

Henna Konu

19th Nordic Symposium in Tourism and Hospitality Research

Customer's Role in Wellbeing Tourism Product Development Process from Experts' Point of View



UNIVERSITY OF
EASTERN FINLAND

Background

- The role of a customer has been highlighted in product and service development processes.
- Co-creation of products and services
- Customers can be involved in product and service development processes in different ways
- Co-creation in tourism
- Wellbeing tourism development in Finland and in the Nordic Countries

Aim

- This paper concentrates on studying the customer's role in wellbeing tourism product/service development process from tourism experts' point of view.
- The research questions are:
 - How important the co-creation process is seen to be in new wellbeing tourism product development?
 - In what extent companies, DMOs and tourism developers work with co-creation practices and what methods they are using?

Service-dominant logic

- Vargo and Lusch have discussed in several their studies about service-dominant logic as challenging approach to the traditional goods-dominant logic of marketing.
- One of the central aspects of service-dominant logic is the proposition that customers become *co-creators of value* (Vargo and Lusch, 2006; Payne et al., 2008).
- Hence, the service-dominant logic emphasizes the customer perspective, and the customer interacts with suppliers during e.g. product design, production and consumption (Payne et al., 2009).
- This dialog and interaction is often described by using terms co-creation or co-production (Payne et al. 2009).

Co-creation

- Co-creation of products and services has been seen as a new way to create value, both for customers and for businesses, as the co-creation enables customers to co-construct the service or tourist experience to suit their purposes and needs (Miettinen, 2009; Prahalad & Ramaswamy, 2004).
- Value is seen to come more and more from the relationship and co-creation process between a supplier and a customer (Prahalad and Ramaswamy, 2004, p. 4)
- Customers can be involved in product and service development processes in different ways.
- In this study, the focus is particularly in business-to-consumer relationships, not business-to-business.

Co-creation approaches – different ways of involving the customer (Hjalager & Nordin, forthcoming 2011)

- **Tapping data.**

- This includes customer surveys, collecting complaints and analyzing them, analysis of guest and visitor books, blog mining, and product ratings. These methods are involving a large amounts of users and users are acting as passive source if information.

- **Interpreting information.**

- This contains methods such as customer interviews, critical incidents interviews, focus groups, observation of consumer behavior, user panels, and dairies. These involve only a limited number of people to the process and people are still acting as passive suppliers of information.

- **Nurturing creativity.**

- This includes researching of user communities, and making open calls for product or service development and configuration. These methods include several people and during the process people are acting as active co-developers.

- **Experimenting and testing.**

- This includes things such as researching lead user communities, innovation camps, and co-production and tool-kits. In this case only a limited number of people are involved to the process and people are acting as active co-developers.

Data and methods

1. A Delphi study

- Panel included experts from diverse field of expertise: research, business, development and marketing.
- First round started on March 2010 and second on May 2010
- Questions related to co-creation were used

2. Interviews

- Thematic interviews in Finland
- Interviewees are tourism professionals, such as tourism entrepreneurs, experts and regional developers from Jyväskylä, Savonlinna and Vuokatti destinations.
- Altogether 36 interviews were conducted during the fall 2009 and spring 2010.
- In this study, only the part of the interview that is related to co-creation and customer involvement is used and reported.

Results of the Delphi study

- Results of the Delphi study show that customer involvement in product development is seen important (asked on scale 1-11
→ average 9,22)
- Some of the respondents emphasized the importance of customer information as a starting point of product development
- It was also encouraged to involve customers in all phases of product and service development

Results from the interviews

General remarks

- Different co-creation approaches and usage of customer information were identified from the interviews.
- Most of the respondent used customers as passive source of information.
- Information customers provided was used in product and service development processes and also as guiding information when businesses were deciding e.g. investments to facilities.

Results from the interviews

Tapping data and interpreting information

- Methods that included to these categories were the most common ones.
- Many of the respondents were using methods like customer surveys and feedback forms to get customer opinion, for instance, concerning the quality of services.
- Some businesses were involved in quality schemes that require regular collection of customer feedback.
- One of the most used methods from group interpreting information was customer interviews.
 - These were mainly informal discussions with customers.
- Customer observations

“We interview customers quite a lot, we take feedback from all of our customers, we visit our clients [in this case tour operators] rather much, we collect also irregularly customer information, we make also some cooperation with educational institutions and students are making studies for us. That’s mainly it, however we are also trying to collect information by using our networks, following other studies and statistics...”

(Male 12S, free translation of the author)

Nurturing creativity and Experimenting and testing

- Involving customers as active co-developers was rather rare. There were only few respondents that said they are using methods such as researching of user communities or making open calls for product or service development and configuration.
- An example of one product development processes:

A business have sent **prototypes of a new product** (swimming exercise equipments) to indoor swimming pool facilities in Finland **to test use**, and **asked users and physical education instructors to give feedback** of the usage of them. They also launched a **competition for customers** and asked **what kind of exercises one can do with the product**. They got a lot of new ways how the product could be used and also a **few improvement suggestions**. The product was modified a bit following some of the suggestions.

→ In this way the business got good ideas from the end users (customers) and got recognition for their products which also gave them an advantage over their competitors.

-
- Tourism developers were the most educated concerning the new types of customer involvement methods.
 - One of the respondents mentioned that they are using service design and ethnographic methods to find out latent needs and desires.
 - *“...we are trying to collect together ideas, define new issues, involve the customer more to the process, finding out service processes... ...in order to strengthen the customer experience.”*

(Male 1J, free translation of the author)

Conclusions and discussion

- Some of the respondents felt that the customer information is very scarcely utilized.
- Some of the interviewees recognized the importance of customer interaction and they were aware different ways that could be used to utilize customers better in different processes.
- Additionally for above mentioned methods interviewees said that they are also using a quite lot secondary customer information.
- The next phase of the study is to examine what different practices of customer involvement are used in different phases of product development processes.
- In addition, there is a need to find out what ways and on what phases of the development process customers are willing to participate.

Thank you for your attention!



UNIVERSITY OF
EASTERN FINLAND

Henna Konu
University of Eastern Finland,
Centre for Tourism Studies
henna.konu@uef.fi