

Insights into Co-creation of Professional Service Offerings

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Abstract:

Purpose: The purpose of this paper is to analyze the co-creation of professional service offerings by combining the perspectives of the service dominant logic and professional service literature. The paper builds a bridge between services literature and S-D approach and indicates points of congruency and discrepancy.

Approach: The topic is approached with theoretical analysis and conceptual development enriched with anecdotal empirical evidence.

Findings: The analysis of the professional service and its dimensions shows that the S-D logic is well applicable to increasing understanding of the professional service as a dialogical problem-solving process that integrates both the marketer's and the customer's resources. The paper indicates how the characteristics of professional services, particularly the inherent information asymmetry, influence value-creation. A conceptual framework for value co-creation as joint problem-solving is devised.

Practical implications: For practitioners this paper highlights the special features and challenges of co-creation inherent in the context of complex, processual, knowledge-intensive offerings. Service providers should also look beyond the service process and develop, enhance, and communicate the potential for value-in-use for customers.

Originality/value: This paper contributes to the evolution of SD logic by bringing insights from a field that inherently involves a high degree of customization and co-production, and the application of specialist skills and knowledge. The paper challenges the idea that all offerings are alike and increases understanding of co-creation. The paper also contributes to literature on professional services by discussing the new insights brought by the SD logic to the understanding of value creation in professional services.

Type of paper: Conceptual

Key words: professional services, service-dominant logic, co-creation, service process, value

Introduction

The service dominant logic views all exchange as the application of specialized skills and knowledge for the benefit of the other party (Vargo and Lusch, 2004a). According to S-D logic, firms will increasingly compete with customized solutions, realized through interactions and relationships, and involving the customer as co-producer (Day, 2006, p. 88). The S-D logic fundamentally argues that the dichotomy between tangible goods and services is artificial and obsolete, and calls for a more unified understanding of exchange in general, without distinctions between different types of offering (Vargo and Lusch, 2004b).

The body of services marketing literature has evolved from an entirely different premise, focusing on the marketing implications of the processual, interactive nature of exchange that typically occurs in services. Particularly professional services are associated with such characteristics: many service classification schemes categorise professional services as the most heterogeneous services involving a high degree of customer influence and provider discretion (e.g., Lovelock, 1983; Schmenner, 1986; Cunningham *et al.*, 2004). Hence, there is a considerable body of research addressing the implications that heterogeneity, complexity, intangibility, and customer presence and participation may have on the marketing, management and creation of the professional service.

Also several S-D logic minded writers have implied that exchange and interaction differs according the processuality, interaction intensity and tangibility of the exchange. In particular, studies conducted in the context of solutions marketing have highlighted the implications of complexity of the offering and intensity of customisation and interaction with the customer (e.g., Cova and Salle, 2008; Sawhney, 2008, pp. 368-369). For instance, a study by Tuli *et al.* (2007) indicates factors affecting solution effectiveness that are associated with the offering being ambiguous and developed in a process over an extended period of time.

Research conducted in the fields of professional services and solutions marketing give us a ground to assume that fundamental differences exist between offerings, most importantly relating to the type of interaction, information asymmetry, and the co-creation roles of parties to the exchange, which are bound to affect value creation, too. Vargo and Lusch (2004b) argue that service researchers have mainly concerned themselves with identifying the distinguishing service attributes that are seen as hurdles to be overcome by marketing, typically by reducing those inherent service features. However, we point at a vast amount of research, conducted particularly in the field of professional services, and amongst the Nordic School of Thought researchers, that is inherently grounded on the premise of customization and customer-centeredness (e.g., Lapierre, 1997; Grönroos, 2006). Hence, the knowledge developed within the field of professional services marketing and management could be utilised to bring new insights into value-creation in the context of complex, knowledge-based, processual offerings.

The purpose of this paper is to analyse the co-creation of professional service offerings by combining the perspectives of the service dominant logic and professional service literature.

The paper builds a bridge between services literature and the S-D approach and indicates points of congruency and discrepancy. The paper presents a conceptual analysis enriched with anecdotal empirical evidence to illustrate how the features of complex offerings affect the joint value-creation processes. The empirical illustrations are extractions from data collected through qualitative theme interviews within companies offering and buying professional business-to-business services in Finland.

The paper contributes to the evolution of the S-D logic by bringing insights from a field that inherently involves a high degree of customization and co-production, and the application of specialist skills and knowledge – which are also the cornerstones of the foundational premises of S-D logic. The paper challenges the idea that all offerings are alike and increases understanding of co-creation. We suggest that also research on professional services may benefit from the conceptual developments put forward by researchers in service-dominant logic as they have combined and refined various viewpoints to co-creating offerings and value. By highlighting such insights we bring contribution to the field of professional services, too.

The structure of this paper is as follows. First, we briefly describe the nature of the professional service offering as agreed by scholars within professional services marketing and management. Next, we analyse the challenges that the special nature poses on the content and process of the professional service, conceptualised as problem solving. The subsequent section elaborates on the interaction and co-operation in value creation in professional services. Conclusions are made about value creation in professional services as a process of joint problem-solving. Finally, some practical implications are presented to encourage marketers of complex, processual offerings, such as professional service firms and solution providers, to develop their marketing understanding and practices.

The nature of the professional service

The category of professional services rests on their distinctive features such as application of expertise, high customization and credence qualities that lead to vague evaluation criteria and high risk from the customer's point of view (Edvardsson, 1989; Silvestro, *et al.*, 1992; Lapierre, 1997; Thakor and Kumar, 2000; Løwendahl, 2005). A variety of occupations in both consumer and industrial markets are included in the class of professional services, for example medicine, law, engineering, architecture, accounting, consulting and advertising (e.g. Løwendahl, 2005, pp. 22-23). Professional services are based on the application of specialist knowledge, skills and experience which are typically acquired through extensive formal training and practice (e.g., Wilson, 1972; Hausman, 2003; Jaakkola and Halinen, 2006). Services marketing and management literature commonly agrees that the core of the professional service offering is the use of specialist knowledge in problem solving for the customer (Gummesson, 1978; Edvardsson, 1989; Løwendahl, 2005). The tangibility of the professional service offering varies; solutions may be very intangible in nature, such as financial recommendations, investment

decisions, or health advice; but they may also take a tangible form such as blueprints, surgical procedures, or architectural designs (Jaakkola and Halinen, 2006). The problem-solving can be based on innovating new solutions or presenting old solutions (Løwendahl, 2005).

The features of the professional service affect the marketer's way to provide their service. Professionals traditionally enjoy a relatively autonomous status in their work. Autonomy refers to professional's freedom and obligation to exercise their judgment in an objective manner, relying on their expertise and knowledge without the influence of non-members of their profession (Gummesson, 1978; Ritsema van Eck-van Peet, *et al.*, 1992). The expertise and professional status authorise professional service providers to address their clients' problems (Hausman, 2003; Lapierre, 1997). In many professional fields, providers are personally held accountable and liable for their actions (Løwendahl, *et al.*, 2001). Due to the special knowledge needed to evaluate the service, and also the requirement of objectivity and autonomy, many professional fields exercise self-regulation through traditions, norms, or codes of ethics shared by the profession (Ritsema van Eck-van Peet, *et al.*, 1992), enforced through peer reviews, licensing, and the sanctioning of inappropriate behaviour within professional associations (Løwendahl, 2005, p. 39).

Customers typically lack the expertise needed to understand and evaluate the quality of the service or the professional, which potentially creates a sense of risk for the client (Mitchell, 1994). The client is dependent on the service provider to define the problem, and the expert may even know better what the customer needs (Thakor and Kumar, 2000). Customers may feel a great deal of insecurity when buying professional services because they can assess to a very limited degree whether what they are buying will be worth its cost; in fact, they cannot verify or scrutinize the service even after the purchase (Ploetner, 2008).

The disequilibrium of expertise and experience between the professional and the customer creates an information asymmetry between the parties to the exchange (Thakor and Kumar, 2000). The service-dominant logic stresses that symmetric information supports interaction and co-creation, and associate asymmetric information with a goods-dominant logic where the marketer can hide important information (Vargo and Lusch, 2006). However, in the context of complex offerings - such as professional services - asymmetric information is bound to be inherent to the exchange relationship. Wilkie and Moore (2006, p. 271) see that information asymmetry between marketers and consumers is a natural outgrowth of a specialization-based economic system and not a criticism of marketing or marketers themselves. We suggest that information asymmetry between the provider and the customer may complicate joint value co-creation and especially information sharing and interaction between the parties. If customers are not aware of their own needs and best options, they are also unable to communicate reliable information about their problem. Wilkie and Moore (2006) consider this an important challenge that needs be studied further. The issue is pertinent particularly in the context of professional services.

In sum, professional services are associated with complexity, heterogeneity, specialist knowledge, and a high level of uncertainty (Gummeson, 1978; Thakor and Kumar, 2000). Such characteristics entailed with knowledge-intensity challenge both the service provider and the customer during a business transaction: for the service provider, it might be difficult to present the service offering in advance and to manage the service process in order to achieve the best service outcome, and for the customer it might be difficult to understand and evaluate the service. The next sections elaborate on the implications that the complexity of the service has on value co-creation; first, in terms of the basis of the exchange and process of value creation, and secondly, in terms of the participants' roles in the process.

The content and the process of value creation in professional services

The exchange begins with identification of the content of and goals for the exchange. Traditionally, the process for identifying customer needs consists of tasks aiming at “hearing” the voice of the customer in order to identify known or latent needs and wants of customers by asking, listening, observing and experimenting, but in co-creation process, both the firm and the customer do the asking, listening, observing and experimenting, in order to knowing more about the needs and wants of the customer and the firm (Jaworski and Kohli, 2006).

The information asymmetry inherent in professional services poses challenges to customer-determined value creation emphasised in the S-D approach. In the case of professional services, customers may not be knowledgeable enough to identify and determine their problem or the service they actually need. An important part of the value proposition is hence *the diagnosis and identification* of what the customer actually needs. This is illustrated in the following comment:

If the customer is less experienced in buying translation services, we really need to define what translating and localization are and what the customer really needs and wants. (Translation and localisation services)

Many authors have pointed out that determining the content of the service, the service offering, cannot be solely dependent on customers' perception on what is of value for them. Ballantyne and Varey (2006, p. 234) see that “there can be no expectations of a satisfactory relationship developing unless suppliers also determine their own sense of value, which means that value propositions should be conceived from the outset, as particular proposals to and from suppliers and customer seeking equitable exchanges of value”. From the customer's perspective the clearly defined specification and offering also generate comparable offerings (Lindberg and Nordin, 2008).

In many professional services, the service offering may be rather unspecified, at least in terms of the exact output. Empirical findings of Lindberg and Nordin (2008) stress that all products and services, no matter how complex or intangible they are, need to be objectified at some point in time to make them exchangeable; that is, the properties of exchange need to be agreed upon and specified. The need is transformed into a clearly specified assignment which

serves as a basis for the development of offering. The following citations illustrate the necessity and challenges of clarifying the core of the exchange in advance:

In our business it is extremely crucial that there is an agreement about what will be sold and bought. We have to be able to describe in advance, what this case is all about, what we are going to do to you and what you will get with your investment. (Industrial design)

Even though the clients may have to rely on the professional to determine what they actually need, the offering needs to be jointly *specified* to ensure the accuracy of the diagnosis and hence value of the service. According to Lindberg and Nordin (2008) developing specifications of more complex services is sometimes very difficult and especially specifying the results of a creative service, such as architects or PR-firms were considered challenging by buyers. Thus the offering co-creation process requires customers' participation and input, but also motivation and clear procedures. Due to information asymmetry, the provider often needs to lead the process to aid the customer to articulate its wants and needs, as is illustrated in the following comment from an inexperienced buyer of a design service:

We haven't used design services before so we can't necessarily put together such a brief that they are used to. So we just orally tell them, what we think we would need, and they have to use their experience to figure out what we really want. (Saw mill as the customer)

Brown and Bitner (2006) raise the point that it may be difficult to get customers to contribute what is needed from them for defining the service. This challenge is evident in the following quote:

Often when you start talking with the customer, they can't tell you anything and it takes us ages to try to figure out what it could be. Then they look at our proposition and say that "this is not quite it, it's a bit expensive, you shouldn't focus on that, and we don't need this or that". (Market research and consulting)

Streaming from this discussion, we argue that even though the customer input is crucial for specifying of the content of the service and finding the best solution, marketers still need to define their value-propositions on the basis of their expert knowledge and skills, and determine the solution without compromising their professional integrity. Hence, there are cases where professional has to lead the process. When professional service providers must weigh customers' preferences, expectations and needs against their objective professional judgment, the diagnosis may sometimes result in a solution that is not preferred by the customer (Mills and Moshavi, 1999). For example, a physician should decline to prescribe unnecessary or harmful substances to patients even if they request it.

The service-dominant logic emphasises that the value of the offering is not determined by what is offered by the service provider, but what use of it is perceived by the customer (Vargo and Lusch, 2004a). "Value-in-use" refers to the results or outcomes of the service in terms of

the value that is perceived by the client. In the context of professional services, customers may find it difficult to evaluate the value they can derive from the use of the service (Lapierre, 1997). As a consequence of information asymmetry, the customer may be unable to evaluate the quality of the professional service even after the service has been created (Ploetner, 2008). In some cases, the final result of the service unfolds only over time: it is likely to be many months before the earnings or losses produced by an instance of investment advice, for example, can be assessed (Sharma and Patterson, 1999). Therefore it may be challenging for professional service firms to communicate and illustrate the potential value-in-use for the customer. The following citation shows an example of the use of reference cases to outline the kind of value-in-use might be gained with the provided solution:

If we can tell through reference cases how much a previous customer's business did benefit from design, it certainly interests the customer. They think that we can truly enhance their business. (Industrial design agency as service provider)

The service-dominant logic implies that to create value-in-use, customers must learn to use and adapt the offering to their unique needs and usage (Vargo and Lusch, 2004a). Applied to professional services, one can argue that value is often determined by how the customers *use, adapt and implement* the solution that is offered as the result of the professional service. For example, if a patient follows the prescribed treatment regimen or if a company utilizes the results of a market research study or follows a business consultant's recommendations, it is assumed to gain better value-in-use. Hence, the argument that companies can only make value propositions is well suited to professional services.

Inputs, resources and roles in co-production and co-creation in professional services

Adopting the service-dominant logic brings new insights to the roles and activity of parties in value-creation. The S-D approach considers customers as a "co-creators" rather than "recipients". Instead of stressing the outcomes, the S-D logic focuses on the collaborative process of co-creation between parties shifting the nature of exchange from transactions to relations, and from one-way to dialogical communication.

Previous sections brought up the contributions that the professional brings to the exchange. According the professional service literature, providers' solve their clients' problems by applying their specialist knowledge and skills, and also professional norms (e.g., Løwendahl, 2005, p. 22; Jaakkola and Halinen, 2006). In terms of the contributions by customers, the services marketing domain offers a wealth of literature on "customer participation", referring to the influence and input that customers bring to the creation of the service (Larsson and Bowen, 1989).

Customer participation is considered to be prominent in professional services in particular (Hausman, 2003). In fact, one could argue that in professional services, co-production by the customer is likely to imperative, rather than a matter of choice. In other words, the professional

service needs some input from the client to occur at all; unless the customer provides some information or material concerning the problem, the service cannot be realised (Bitner *et al.*, 1997). Using the S-D lexicon, professional services require co-production, i.e. participation in the co-creation of the service offering itself (cf. Lusch *et al.*, 2007).

Services marketing literature offers a variety of definitions of what customer inputs to the service process may include. Traditionally, participation was regarded as customers performing some form of concrete *efforts or labour* (e.g. Bendapudi and Leone, 2003). Many researchers also discuss the *resources* that clients provide in the service production, such as information (e.g. Ennew and Binks, 1999) or the client's body, mind or tangibles (e.g. Larsson and Bowen, 1989).

In the context of professional services, information about the customer's problem and situation to be solved is considered a critical resource (Dawson, 2000). Obtaining this critical resource requires effective dialogic communication rather than one-way promotion (cf. Ballantyne and Varey, 2006). Similarly Jaworski and Kohli (2006) stress "co-creating the voice of the customer" that differs from "hearing the voice of the customer", since parties jointly decide over the process and design of the product or service they each will produce. Thus "hearing the customer" and customization from the marketer's perspective and "customer's participation" from the customer's perspective are merged to co-creation activities within the value-creation process.

Although professional service literature emphasises the critical value of the contribution by the customer – particularly information – the customer is nevertheless considered to have little understanding of the use of that information in problem solving. Therefore, during the co-creation process, professional service firms need to identify, activate, collect and integrate customer resources and other contributions to make value creation possible, as is illustrated in the following citations:

We need to figure out if the customer already possesses material or texts that we can put to use. Sometimes we discuss with the customer what kind of terminology and style they want to use. They need to tell us what they want, and we need to ask questions, for example, to whom their promotion texts or instructions will be directed and do they have different kinds of standards or legislations in different countries. (Translating and location services)

The input that is provided by customers is the most challenging part of the process: how to get the information from the customer in the right form. It can be improved by giving them precise instructions, making clear agreements and getting them to check and approve their data. We've also put a lot of effort in developing our clients' information systems. (Information and analysis services)

One could argue that majority of professional service texts consider customer participation as necessary and valuable input to the professional service process, but fails to consider customers as equal partners in value creation. Customers are traditionally expected to delegate

responsibility for problem solving to the professional (cf. Mills and Moshavi, 1999). The co-creation role of customers in determining and also contributing to the outcomes of the professional service is indeed evident despite the complexity of the offering.

In many cases customers could be considered as equal partners rather than resources: expert customers are able to develop the offerings even better than the producer can and lead users can contribute more to value creation than the producer (Kalaignanam and Varadarajan, 2006, p. 175). Such expert customers can be found particularly in the business-to-business context, but also among consumer services. Business customers typically possess critical information concerning the market, conditions and requirements linked to their industry. In fact, firms often develop their own in-house expertise as buyers to match with the expertise of the suppliers (Løwendahl 2005, p. 41). Along with increased amount of information available, there are also more and more expert consumers who wish to take charge of the decision-making, particularly in the field of health services (Jaakkola, 2007). On this basis, it can be assumed that also in professional services, both expert and novice customers can contribute to the value creation process with their industry and even substance knowledge.

The co-creation of the professional service – i.e. the joint process of solving the customer's problem – may involve complex dialogical processes where both parties assume an active role and contribute resources, like the following citation from the field of industrial design and branding reveals. In this case, a saw mill and a design agency created designer wooden decoration boards:

We had a product development project for a new product group, and in the beginning we had only a faint idea of what we want. Then the industrial designing agency generated several options for us as they possess design competence and experience in concept designing. Then we chose some of their ideas, discussed more, and cut down on the amount of potential solutions and options in order to finally find our own interesting concept for a product. We didn't want to link the solution to plywood because we sell it in a good price anyway. Instead, we wanted to find new alternatives to refine our materials, but to avoid investments on new production lines. After choosing the new product concept we started to develop it further together. And finally we ended up with the solution that we together implement at the moment, the concrete designed concept. (Saw mill)

In sum, we argue that the complexity and professionalism involved in the exchange set certain limits to co-creation of offerings and value. In the case of asymmetrical information, the expert has to assume greater responsibility for creating the service, i.e. in problem resolution, and the customer may play the role of a resource contributor rather than an equal partner. However, the role of the client may nevertheless be critical in implementing the solution, and always in determining the value-in-use of the service.

Figure 1 illustrates the similarities and points of discrepancy between the traditional professional service literature and S-D literature. One can see that both approaches focus on the application of specialist knowledge and skills to solve individual client's problem as core of the

offering and basis of exchange. Furthermore, both approaches consider customers as being responsible for involving their own resources to the offering creation. However, the traditional professional services literature stresses outcome-based problem solving that is complex and intangible by nature, and is carried out in a situation where information asymmetry occurs. Hence, the offering is produced by the marketers, on the account of their expertise. The service provider customizes the offering to fit customer needs, and the customer role is primarily to be a resource for and recipient of the service.

The service-dominant logic approach instead sees the customer as a co-producer or co-creator of the service. Value of the service is not determined according to how “right” the solution is according to some objective standards, but value is perceived and determined by the customer. The S-D logic, however, do not pay attention to the point that specialization and expert skills of the marketer often lead to information symmetry that complicates the joint value-creation process. Furthermore, the professional service literature implicitly views knowledge and skills of the service provider are seen as operand resources, in other words, the professional knowledge is the core offering and “end product” that is offered to the customer. The S-D logic in turn appreciates the operand nature of knowledge as a means to create effects for the customer, rather than having value in its own.

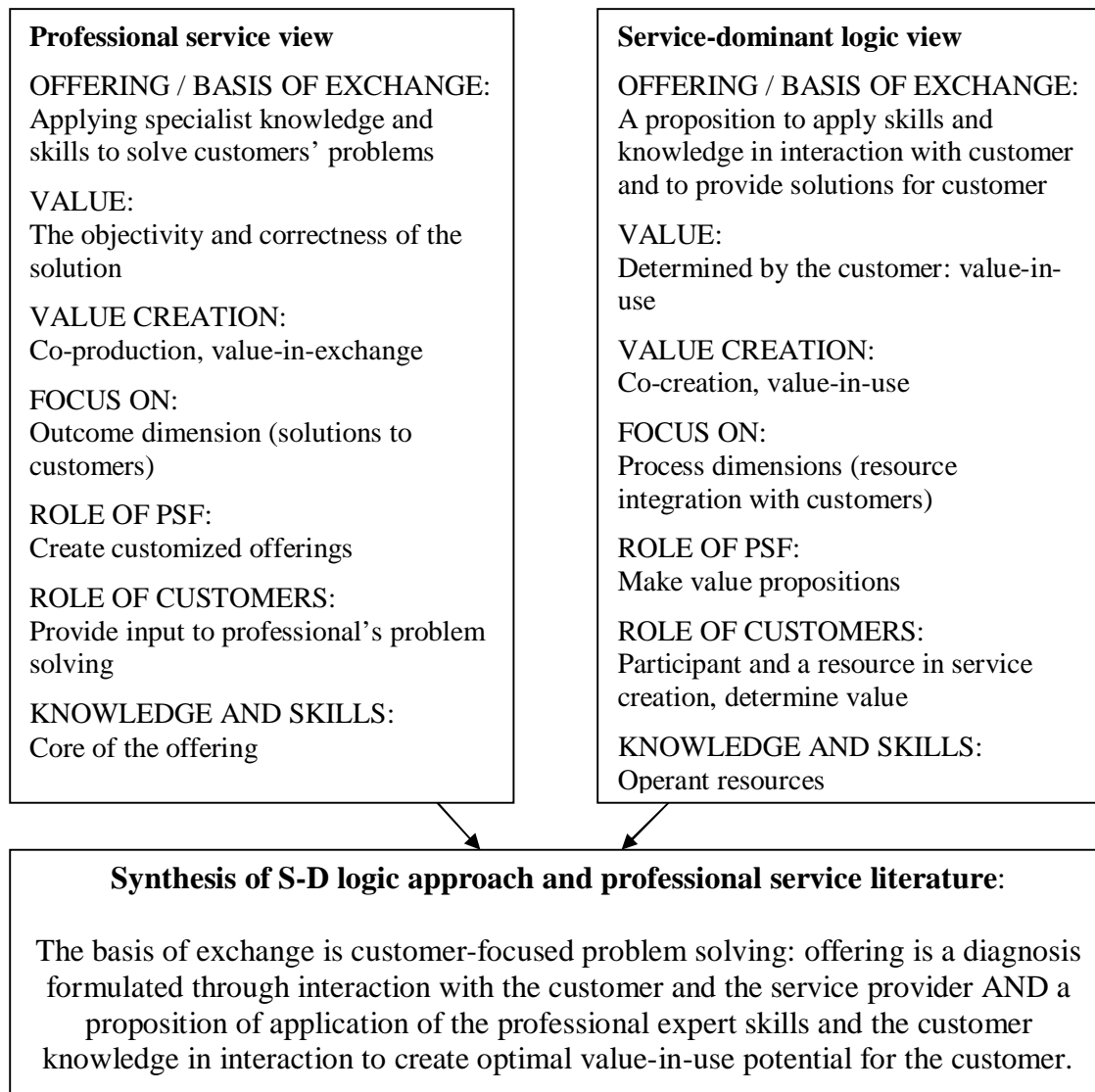


Figure 1. Applying service dominant logic to professional services

Conclusions and implications

In this paper we have discussed value co-creation in the context of complex offerings. The aim of the paper was to analyse the co-creation of professional service offerings by combining the perspectives of the service-dominant logic and professional services literature. We conclude that the SD-logic can bring new insights into understanding value creation in professional services, and SD-logic could learn something from the complex and relational-oriented interaction in information asymmetry situation that occurs naturally in professional services.

We suggest that value creation in professional services can be described as a problem-solving process that is co-created through interaction, where both parties contribute and integrate resources. The content of the service offering is problem solving for the customer, encompassing the specification of the service and finding a solution for the problem, and sometimes also the implementation of the solution. Following the lexicon of the service-

dominant logic, such service offering can only be considered a value proposition for the customer. The problem-solving process can be characterised as hermeneutical, developing through dialogical interaction. Customer input influences each stage of the process, but we argue that in professional services, it may and should not always be guiding the process. Instead, it might be valuable if the marketer leads occasionally the co-creation process due to their expertise and experience. The ultimate value-in-use is determined by the customer. Typically, the value-in-use is the result of the implementation of the solution. To summarise our discussion, we propose a model that illustrates the value co-creation process as joint problem solving aiming at optimal value-in-use (Figure 2).

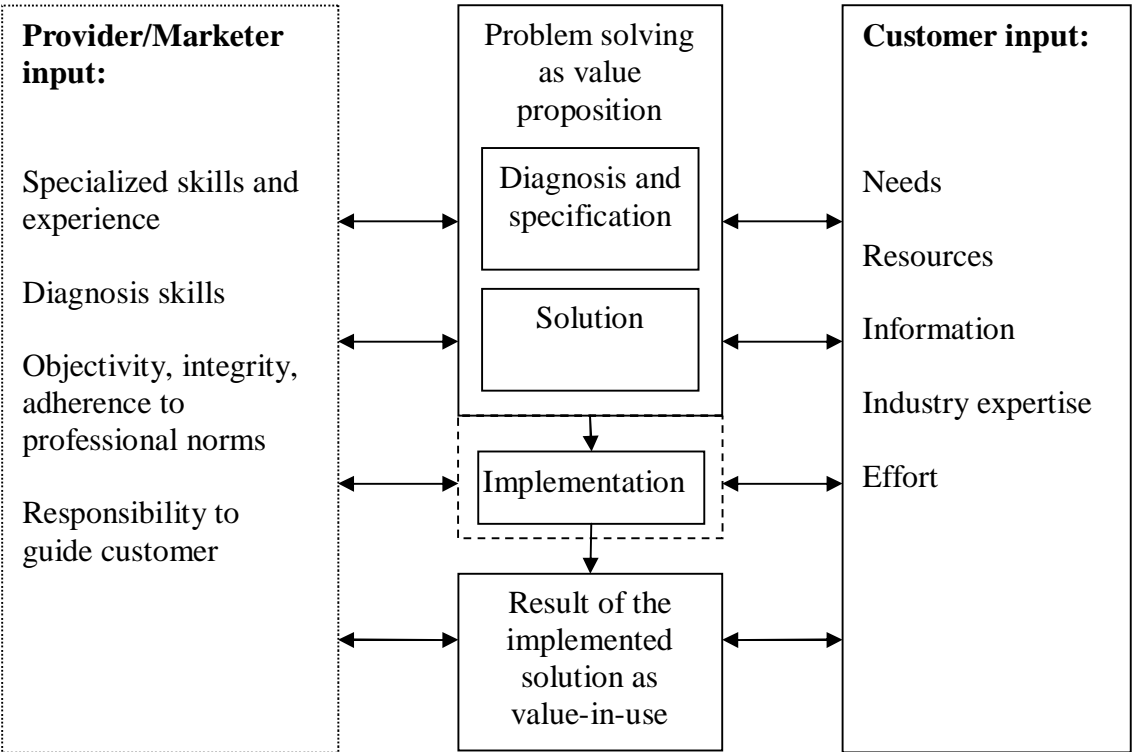


Figure 2. Joint problem-solving as value-creation in professional services

By analysing a field that inherently involves a high degree of specialization and customer influence, this paper contributes to the evolving service-dominant logic discourse with new insights and questions. Although the S-D logic argues that services are not confronted with unique marketing challenges and considers the demarcation between different types of offerings as obsolete, we identified some unique challenges resulting from the characteristics of the basis of exchange and the creation process of professional services.

In the case of complex offerings, there is typically information asymmetry between the parties: the customer has minor knowledge and understanding concerning the needed offering, and therefore the interaction process and required resources might be vague in the eyes of

customers who cannot diagnose their own needs clearly without the marketer's critical input. For the marketer, it might be difficult to present the basis of exchange and value propositions in the form of an offering in advance and to manage the process in order to achieve the best outcome and value-in-use. Due to the superior knowledge of professionals, they also need to incorporate ethical aspects into the service offering. It is marketer's responsibility to use the knowledge for customer in the optimal and ethical way, when offerings are created, and this kind of ethical attitude and way of thinking is stressed in professional service practices. Information symmetry increases the significance of the marketer's ethics, clear interaction procedures and hermeneutical communication as well marketer's responsible to guide the customer.

We support the argument by Lindberg and Nordin (2008) that all products and services, no matter how complex or intangible they are, need to be objectified at some point in time to make them exchangeable. We argue that in the context of complex exchange, the content of exchange needs to be specified and communicated, and some kind of consensus concerning the solution proposition need to be agreed upon in the beginning of value-creation process to make such of solutions tradable. We suggest that instead of considering value-in-use to be entirely determined by the customers, we could regard it to be a part of the provider's expertise to be able to present and illustrate the customers' potential for value-in-use already before or during the process.

Another contribution to the service-dominant logic discourse is drawing attention to the notion that resource and skills integration through joint value-creation is a complex process that may occur in a relationship with asymmetrical information. Value creation is a dialogical process that integrates both the marketer's and the customer's resources in order to achieve the optimal value creation process and value-in-use. Customer co-production of the service offering is needed to make problem-solving possible. Therefore both parties have also responsibilities to define and co-create the offering. The offering specification and design process requires interaction in the form of dialogue. Both parties can contribute to offering specification with their valuable inputs: The seller needs to apply specialized knowledge as a resource and to provide optimal information in information asymmetry situation. The customer's responsibility is to contribute to the co-creation by communicating their needs and industry knowledge. Furthermore, professional service providers have the obligation and right to evaluate customer needs and requirements in the light of their professional integrity, even though that sometimes means not adhering to customer needs.

To inspire future research, we raise questions such as how to manage and optimize interaction during the diagnosis process, and how to engage and manage the dialogue between parties in exchange relationships with information asymmetry and power imbalance. We argue that together with "solutions" (cf. Sawhney, 2006; Tuli *et al.*, 2007), professional services are a good example of complex and customized offerings that may present with special challenges in

terms of value co-creation that are not encountered in the context of more generic, simple products or services, and urge researchers to invest more effort in studying professional services.

Our paper has implications for researchers in the field of professional services marketing and management, too. Despite acknowledging the importance of customer participation, researchers in professional services marketing have perhaps remained rather provider-oriented in their approach to value creation, which may originate from the objectivity requirements and information asymmetry within professional services. The S-D logic implies that the service offering is resource provision rather than a solution for customer needs, because value is only created when the buyer uses the resources provided by a professional service firm, and integrates them with their own skills and knowledge. The S-D logic challenges the traditional perspective on professional service offering creation from a marketer-centered to a customer-centred perspective, considering the customer an active participant in the offering co-creation. Despite the superior knowledge and professional authority of the provider, the customer should not be considered merely an operand resource. Research on professional services should pay more attention to the outcomes of the problem-solving, and study the potential for facilitating optimal value-in-use for the clients. Although references to value-in-use in the professional service context have been made in the literature already in the previous millennium (e.g. Lapierre, 1997), studies of value creation for credence goods have remained scarce (Howden and Pressey, 2008). We suggest the professional services literature should pay more attention to what takes place after the professional service process, as that is when the ultimate value of the service is determined.

This paper has focused on the characteristics of professional services. However, analogous implications could be drawn to any complex offerings and solutions with unstructured decision and production processes. We assume that intangibility, complexity, customization and co-creation lead to a blurred unit of exchange, increased risks and fuzzy expectations. Instead of regarding all offerings as alike, further research could investigate the dimensions that distinguish between offerings in terms of characteristics of value-creation processes.

Our analysis provides some advice for managers as well. We have pointed out that intangibility, complexity, and information asymmetry create marketing challenges for service marketers particularly when offerings or value propositions are defined and specified. Typically, the customer needs the supplier to define the offering, and customers may be unable to specify the services they are buying even during the exchange process. Service - or solution marketers - cannot ignore such problems. Parties to the relationship need to achieve a common understanding of the offering and its value. Professional service marketers should illustrate their value-propositions better, and customers need to more carefully indicate their needs and integrate their applicable resources.

Resource integration in information asymmetry situation sets new challenges for both parties. For example, new communication procedures and practices are needed in order to reduce the

risks perceived by the customer. As Jaworski and Kohli (2006, p. 113) mention, in dialogical offering definition and creation, both parties should explicitly raise “process checks” to identify misunderstandings. However, when offerings are complex and intangible and information asymmetry occurs, gaining this kind of mutual understanding is extremely challenging. Therefore the co-design and co-defining process needs procedures and tools that facilitate interaction, dialogue, and trust.

Additionally, marketers are challenged to communicate the potential for value-in-use for the customer. Instead of illustrating the professional service “product”, they should illustrate the potential value-in-use for customer. Parties to the relationships need more in-depth understanding of their partner to be able to define and communicate potential value-in-use. In the case of increasingly complex and intangible offerings, the company could try to tangibilize the value of the offering. Especially in a situation of information asymmetry and credence qualities marketers need to present *value-scenarios* of various solutions instead of *value-propositions*. For example, by using references (see Salminen and Möller, 2006, Jalkala and Salminen, 2008), service providers can illustrate some long-term benefits of the offering and tangibilize the whole offering for the customer when they aim to illustrate their value propositions.

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