakkola et al. (2015a) clearly indicates the main dimensions of service experience co-creation, and as such, is a useful illustration that we can use as a basis for further exploration of service experience co-creation and the role of context in it.

The context of service experience co-creation

Thus far we have indicated that according to prevalent service research, service experience co-creation is very context-dependent. However, when evaluating service literature, for example S-D logic and service logic, one can notice that the definitions of context vary. Hence, what is meant by context depends significantly on who is defining it and for what purpose. Context can refer to the immediate surroundings of co-creation, such as a service provider-customer

relationship (e.g. Payne et al., 2008; FitzPatrick et al., 2015), a physical service encounter (e.g. Echeverri and Skålen, 2011), a specific event (e.g. Binkhorst and Den Dekker, 2009), a certain business sector or industry (Frow et al., 2016), a wider-level ecosystem or market (e.g. Vargo and Lusch 2011), or anything in between separately or simultaneously.

On the other hand, context can also refer to more abstract concepts, such as symbol systems, social structures, culture etc. (Akaka et al., 2015), or the previously mentioned time (Medlin, 2004). Helkkula et al. (2012a), who discuss context from the viewpoint of value in the experience, argue that context is social, yet it is determined individually. This means that for example a service context offered or proposed by a service provider, and in which a certain service delivery may take place, may not be the same than the context through which a customer experiences value (see also Grönroos and Gummerus 2013). However, the context is simultaneously jointly co-created together with the actors that operate in it (Helkkula et al., 2012a; Akaka et al., 2015).

How, then, conceptualize context for co-creation in general terms? Chandler and Vargo (2011) provide a useful short definition of context when they discuss value creating service-to-service exchanges between actors. For them, context is "a unique set of actors and the unique reciprocal links among them" (p. 41). Furthermore, from the uniqueness of actors and links it follows that any given context is also unique in the sets of resources and service (Chanlder and Vargo, 2011). This view is very similar to, and at least partially bases on, the perspective of the IMP Group, e.g. that of the actors-resources-activities (ARA) model (e.g. Håkansson and Snehota, 1995), where industrial networks are said to consist of actors integrating activities through various types of activities. As Medlin (2004) summarizes, in the IMP framework, "interaction occurs between three analytical levels (firms, relationships, and network), with the firms' actors, activities, and resources and their analogues at the relationship level (actor bonds, activity links, and resource ties) and network level (actor web, activity pattern, and resource constellation) "conditioning" each other" (p. 185; see also Håkansson and Snehota, 1995).

Layers of context

Overall, the nature of context can be characterized to be heterogeneous and distinctive: it can be anything from an actor and its connections to hundreds of actors and hundreds of links (Chandler and Vargo, 2011; Håkansson and Snehota, 1989), and hence one can identify several layers in a given context (Chandler and Vargo, 2011). Leroy et al. (2013) refer to 'zooming in' to and 'zooming out' of a context for value creation, and argue that from different levels on can observe different things. Next we will briefly summarize what types of contextual layers this 'zooming' has in existing literature typically generated, especially from the viewpoint of service experience or value co-creation.

Notably, Leroy et al. (2013) refer to observational approach of Desjeux when they introduce the contextual layers. They argue that when zooming into a context, its lowest level of observation is biological: individual actor's brain and its activities. What happens in the brain, why and what consequences it has is the playground of neuro sciences, and will not therefore be dealt in more detail in this paper. Nevertheless, it is, of course, inevitable that what happens in the brain has a profound impact on e.g. service experience or value co-creation.

Individual layer. The second layer of context according to Leroy et al. (2013), and starting point of this paper, is then the individual, a single actor (human being) and her/his behavior, attitude and cognition among other (Leroy et al., 2013). From service experience or value co-

creation point of view, this is the contextual layer that depicts how a single actor operates and perceives her/his relationships and value propositions (Leroy et al., 2013). Hence, it is the core layer of analysis, as service experience is regarded to be subjective to an individual (Jaakkola et al. 2015a), and hence cannot be overlooked when evaluating service experience co-creation in dyadic relationships.

The layer of an individual was in the center of the vert first consumption experience discussions (Holbrook and Hirschman, 1982), and in studies concentrating on consumer's experiences, it still is a very common analytical layer (see e.g. Dube and Helkkula, 2015; Helkkula et al. 2012a; Lemke et al. 2011). In these studies, the subject of study is hence an individual consumer, or if not the word consumer used, a customer that is an individual human being, and the context is evaluated from the individual's point of view, even though there might be also social or other networks of actors that surrounds the individual (see e.g. Carù and Cova 2015). However, in discussions of a more generic business actor, there seems to be ambiguity in current literature in what is actually meant by the term actor (Ekman et al., 2016). For Grönroos and Gummerus (2014), an actor participating in direct or indirect interactions can be either a human actor or an intelligent system. The customer-dominant logic of service argues that customer is in the center of value creation, but defines the customer to be anything from a consumer to firms and organizations (Heinonen and Strandvik, 2015). Echeverri and Skålén (2011) discuss about practitioners or human actors involved in interaction leading to value creation or destruction. Ekman et al. (2016), who argued that the term actor is ambiguous, resulted in defining different types of actor roles, such as provider and beneficiary, in service networks. They also utilized a term generic actor introduced by Lusch and Vargo, by which they mean an entity engaging in value propositions and co-creation, be it an individual, group of individuals, or a set of firms (see also Vargo and Lusch 2011).

Hence, when evaluating service experience co-creation at the contextual level of an individual, one must pay attention to what is meant by an individual – and if it refers to a generic actor, whether the actor actually is singe individual, or a group of individuals that are regarded to be a single entity. From the viewpoint of phenomenological service experience, then, one must then bear in mind that even though experiences have a social element, they are by definition argued to be a subjective matter. This is also important to be taken into account of with regard to dyadic relationships.

Micro/dyadic layer. Moving on, according to Leroy et al. (2013), the third layer of context is a micro level. Micro layer is also discussed by e.g. Chandler and Vargo (2011), and in business network literature a similar concept is that of a dyad (e.g. Alajoutsijärvi et al., 1999). Micro layer refers to service-to-service exchanges or, in more general terms, relationships that occur directly between two individual actors (Leroy et al., 2013; Chandler and Vargo, 2011). Notably, the micro level can also refer to a scale of small groups (Leroy et al., 2013).

According to Chandler and Vargo (2011), this layer depicts a situation where actors serve each other directly. The dyadic layer of context has been in the core of the relationship and network perspectives (Möller and Halinen, 1999; Ritter et al., 2004). In their analyses of the levels of relationship and network management both Möller and Halinen (1999) and Ritter et al. (2004), for example, regard dyads as the "basic" unit of relationship analysis. Akaka and Vargo (2015) note that another concepts that somewhat relate to micro or dyadic level in service research are e.g. the service encounter, i.e. a dyadic interaction between a service provider and a customer, and the servicescape, i.e. physical and social spaces framing service encounters.

When analyzing service experience co-creation at the micro/dyadic layer of context, the subject of study is a dyad consisting of two actors. As said, this layer of context is the 'basic' unit of relationships and hence the one through which one can investigate direct interactions between actors, and consequently co-creation. As was indicated above, an actor can, however, represent either an individual, groups of individuals (also firms or organizations) – or even intellectual systems. Hence, when investigating service experience co-creation at the dyadic layer, one must be clear and precise in defining what is meant by an actor. Also, even though the social aspects of an individual's service experience can be investigated at the dyadic layer of context, the subjective nature of experience should be taken into consideration also at this layer.

Meso layer. The fourth, meso layer of context corresponds to a situation where service-to-service exchanges occur among dyads. Here, all the actors might not engage in direct service-to-service exchanges with each other, but in that particular situation they are indirectly linked to each other. (Chandler and Vargo, 2011).

In IMP and relationship management research, the meso layer has been characterized in many ways. One is portfolio management viewpoint where the emphasis has been on analyzing the links between actors from a specific actor's viewpoint (how to manage a portfolio of company's direct relationships) (e.g. Möller and Halinen, 1999). Another is triadic relationship view, where the emphasis has been on both the direct and indirect links between actors, e.g. a supplier, a customer and an intermediary (e.g. Nätti et al., 2014; Havila, 1996, see also connected relationships in Ritter et al., 2004). One more similar concept is a focal net (Alajoutsijärvi et al., 1999). A meso level can also refer to the scale of organizations and action systems such as power structures (Leroy et al., 2013).

When investigating service experience co-creation at the meso layer of context, an important matter to be noted is that not all interaction between the actors under study is direct, but there are actors that influence others indirectly. Hence, at this layer of context it is important to describe and analyze who the actors are, and especially what types of links there are between them. The meso layer of context constitutes the immediate surroundings for dyadic relationships, and hence is an important and interesting analytical layer for the context-dependency of service experience and co-creation.

Macro layer. Fifth, the macro layer corresponds to a situation where service-to-service exchanges occur among triads. In other words, there is a wider network of actors who, in a particular situation, are linked to each other directly and indirectly, forming a more complex web of service-to-service exchanges. (Chandler and Vargo, 2011). When compared with the relationship management literature, the macro level resembles with net management level (Möller and Halinen, 1999) and network management level (Ritter et al., 2004), where emphasis is on understanding how actors can manage, or cope with, complex networks consisting of direct and indirect relationships between several distinct actors.

At the macro level of context, attention is directed to the systemic nature of service experience co-creation (as indicated especially by the S-D logic), and more and more to the social aspect of experience. From the dyad's point of view, this layer depicts the wider web of relationships (and their influence to) the actors in the dyad are embedded in.

Frow et al. (2016) extend the macro layer to mega layer (or level), illustrating broader network in which a focal actor operates in. On the other hand, the macro level can also refer to the scale of social categories including culture, social classes, genres and so forth (Leroy et al., 2013).

This definition is closely connected to the concept of meta-layer of context, which is defined next.

Meta layer. Chandler and Vargo (2011) define a meta layer to cover "all levels of service-for-service exchanges" and depict a situation where "complex networks are sustained by the reciprocal service provision of multiple actors, dyads, triads, and complex networks that are accessing multiple resources" (Chandler and Vargo, 2011, p. 44). In other words, the meta-layer includes micro, meso and macro levels of service-for-service exchanges, and evolves "across levels of context, over time and through replication" (Chandler and Vargo, 2011, p. 44). Also Möller and Halinen (1999) note that "industrial and social networks form the contextual domain for the individual organizations that comprise it" (p. 416), and argue that from management point of view, understanding how the networks evolve, and what types of processes and structures they include, is crucial.

For Chandler and Vargo (2011), the meta-layer of context illustrates a *service ecosystem*, a concept widely used in especially in discussions related to service-dominant logic. Lusch et al. (2010, p. 31) define service ecosystem as "a spontaneously sensing and responding spatial and temporal structure of largely loosely coupled value proposing social and economic actors' interactions through institutions and technology, to (1) co-produce service offerings; (2) exchange service offerings; and (3) co-create value". In other words, a service ecosystem is a network of relationships where actors and their resources are linked through value propositions (Frow et al., 2016), and where co-creation occurs through the integration of both direct and indirect links between actors and resources that can be public, private and/or market-facing (Wieland et al., 2015). One commonly used illustration is for example that of the automotive ecosystem where value is co-created through the integration of resources such as cars, gas, roads, driving skills and navigation (adapted from Wieland et al., 2015).

Finally and notably, Chandler and Vargo (2011) argue that the meta-layer of context is a fundamental in understanding co-creation, because through this concept one can acknowledge how individual operations of actors, dyads, triads and networks are relative to larger scale social structures, but also vice versa (Frow et al., 2016). Hence, the different contextual levels do not exist in isolation, but events on the lower contextual levels such as a dyad have an influence on the upper levels such as network/macro level, and similarly the upper level events influence the lower levels (Chandler and Vargo, 2011). When observing the context from different levels, one just sees different aspects of the whole (Leroy et al., 2013).
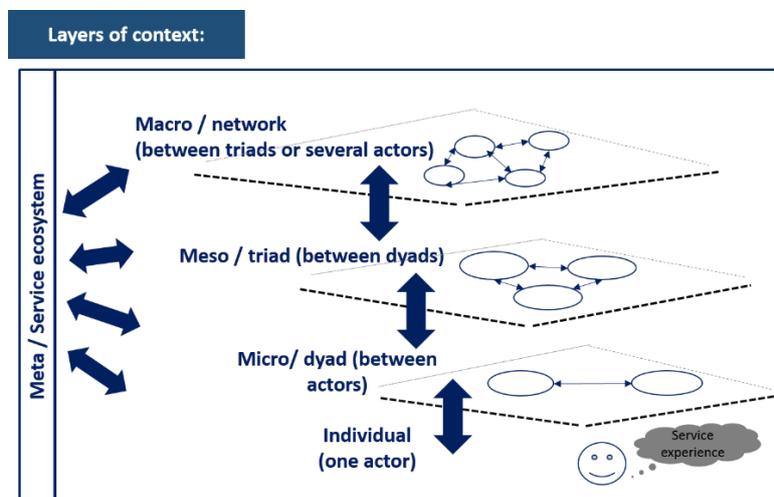

Figure 2: Layers of context for service experience co-creation.

Figure 2 illustrates the contextual layers discussed in this chapter: individual, micro/dyad, meso, macro and meta/service ecosystem (for similar types of illustrations, see e.g. Taillard et al., 2016; Leroy et al., 2013; Chandler and Vargo, 2011). An important notion is that when investigating service experience co-creation from the viewpoint of a dyad, the role of individuals must be well clarified, and the nature of service experience as subjective to individuals must be taken into account of.

Levels of interaction

The contextual layers presented above are widely utilized in current service literature and altogether, they provide us with a big picture of the context for co-creation, one in which we can zoom in and out of different observational levels. However, we argue that an even better understanding of the intertwined and complex nature of the context can be created by including Holmlund's (2004) model of the levels of interaction in this big picture. This is because the context is not static, but the actors in it interact with each other constantly, either directly or indirectly (e.g. Ford et al., 1986).

Holmlund (2004), then, states that one can identify different types of interaction levels within a relationship. According to Holmlund's model, there are five different levels of analysis through which business relationship interaction can be described. The "smallest particle" of interaction, i.e. the most detailed level of analysis, is a single *action* between the counterparts, e.g. a phone call from a sales representative to a customer representative. An action can then be conjoined to a higher level composition of separate actions that all relate to the same thing. In other words, an action can belong to an *episode* of interconnected actions, e.g. the phone call can be part of a sales visit negotiation process between the counterparts. Episodes, in turn, can be connected to a wider *sequence* of interrelated interactions, e.g. the sales visit negotiation process can relate to a particular sales campaign that takes place between the companies. A *relationship* level of interaction, then, is constituted of several sequences. In our example, a relationship between two companies consists of different types of campaigns, projects, and assignments. There is also a partner base level of interaction in Holmlund's model. It depicts a "meta-level" of interaction, an aggregation of relationships a company has at a given time. This refers to the meso level of context described in the earlier chapter.
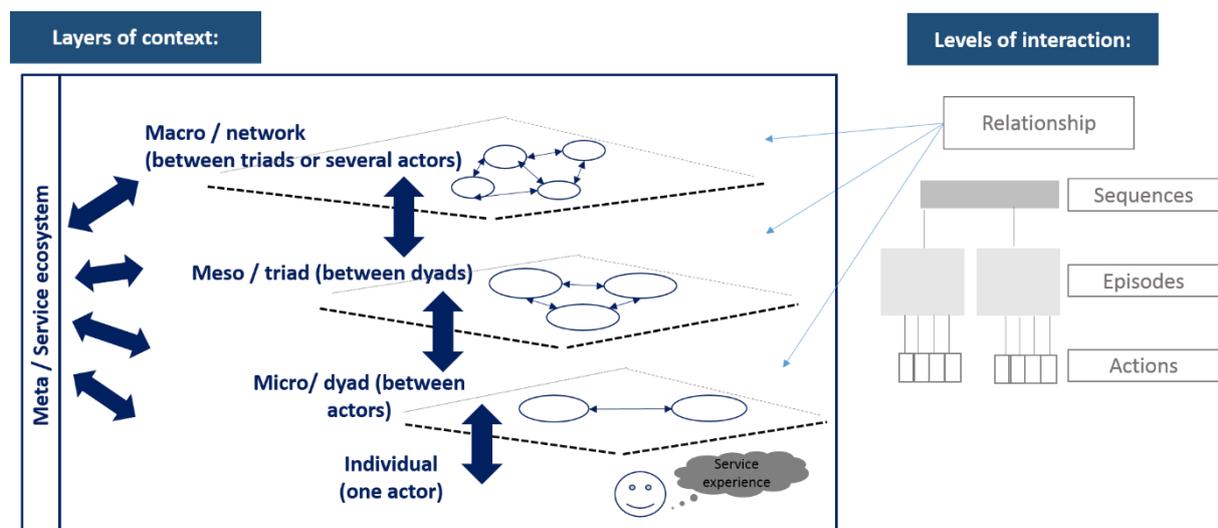

Figure 3: Layers of context and levels of interaction for service experience co-creation.

Consequently, in the context of co-creation there are different types of actions, episodes, and sequences that constitute the relationships (or links) that exist between the actors. Figure 3 illustrates the levels of interaction that can be found at all layers of context. We argue that by including the levels of interaction into the contextual layers, we gain a richer view and more thorough understanding of the influence of context, as interaction is such a constitutive element of service experience co-creation.

Service experience co-creation at different layers of context

Next we take a short look at our current findings of the previous empirical research that has been conducted on service experience co-creation or closely connected concept of (phenomenological) value co-creation on the different observation levels of context. We will also shortly introduce two established sociological theories, practice and institutional theories, that have been adapted also in the service literature to understand co-creation, and of which the researchers conducting studies of this specific topic should be aware of. The literature review is an ongoing process and it will be both broadened and thoroughly categorized in the following phase of our work, i.e. when we start to empirically investigate service experience co-creation in dyadic knowledge-intensive business services.

Individual layer. On the individual level, service experiences as such have been studied a lot, such as in the recent study of direct and indirect use experiences of smartphone app users by Dube and Helkkula (2015), where the authors concluded that the service experience of the user emerged from the combination of directly and indirectly experienced time, outcomes, location, and process. Lemke et al. (2011) studied if and how customers construe experience quality both in B2B and B2C contexts. They identified altogether 119 constructs to experience quality, and concluded that experiences together with relationships outcomes (e.g. commitment, purchase, retention, and word-of-mouth), usage quality, and the overall context were important elements of value-in-use.

The aspects of co-creation have gained less attention, even though exceptions exist (see also Leroy et al., 2013). Firstly, Helkkula et al. (2012a) provide empirical evidence of the previously discussed individual's value in the experience (introduced on page 5). As another example, Verleye (2015) has studied customer's experience from a more outcome-based viewpoint (i.e. co-creation results in negative or positive customer experiences), and concludes that customer's expectations have a significant role in determining the outcome of co-creation process, where hedonic, cognitive, social, personal, pragmatic and economic experiences are the dimensions of it. Minkiewicz et al. (2014), on the other hand, have studied experience co-creation from consumer perspective and identify individual's circumstantial antecedents (e.g. previous exposure, pre-conceptions) as well as individual's processual dimensions of co-creation (co-production, engagement and personalization). Also the study of Flint et al. (2011) is situated at this level of analysis. They report on two survey studies that link supplier's customer value anticipation capacity to customer satisfaction and loyalty.

Micro/dyadic level. From the more traditional value creation viewpoint, dyadic layer has been explored extensively. For example, Haas et al. (2012) study the role of the sales function in the process of creating value with the customer. They create a framework of relationship value creation as interaction process where the tasks of the sales function are detailed within the steps of jointness, balanced initiative, interacted value and socio-cognitive construction.

From the co-creation viewpoint, Aarikka-Stenroos & Jaakkola (2012) studied knowledge-intensive business services, and focused on co-creation in a dyadic relationship between customer and service provider. They found that value co-creation in the context of complex offerings occurs through a dyadic problem solving process which includes diagnosing needs, designing solutions, organizing the process, managing conflicts, and implementation. They also investigated the influence of roles and resources of the actors in this process.

Empirical studies regarding service experience co-creation at dyadic context are, however, still quite rare. They also seem to be focused on service experience outcomes (e.g. positive or negative experiences from a service), or the effects of experiences (see e.g. Bolton et al. 2006, who investigate customer retention). Their objective seems to be more on finding ways to create positive customer experiences through managing co-creation process. For example, Ponsignon et al. (2015) identify different issues related to customer experience management, e.g. establishing stages in the customer journey lifecycle, tracking and improving under-performing moments of truth, personalizing the experience of individual customer, engaging customers in learning through education and guidance, and applying sensory design on tangible and visible interactive elements.

Triadic/meso level and network/macro level. Several studies have used triadic approach to enhance understanding of the mediator's role and activities to facilitate value co-creation in a triadic setting (e.g. Komulainen et al., 2013, Nätti et al., 2014). From the network perspective, the empirical study of Jaakkola and Hakanen (2013) identifies potential linkages between the value processes of actors and their wider network, and postulates that the type of the resources integrated may be an antecedent to certain benefits and sacrifices. Notably, there seems to be quite many conceptual papers discussing the network level (e.g. Ballantyne et al., 2011; Payne et al., 2008), but less those including empirical evidence.

Gummesson and Mele (2010) explored interaction and its role in value co-creation in "many-to-many network setting" (p. 190), and suggest that "through A2A interaction dialogue is set up, knowledge and other resources are transferred and learning takes place" (p. 191). This way interaction between the parties consists of three key aspects (i.e. dialog, resource transfer and learning), and it can be seen as the most crucial antecedent to resource integration and thus value co-creation.

Meta/service ecosystem level. Empirical work regarding service or (phenomenological) value co-creation and conducted on the service ecosystem level has been quite conceptual in nature. Edvardsson et al. (2011) incorporated social structure and social systems into the resource integration process of actors, stating that the surrounding social structure influences (and is influenced by) service exchange by signification, domination, and legitimation. Meynhardt et al. (2016) introduce nine systemic principles for value co-creation – critical distance, stability, amplification, internal determination, nonlinearity and feedback, phase transitions, symmetry-breaking, limited predictability, and historical dependence – and argue that these principles influence the way value is perceived at different layers of context.

Prevalent viewpoints into context for service experience co-creation

For some time, service researchers have utilized practice-based and institutional theories in investigating co-creation and the role of context in it. In service research, these theories have been used either separately or even by combining them, or parts of them. Notably, traditionally these perspectives have not been mixed together due to conceptual segregation, i.e. differences

in their underlying definitions (Lounsbury and Crumley 2007). However, recent work of e.g. Wieland et al. (2015) has connected these two streams and even though not going into detail in this combination in this work, we follow up closely how this integrative work proceeds.

The practice-based approach. The practice-based approach has been utilized in service and co-creation literature to depict and understand processual aspects of usage and economic exchange (Korkman et al., 2010). In general, practice theories "are a broad category of social culturalist theories that examine the structure and routinized actions that emerge in our 'everyday' life and 'life-world'" (Helkkula et al., 2012b, p. 555, referring to Reckwitz). Practices are "routinized ways in which bodies are moved, objects are handled, subjects are treated, things are described, and the world is understood" (Reckwitz, 2002, p. 250). These routinized ways base on a combination of mental frames, artefacts, technology, discourse, values and symbols (Echeverri and Skålen, 2011; Orlikowski, 2007). Schau et al. (2009, p. 31) argue that practices link practical activities (behavior), performances and representations through: 1) procedures ("discursive knowledge", i.e. explicit rules, principles, precepts, and instructions); 2) understandings ("tacit cultural templates for understanding and action", i.e. knowledge what to say and do, skills and projects, or know-how; and 3) engagements ("ends and purposes that are emotionally charged insofar as people are committed to them").

Notably, practice-based approach is not interested in the subjective perceptions of individual actors (Helkkula et al., 2012b), or 'way of thinking', but rather in the 'way of doing' (Korkman et al., 2010). Hence, as Korkman et al. (2010) note, a practice is not something determined by an individual actor, but something that is common and shared (Echeverri and Skålen, 2011), in which the actor takes part in (Korkman et al., 2010), and on which an actor bases her/his actions and interpretations of other actors' actions (Orlikowski, 2007). Yet practice is not fully determined through the context either, but rather, practice "happens in the integration of resource elements" (Korkman et al., 2010, p. 237), and it can simultaneously enable and limit the interactions between actors (Echeverri and Skålen, 2011).

Because practices are argued to constitute the value creation activities of actors (Korkman et al., 2010; Helkkula et al., 2012b), the practice-based view is argued to be of importance in understanding co-creation. Practices guiding co-creation have been studied in both more specific and generic contexts, as well as different contextual layers. For example, Marcos-Cuevas et al. (2016) investigated co-creation capabilities and practices between a selling organization and a customer and through a literature review and empirical investigation identified three types of practices for co-creation: linking (co-ideation, co-valuation, co-diagnosing), materializing (co-testing, co-design, co-development/co-launching), and institutionalizing (embedding).

Starting from the former, Schau et al. (2009) identified four categories of practices in collective value creation in brand communities: social networking (including welcoming, empathizing, and governing), community engagement (including documenting, badging, milestoning, and staking), brand use (including customizing, grooming, and commoditizing) and impression management (including evangelizing and justifying). Carù and Cova (2015) found eight co-creation practices in collective co-consuming groups: performing, judging, value sharing, informing, exulting, helping, volunteering and queuing. Echeverri and Skålen (2011) identified five interaction value practices in public transport: informing, greeting, delivering, charging, and helping.

On a higher analytical level, Kjellberg and Helgesson (2006; 2007) propose three practices that constitute markets. First, exchange practices refer to economic exchanges in a market (Wieland et al., 2015). Representational practices depict markets and how they work. Normalizing practices establish guidelines for how a market should work. Stemming from Kjellberg and Helgesson and the service-dominant logic, Wieland et al. (2015) propose that in service ecosystems, exchange practices could rather be labelled as integrative practices. In between these two extremes, Frow et al. (2016) define practices that shape an ecosystem in a health care sector. These practices have to do with endowing social capital, providing shared language, shaping mental models, physical structures, shaping value propositions, impacting access to resources, forging relationships. The authors also mention institutions, a topic which we will briefly introduce next.

Institutional approach. In the service-dominant logic perspective, Vargo and Lusch (2016) refined their definition of a service ecosystem as being relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange. Hence, they had adopted the concepts of institutional theory in order to describe and understand co-creation in a wider context they refer to as service ecosystem.

Institutions in this perspective are defined as "humanly devised rules, norms and meanings that enable and constrain human action" (Scott, 2011 via Vargo and Lusch, 2016, p. 11). Institutional arrangements, referred to also as institutional logic, are then the "interdependent assemblages of institutions" (Vargo and Lusch, 2016). Institutions represent "the more enduring features of social life" (Giddens 1984, via Wieland et al., 2015, p. 8), or "the rules of the game in a society" (North, 1990 via Edvardsson et al., 2014, p. 295). Institutions therefore guide human interaction and provide mutual expectations regarding e.g. resource integration (Wieland et al., 2015; Edvardsson et al., 2014).

In their conceptual paper, Edvardsson et al. (2014) investigated institutions from the viewpoint of three "institutional pillars": regulative (all formal rules), normative (norms and values), and cognitive (perceptions of reality). They argue that regulative, normative and cognitive institutions guide actors' usage of resources and coordination of resource integration in several ways. Both Edvardsson et al. (2014) and Wieland et al. (2015) have also conceptually investigated how institutions and institutional arrangements change over time. Wieland et al. (2015), referring to earlier work of Lawrence and Suddaby, note that actors and their (resource integrating) activities change institutions by creating, maintaining and disrupting them. Hence, as discussed in service ecosystems chapter, the context influences its actors but also vice versa. Also Edvardsson et al. (2014) state that resource integration is the source of institutional change, as every resource integration process provides actors with knowledge about the value of their resources, other actors and cooperation with them, and the institutions that guide the process. This knowledge is then the source of possible institutional change in the future.

Storbacka et al. (2016) utilize the so called Coleman 'bathtub' in illustrating value co-creation through actor engagement. Referring to the work of microfoundation movement, they argue that there is an interplay between micro, meso and macro layers of context, and that it takes place through three types of mechanisms: situational mechanisms (how macro-level, i.e. institutional contexts influence actors), action-formation mechanisms (how actors assimilate "the contextual conditions into action"), and transformational mechanisms (how actors' actions and interactions influence macro-level, i.e. institutional contexts) (p. 3009).

Our literature review has thus far indicated that empirical studies regarding co-creation and institutions is still scarce, previously mentioned Frow et al. (2016) being one exception. Somewhat related to the topic, studies of culture influencing co-creation do exist, such as the study of Helkkula et al. (2015).

Conclusions

This paper has explored how the existing literature has defined service experience, service experience co-creation and the context surrounding it. It has also presented some of the empirical work already conducted on this field. It has suggested a framework that combines the contextual layers of co-creation with levels of interaction that take place between actors. In this way the framework clarifies the context in which a dyadic relationship is embedded. It brings forth especially the levels of interaction, a topic that has received less attention in recent research. Consequently, the framework contributes to current discussion regarding service experience co-creation, and 'zooms in' to the context and co-creation. It also implies the possible challenges that the subjective nature of experience can bring to studying co-creation in a dyad – or in a wider ecosystem for that matter – and indicates that individuals form an essential contextual layer, which needs to be thoroughly understood also in a dyadic setting. Also, what is regarded as an actor needs to be well defined, when the framework will be implemented in the future empirical research regarding service experience co-creation in professional business service relationships.

Our research contributes to existing IMP research in multiple ways. It acknowledges interaction and dyad as key concepts in understanding what is going in the business relationships and adds to the current research by taking a look at these from the new and original perspective, namely service experience co-creation. This fresh view places a dyad in the broader context of meso, macro and meta levels of context, in which it is embedded, and this view thus widens the traditional network thinking to consider all the different layers of context and their interconnected relationship. Understanding the roles and interactions between the contextual layers enables us to better understand also dyadic relationships, how they are influencing, and are being influenced by, the surrounding environment. We also bring the different levels of interaction taking place in dyad in the big picture and as a result, suggest a comprehensive framework for understanding service experience co-creation as a multilayered and complex phenomenon. It is also suggested in this study that in order to understand service experience co-creation ~~also~~ empirically (i.e. what does it mean and what is important in it when we explore actual business relationships) exploring dyadic relationships is a good starting point, instead of more abstract (and we argue, less concrete) viewpoints onto context.

Based on this study it can be argued that when it comes to the current theoretical understanding, the phenomenon of service experience co-creation in dyadic business relationships is a very complex and ambiguous in nature. It has been investigated from several viewpoints and contextual layers, and with the help of different types of theoretical standpoints. We argue that this may be one of the reasons why the concepts, propositions, premises and definitions regarding service experience, value, and co-creation are still quite diversified, or even vague, and hence quite difficult to comprehend, and why the relationships between different concepts aren't always clear. Hence, it is rather challenging to describe and understand service experience co-creation thoroughly, let alone to study it empirically. Therefore, comprehensive framework such as the one proposed in this study could be useful for further empirical investigations. We dare to suggest that instead of bringing more and more abstract concepts to

the existing discussion, there is need to also empirically try to make sense of this highly important phenomenon.

What's next?

Next, a qualitative exploratory case study will be conducted (Denzin and Lincoln, 2000; Yin, 2009) to contribute to holistic understanding (Eriksson and Kovalainen 2008) of a complex and context-based phenomenon (Bonoma, 1985) of service experience co-creation. It will be a multiple case study exploring how co-creation of service experiences happens in practice in different empirical contexts, namely advertising industry, financial services and healthcare industry. They all represent professional business-to-business services that are undergoing major changes as digital technologies are changing the ways service experiences are co-created between the service providers and their customers. Data collection will be conducted by using different qualitative methods such as narrative interviews, observation and group discussions. We believe this next phase of the study will provide highly important empirical knowledge on this both theoretically and managerially relevant phenomenon that has so far been studied mainly in conceptual research papers.

As we have argued for the importance of understanding the context surrounding service experience co-creation, we will introduce the context of our future empirical study regarding service experience co-creation in dyadic knowledge-intensive business service relationships.

Knowledge-intensive business services. The context of our study can be described to be that of knowledge-intensive business services (KIBS) (see e.g. Muller and Doloreux 2009), referred to also as professional business services (see e.g. Aarikka-Stenroos and Jaakkola 2012), or in more general professional services (see e.g. Von Nordenflycht 2010). Notably, there seems not to be a standard way of defining any of the above mentioned terms, but rather, ambiguity prevails in the definitions of knowledge-intensive firms and work (Muller and Doloreux 2009; Alvesson 1993), as well as professional (business) service firms and work (von Nordenflycht 2010; Jaakkola and Halinen 2006). In addition, it seems that these distinct terms are used to refer to similar types of services, as both KIBS and professional services are said to be represented by companies offering among other management/IT/HR/technology consulting, legal, financial, advertising, and design services (see e.g. Von Nordenflycht 2010; Muller and Doloreux 2009; Løvendahl et al. 2001).

Regardless of the above described ambiguity, there are, however many similarities between the categories, and also many commonly used characterizations of such services. To begin with, when talking about KIBS, or professional services, the customer is quite often referred to as a client both in business talk and academic literature. This is in itself quite an illustrative insight into what these types of services are about, as the opening words of an article by Alvesson et al. (2009, p. 253) indicate: "What is a client? At one level, the response might seem straightforward - someone who receives help from a professional person." Even though Alvesson et al. (2009) continue to indicate that reality is anything but his straightforward, it is nevertheless the expertise, or knowledge, of the professional that is in the central role in such services. Consequently, the most commonly used attributes to describe both KIBS and professional services are the high knowledge-intensity and intangibility of the service content, the problem-solving quality and high rate of customization of the service process, and the deeply interactive and reciprocal nature of the relationship between the service provider and the client (see e.g. Aarikka-Stenroos and Jaakkola 2012; Muller and Doloreux 2009; Jaakkola and Halinen 2006; Løvendahl et al. 2001).

Firstly, the producers of KIBS and professional services are regarded to be experts in their field; possessing knowledge and other capabilities the buyer of such services doesn't have (Løvendahl et al., 2001), and which can be very complex in nature (Hausman 2003). The content or parts of the content of such a service is said to be highly intangible, consisting of insights, knowledge, and advice, among others (Jaakkola and Halinen 2006; Løvendahl et al. 2001). Especially professional service providers are in addition often referred to as being highly educated, and their expertise is said to be formally audited or even licensed (von Nordenflycht 2010), or basing on expertise on the field (Jaakkola and Halinen, 2006). Notable is also that both typologies typically represent organizations that have low capital intensity, their core resource therefore being the intellectually skilled workforce (von Nordenflycht 2010).

Secondly, the service process is described to be that of problem solving, or diagnosing, for the benefit of the client (see e.g. Aarikka-Stenroos and Jaakkola, 2012; Bettencourt et al. 2002; Løvendahl et al., 2001). The process, and the outcome, are not standardized but are context and client dependent (Jaakkola and Halinen 2006; Løvendahl et al., 2001). The service provider can utilize not only his/her knowledge-base and expertise, but also high amount of personal judgement and autonomy during the problem solving process (von Nordenflycht 2010). Due to the fact that the service provider possesses knowledge and capabilities the client doesn't have, there is argued to be information asymmetry between the provider and the client, meaning that the client may find it difficult to evaluate even the outcome of the problem solving process (see e.g. Aarikka-Stenroos and Jaakkola 2012). They may also lack capabilities to describe their actual needs before and during the process (ibid.). Due to this reason, especially professional service organizations are said to operate according to some set of professional codes of ethics, and according to different types of quality assurances (von Nordenflycht 2010). However, there is also evidence that this type of an altruist behavior may not be as a determinative character of professional services as it has argued to be (Jaakkola and Halinen 2006).

Thirdly, from above it follows that the relationship between the service provider and the client is reciprocal in nature, and the service process requires high levels of interaction and customer participation (Aarikka-Stenroos and Jaakkola 2012; Løvendahl et al. 2001). It has also been argued that some level of trust between the parties (Halinen 1996), as well as effective dialogue and sharing of critical information (see e.g. Aarikka-Stenroos and Jaakkola 2012; Bettencourt et al. 2002), are needed for service process to take place. Indeed, regardless of the information asymmetry, the client is a critical actor in the process as it is only through the information and knowledge the client provides that the client-specific problem solving process can succeed (ibid.). The needs, requirements and expectations of clients can also be very complex (Hill and Johnson 2004). Consequently, the relationship between service providers and clients is twofold in that the service providers need clients to provide them with information about needs, requirements and pre-requisites, and the clients need service providers to conceptualize their actual needs for them. Notably, the process, and the relationship between the service provider and the client, is anything but easy, and can include conflicting interests, opinions, and viewpoints (see e.g. Aarikka-Stenroos and Jaakkola 2012).

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